

ATTACHMENT LIST

24PLN-08 / 210 Sutton Way, 24PLN-09 / 265 Sutton Way, 24PLN-10 / 228 Sutton Way

1. Universal Applications
2. Use Permit Applications
3. Carport Failures
4. Construction Proposal
5. Insurance Claims
6. Demolition Invoices
7. Site Plans
8. CalHFA Regulatory Agreements
9. CTCAC Regulatory Agreements

Attachment 1: Universal Applications

Below is the Universal Planning Application form and instructions for submitting a complete planning application. In addition to the Universal Planning Application form, a project specific checklist shall be submitted. All forms and submittal requirements must be completely filled out and submitted with any necessary supporting information.

Upon receipt of the **completed forms, site plan/maps, and filing fees**, the Community Development Department will determine the completeness of the application. This review will be completed as soon as possible, but within thirty (30) days of the submittal of the application. If the application is determined to be complete, the City will begin environmental review, circulate the project for review by agencies and staff, and then schedule the application for a hearing before the Planning Commission.

If sufficient information **has not** been submitted to adequately process your application, you will receive a notice that your application is incomplete along with instructions on how to complete the application. Once the City receives the additional information or revised application, the thirty (30) day review period will begin again.

Since the information contained in your application is used to evaluate the project and in the preparation of the staff report, it is important that you provide complete and accurate information. Please review and respond to each question. If a response is not applicable, N/A should be used in the space provided. Failure to provide adequate information could delay the processing of your application.

Additional information may be obtained at www.cityofgrassvalley.com regarding the 2020 General Plan and Zoning. You may also contact the Community Development Department for assistance.

ADVISORY RE: FISH AND GAME FEE REQUIREMENT

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*If the City finds that the project will not have an impact on wildlife resources, through a De Minimus Impact Finding, the City will issue certificate of fee exemption. Therefore, this fee will not be required to be paid at the time an applicant files the Notice of Determination with the County Recorder. The County's posting and filing fees will still be required.

<u>Applicant/Representative</u>	<u>Property Owner</u>
Name: Kristi Isham / Denni Ragsdale	Name: Cascade Housing Association
Address: P.O. Box 182	Address: P.O. Box 182
Springfield, OR 97477	Springfield, OR 97477
Phone: 931-224-3886 / 916-813-0783	Phone: 541-726-6181
E-mail: kristi.isham@cascadehousing.org / denni.ragsdale@cascadehousing.org	E-mail: kristi.isham@cascadehousing.org

<u>Architect</u>	<u>Engineer</u>
Name:	Name:
Address:	Address:
Phone: ()	Phone: ()
E-mail:	E-mail:

1. Project Information

- a. Project Name Cedar Park Apartments
- b. Project Address 210 Sutton Way, Grass Valley, CA 95945
- c. Assessor's Parcel No(s) 35-412-04-000
(include APN page(s))
- d. Lot Size Approximately 8.70 acres

2. Project Description

Cedar Park Apartments is an 81 unit multifamily affordable housing apartment complex that is rent restricted to 50%-60% average median income. There are a total of 14 buildings (13 residential and 1 community building) with a total of 80 residential units (consisting of 36 two-bedroom, 32 three-bedroom, 12 four-bedroom) and 1 two-bedroom manager's unit. All 80 residential units are income and rent restricted in accordance with the regulatory agreements recorded on title with both California Tax Credit Allocation Committee (CTCAC) and California Housing Finance Agency (CalHFA).

3. General Plan Land Use: Currently Exists
4. Zoning District: _____

4. **Cortese List:** Is the proposed property located on a site which is included on the Hazardous Waste and Substances List (Cortese List)? Y _____ N X

The Cortese List is available for review at the Community Development Department counter. If the property is on the List, please contact the Planning Division to determine appropriate notification procedures prior to submitting your application for processing (Government Code Section 65962.5).

5. **Indemnification:** The City has determined that City, its employees, agents and officials should, to the fullest extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, expense, attorney's fees, litigation expenses, court costs or any other costs arising out of or in any way related to the issuance of this permit, or the activities conducted pursuant to this permit. Accordingly, to the fullest extent permitted by law, the applicant shall defend, indemnify and hold harmless City, its employees, agents and officials, from and against any liability, claims, suits, actions, arbitration proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, but not limited to, actual attorney's fees, litigation expenses and court costs of any kind without restriction or limitation, incurred in relation to, as a consequence of, arising out of or in any way attributable to, actually, allegedly or impliedly, in whole or in part, the issuance of this permit, or the activities conducted pursuant to this permit. Applicant shall pay such obligations as they are incurred by City, its employees, agents and officials, and in the event of any claim or lawsuit, shall submit a deposit in such amount as the City reasonably determines necessary to protect the City from exposure to fees, costs or liability with respect to such claim or lawsuit.
6. **Appeal:** Permits shall not be issued until such time as the appeal period has lapsed. A determination or final action shall become effective on the 16th day following the date by the appropriate review authority, where no appeal of the review authority's action has been filed in compliance with Chapter 17.91 of the City's Development Code.

The 15-day period (also known as the "appeal" period in compliance with Chapter 17.91) begins the first full day after the date of decision that the City Hall is open for business, and extends to the close of business (5:00 p.m.) on the 15th day, or the very next day that the City Hall is open for business.

I hereby certify, to the best of my knowledge, that the above statements are correct.

Property Owner/*Representative Signature: _____
Signature: Kristi Isham
KRISTI ISHAM (Mar 22, 2024 13:09 PDT)
Email: kristi.isham@cascadehousing.org

****Property owner must provide a consent letter allowing representative to sign on their behalf.***

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Property Owner/*Representative Signature: Signature:  KRISTI ISHAM (Mar 22, 2024 13:05 PDT)

Email: kristi.isham@cascadehousing.org

****Property owner must provide a consent letter allowing representative to sign on their behalf.***

Applicant Signature: Signature:  KRISTI ISHAM (Mar 22, 2024 13:05 PDT)

Email: kristi.isham@cascadehousing.org

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KRISTI ISHAM (Mar 22, 2024 13:06 PDT)
Email: kristi.isham@cascadehousing.org

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KRISTI ISHAM (Mar 22, 2024 13:06 PDT)
Email: kristi.isham@cascadehousing.org

--OFFICE USE ONLY--	
Application No.:	Date Filed:
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Attachment 2: Use Permit Applications

USE PERMIT



SUPPLEMENTAL APPLICATION INFORMATION

This document will provide necessary information about the proposed project. It will also be used to evaluate potential environmental impacts created by the project. Please be as accurate and complete as possible in answering the questions. Further environmental information could be required from the applicant to evaluate the project.

PLEASE PRINT CLEARLY OR TYPE
USE A SEPARATE SHEET, IF NECESSARY, TO EXPLAIN THE FOLLOWING:

I. Project Characteristics:

A. Describe all existing buildings and uses of the property: Cedar Park Apartments is located at 210 Sutton Way, and consist of 13 two-story residential buildings and 1 community building. There are a total of 80 low-income residential units and 1 manager's unit, with affordability levels ranging from 50%-60% average median income (AMI). The unit mix of the apartments are as follows: 36 two-bedroom units, 32 three-bedroom units, 12 four-bedroom units, and a two-bedroom manager's unit. This is 100% multifamily, income restricted, tax credit funded housing development that holds regulatory agreements with both California Tax Credit Allocation Committee as well as California Housing Finance Agency.

B. Describe surrounding land uses:

North: Residential multifamily apartments

South: Care center for elderly

East: Office building, Sutton Way and Vacant Commercial Land

West: Mobile home housing park

C. Describe existing public or private utilities on the property: Public utilities currently exists on site.

D. Proposed building size (list by square feet, if multiple stories, list square feet for each floor): Currently conforming use.

E. Proposed building height (measured from average finished grade to highest point): Currently conforming use.

F. Proposed building site plan:

(1)	building coverage	_____	Sq. Ft.	_____	% of site
(2)	surfaced area	_____	Sq. Ft.	_____	% of site
(3)	landscaped area	_____	Sq. Ft.	_____	% of site
(4)	left in open space	_____	Sq. Ft.	_____	% of site
	Total	_____	Sq. Ft.	_____	100 %

G. Construction phasing: If the project is a portion of an overall larger project, describe future phases or extension. Show all phases on site plan. Currently existing conforming use.

H. Exterior Lighting:

1. Identify the type and location of exterior lighting that is proposed for the project. _____

2. Describe how new light sources will be prevented from spilling on adjacent properties or roadways. _____

I. Total number of parking spaces required (per Zoning Code): Requesting reduction of covered parking spaces required by zoning code from 80 to zero (0) covered parking spaces.
parking spaces per each two-bedroom unit or larger.

J. Total number of parking spaces provided: 164 parking spaces

K. Will the project generate new sources of noise or expose the project to adjacent noise sources? Legal conforming property

L. Will the project use or dispose of any potentially hazardous materials, such as toxic substances, flammables, or explosives? If yes, please explain: No

M. Will the project generate new sources of dust, smoke, odors, or fumes? If so, please explain: No

II. Project Characteristics:

A. Days of operation (e.g., Monday - Friday): Currently existing

B. Total hours of operation per day: Currently existing
Times of operation (e.g., 8 - 5, M - F): Currently existing

C. If fixed seats involved, how many: N/A
If pews or benches, please describe how many and the total length: N/A

D. Total number of employees: Currently exists (Property Management staff and Maintenance staff)

E. Anticipated number of employees on largest shift: 2

III. If an **outdoor use** is proposed as part of this project, please complete this section.

A. Type of use:

Sales N/A Processing N/A Storage N/A
Manufacturing N/A Other N/A

B. Area devoted to outdoor use (shown on site plan).

Square feet/acres Currently exists Percentage of site Currently exists

C. Describe the proposed outdoor use: Basketball half court, children playground area, multiple BBQ & picnic areas.

USE PERMITS SITE PLAN REQUIREMENTS

A site plan is a scale drawing that depicts a property's size and shape, existing improvements on the property, and improvements or additions which are intended to be added. The site plan should be as complete and accurate as possible since it will be used by several City departments to check various requirements of the development application. Please place a check or N/A on the line provided in the below checklist. Submit this page along with the map and application packet.

A. Submittal Checklist:

- ☐ One completed copy of Universal Application form.
- ☐ One completed copy of the Environmental Review Checklist (if applicable).
- ☐ 15 copies of the site plan and all other applicable plans/information.
- ☐ Preliminary Title Report dated no later than 6 months prior to the application filing date.
- ☐ The appropriate non-refundable filing fee.

B. Site Plan:

- ☐ Site Plan size – one 8-1/2" x 11", 15 larger folded copies (folded to 9" x 12") with one 8.5 by 11 reduced copy and e-mail electronic .pdf file.
- ☐ Graphic scale and north arrow.
- ☐ Show location and dimensions of existing and proposed structures and walls (identify existing as a solid line and proposed as a dashed line).

- ☐ Label the use of all existing and proposed structures or area.
- ☐ Show the distance between structures and to the property lines.
- ☐ Show site access and off street parking facilities, including parking area and layout, loading areas, trash storage areas, dimensions and numbers of individual parking spaces (including accessible spaces) and aisles.
- ☐ Show size and species of all trees 6 inches and greater in diameter at breast height.
- ☐ Show location and size of all proposed and existing signs, fences and walls.
- ☐ Show location and general dimensions of water courses and drainage ways on the site, including any proposed modifications.

USE PERMIT



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B. Describe surrounding land uses:

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West: Mobile home housing park

C. Describe existing public or private utilities on the property: Public utilities currently exists on site.

D. Proposed building size (list by square feet, if multiple stories, list square feet for each floor): Currently conforming use.

E. Proposed building height (measured from average finished grade to highest point): Currently conforming use.

F. Proposed building site plan:

(1)	building coverage	_____	Sq. Ft.	_____	% of site
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1. Identify the type and location of exterior lighting that is proposed for the project. _____

2. Describe how new light sources will be prevented from spilling on adjacent properties or roadways. _____

I. Total number of parking spaces required (per Zoning Code): Requesting reduction of covered parking spaces required by zoning code from 80 to zero (0) covered parking spaces.
parking spaces per each two-bedroom unit or larger.

J. Total number of parking spaces provided: 164 parking spaces

K. Will the project generate new sources of noise or expose the project to adjacent noise sources? Legal conforming property

L. Will the project use or dispose of any potentially hazardous materials, such as toxic substances, flammables, or explosives? If yes, please explain: No

M. Will the project generate new sources of dust, smoke, odors, or fumes? If so, please explain: No

II. Project Characteristics:

A. Days of operation (e.g., Monday - Friday): Currently existing

B. Total hours of operation per day: Currently existing
Times of operation (e.g., 8 - 5, M - F): Currently existing

C. If fixed seats involved, how many: N/A
If pews or benches, please describe how many and the total length: N/A

D. Total number of employees: Currently exists (Property Management staff and Maintenance staff)

E. Anticipated number of employees on largest shift: 2

III. If an **outdoor use** is proposed as part of this project, please complete this section.

A. Type of use:

Sales <u>N/A</u>	Processing <u>N/A</u>	Storage <u>N/A</u>
Manufacturing <u>N/A</u>	Other <u>N/A</u>	

B. Area devoted to outdoor use (shown on site plan).

Square feet/acres Currently exists Percentage of site Currently exists

C. Describe the proposed outdoor use: Basketball half court, children playground area, multiple BBQ & picnic areas.

USE PERMITS SITE PLAN REQUIREMENTS

A site plan is a scale drawing that depicts a property's size and shape, existing improvements on the property, and improvements or additions which are intended to be added. The site plan should be as complete and accurate as possible since it will be used by several City departments to check various requirements of the development application. Please place a check or N/A on the line provided in the below checklist. Submit this page along with the map and application packet.

A. Submittal Checklist:

- ☐ One completed copy of Universal Application form.
- ☐ One completed copy of the Environmental Review Checklist (if applicable).
- ☐ 15 copies of the site plan and all other applicable plans/information.
- ☐ Preliminary Title Report dated no later than 6 months prior to the application filing date.
- ☐ The appropriate non-refundable filing fee.

B. Site Plan:

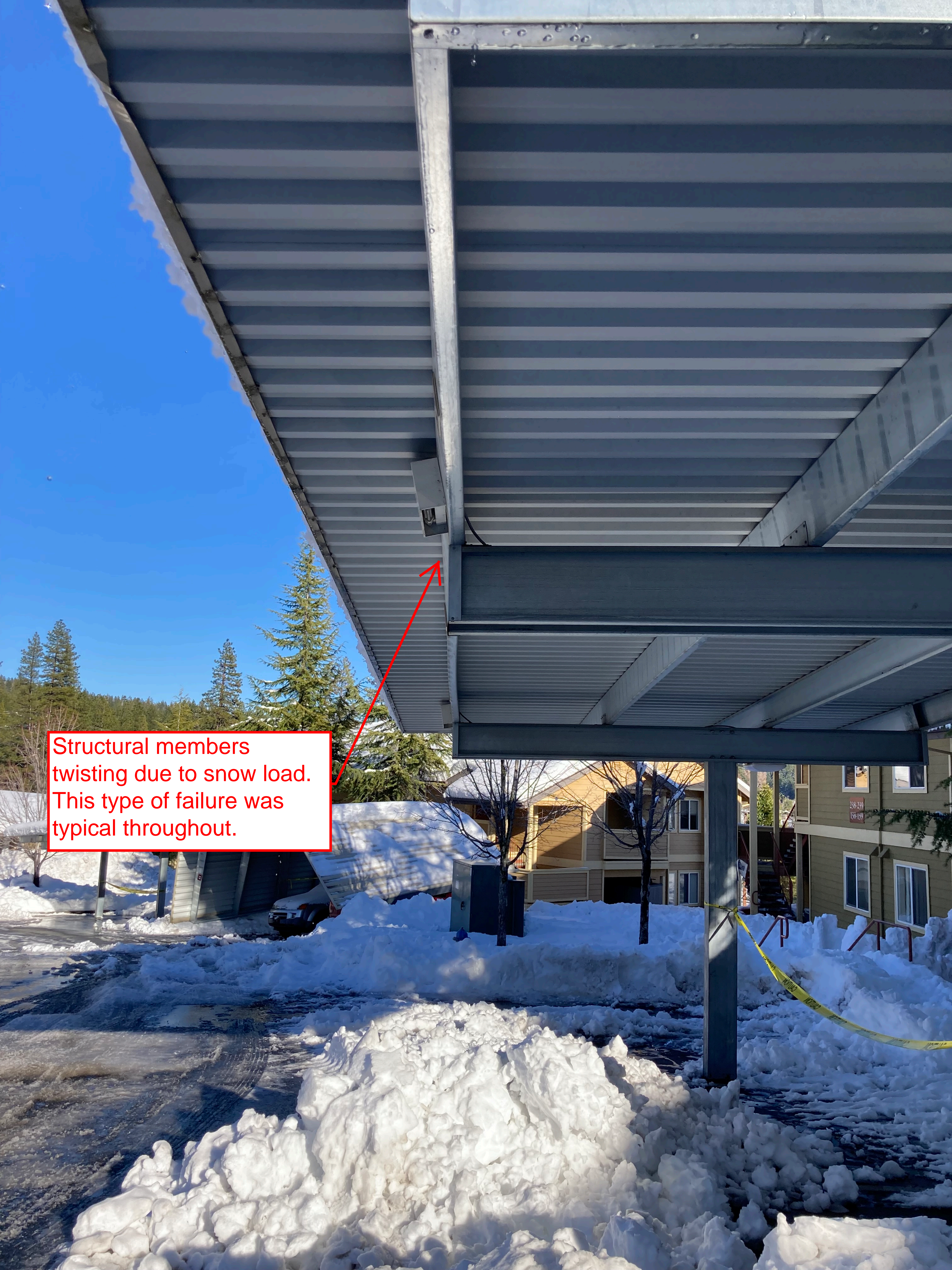
- ☐ Site Plan size – one 8-1/2" x 11", 15 larger folded copies (folded to 9" x 12") with one 8.5 by 11 reduced copy and e-mail electronic .pdf file.
- ☐ Graphic scale and north arrow.
- ☐ Show location and dimensions of existing and proposed structures and walls (identify existing as a solid line and proposed as a dashed line).

- ☐ Label the use of all existing and proposed structures or area.
- ☐ Show the distance between structures and to the property lines.
- ☐ Show site access and off street parking facilities, including parking area and layout, loading areas, trash storage areas, dimensions and numbers of individual parking spaces (including accessible spaces) and aisles.
- ☐ Show size and species of all trees 6 inches and greater in diameter at breast height.
- ☐ Show location and size of all proposed and existing signs, fences and walls.
- ☐ Show location and general dimensions of water courses and drainage ways on the site, including any proposed modifications.

Attachment 3: Carport Failures

210 Sutton Way (Cedar Park Apartments)

24PLN-08



Structural members
twisting due to snow load.
This type of failure was
typical throughout.



Catastrophic failure of structural members due to snow load.



Structural members twisting due to snow load. This type of failure was typical throughout.



Catastrophic failure of vertical structural members. Carport was partially collapsed and was demolished immediately due to tenant safety.



Unit tilted forward due to snow load and failure of vertical columns. Additionally, this shows twisting of steel due to failure.



70

71

Buckling of vertical columns. Common of other catastrophic failures on the properties.



42

Beginning of failure at structural steel. Cantilevered support steel buckling due to snow load.

265 Sutton Way (Glenbrook Apartments)

24PLN-09



Twisting of structural members from snow load. Typical throughout.



Twisting of structural members from snow load. Typical throughout.

38

37

Cantilevered structural member buckling due to snow load. Typical throughout.





Twisting of structural members from snow load. Typical throughout.



32

31

Compromised structural member from snow load. Cantilevered steel bent at mechanical fasteners. Additionally, stitch welds at vertical columns are completely torn apart.

228 Sutton Way (Oak Ridge Apartments)

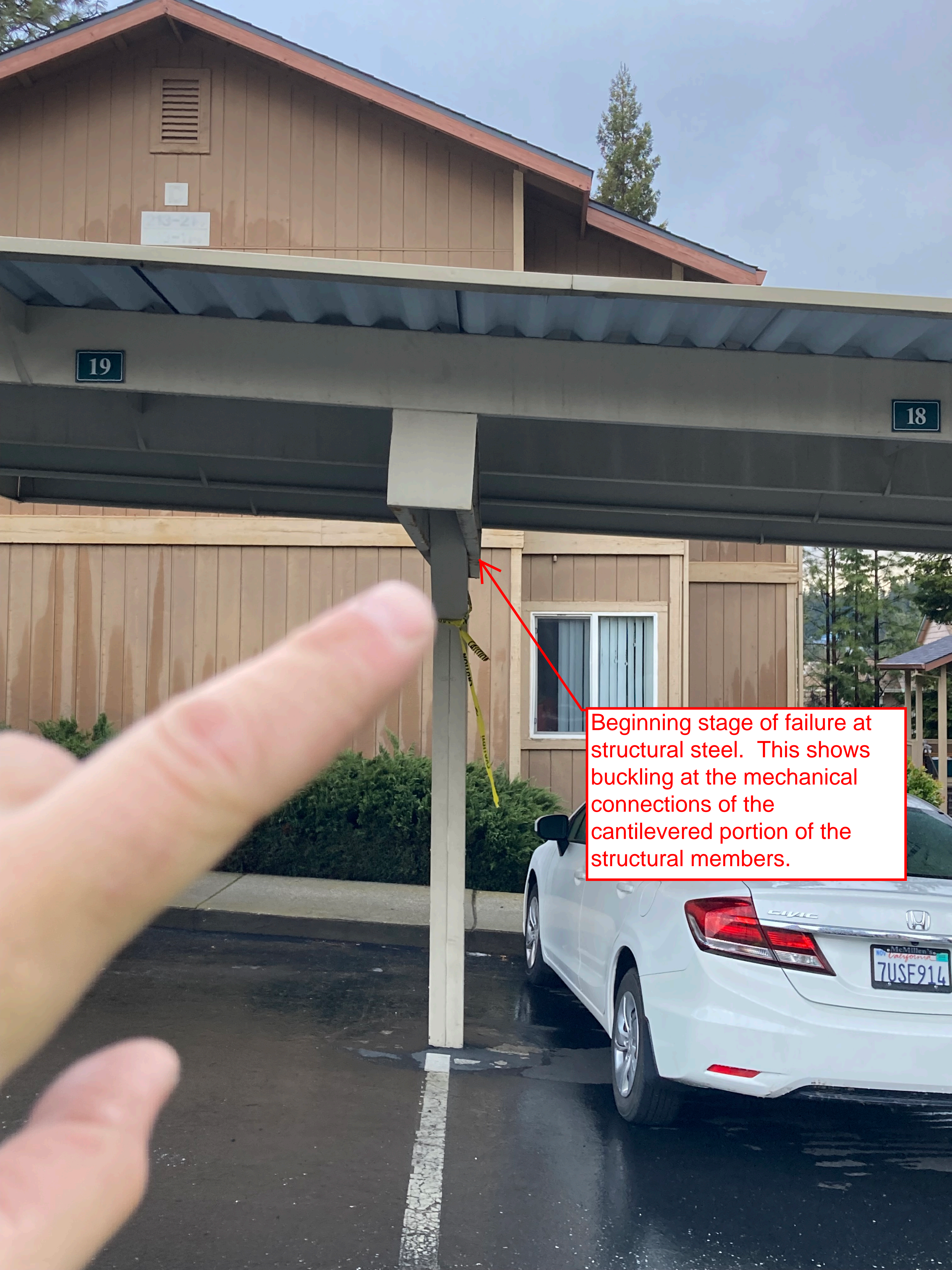
24PLN-10



Common evidence of failures on a majority of car ports.
Structural steel twisting due to snow load.

Catasrophic failure from snow load. This type of failure was evident in almost all carports, but most commonly higher up the column near the mechanical connections





19

18

Beginning stage of failure at structural steel. This shows buckling at the mechanical connections of the cantilevered portion of the structural members.

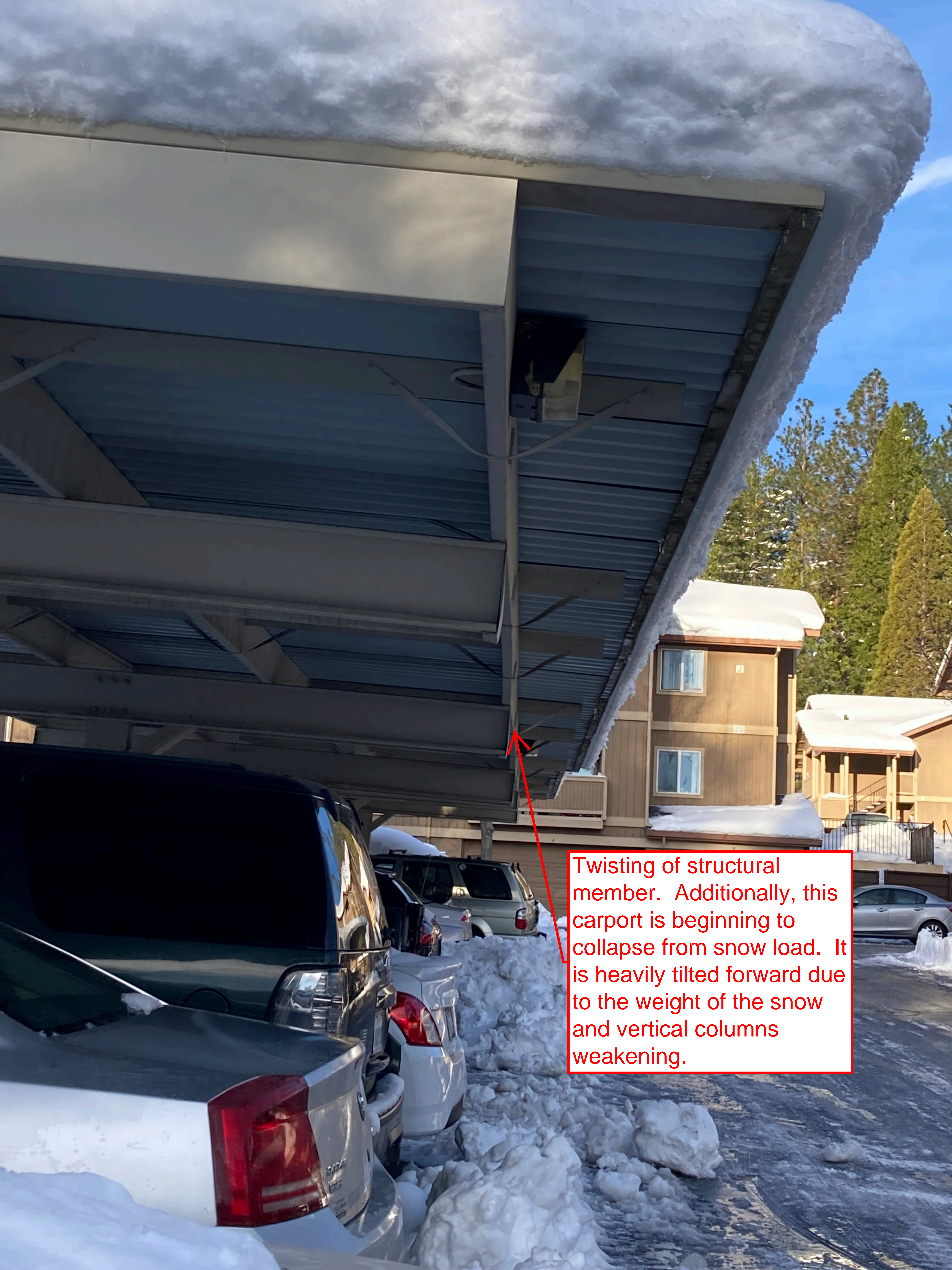
7USF914



1

201
101

More examples of buckling at the cantilevered structural member. Again, this was evident at a majority of carports.



Twisting of structural member. Additionally, this carport is beginning to collapse from snow load. It is heavily tilted forward due to the weight of the snow and vertical columns weakening.



More examples of buckling at the cantilevered structural member. Again, this was evident at a majority of carports.

Attachment 4: Construction Proposals

ATTACHMENT B

Construction Proposal



Proposal #: 23-031

CSLB # 940594 DOSH Reg # 983

Date: 1 December 2023 Office: (916) 919-1167 Fax: (916) 295-1135
By: Joshua Bryant Email: Joshua@element26.us Cell Phone: (916) 919-1167

To: Cascade Housing Association Attn: Kristi Isham

Address: POB 182
Springfield, OR 97477

Phone: (541) 726-6181

Cell:

Fax: Email: kristi.isham@cascadehousing.org

Site / Project: Glenbrook, Oak Ridge and Cedar Park Car Ports
Grass Valley

Addenda Noted: NONE

Prevailing Wages: NO

Plans Date: NONE

Abatement Report: NONE

Thank you for considering Element 26 Contracting for the above-mentioned project. If you have any questions regarding this proposal, please feel free to contact me at the above noted numbers. We look forward to working with you!

Proposed Scope of Work

Carport Structures:

Provide and install new steel covered parking structures.

- Structures will be semi-cantilever design and engineered to exceed current city snow load specifications
- Structures will come pre-painted to owner's color choice

Provide plans for submittal to city for new structures

Provide structural engineering and associated calculations for new structures

Provide electrical engineering for installation of new lighting at structures

Sawcut, break and remove parking lot asphalt for new structural pole bases

- Includes excavation of holes for new pole bases
- Includes hammering of old footings where required to accommodate new footings
- Includes on site utility locates to prevent damage to unmarked utilities. If utilities are found to conflict with new footings, re-routing of those utilities is not included in this proposal.

Sawcut, break and remove parking lot asphalt and sidewalks for new electrical conduits for new lighting.

- Includes trenching, not to exceed 18" wide and depth not to exceed 24"

Provide new LED lighting for new parking structures.

- Includes new wiring and updating panel schedules

Dowel and re-pour concrete sidewalks from removal for conduits

- Does not include re-sloping of concrete or correction of other onsite concrete conditions. We are only repouring to match existing conditions.

Pour concrete for new structure bases

- Concrete footing size and PSI will be based on engineer's calculations

Patch asphalt from removal for bases and conduits

- Includes providing base rock and compaction as needed.

Re-stripe parking lot as needed from asphalt removal

Provide protection measures as needed for open trenches and tenant safety

TOTAL PRICE FOR ABOVE MENTIONED SCOPE OF WORK, GLENBROOK, 12 UNITS:.....\$261,600.00

TOTAL PRICE FOR ABOVE MENTIONED SCOPE OF WORK, OAK RIDGE, 16 UNITS:.....\$348,800.00

TOTAL PRICE FOR ABOVE MENTIONED SCOPE OF WORK, CEDAR PARK, 20 UNITS:.....\$436,000.00

Does not include:

- **Permit Fees**
- **Landscaping repair (owners landscaping contractor)**

Exclusions (UNLESS NOTED ABOVE)

1. All work not specifically included above is excluded. Work scope is limited to the quantities noted above.
2. Excludes demo of ceramic tile flooring and mortar bed, grout, thinset. Excludes removal of epoxy coatings.
3. Jobsite temporary power is to be provided by others.
4. Temporary water to be provided by others (on site use).
5. Weekends, Holidays, and Overtime work is excluded.
6. Excludes Liquidated Damages and Retention.
7. Testing, handling, and removal of Hazardous, Regulated, or Toxic materials, including refrigerant recovery other than those specifically itemized above.
8. Concealed materials not visible, unless indicated on plans.

Terms and Conditions of This Proposal

1. All work to be done in a single mobilization; additional moves charged as extras.
2. If any discrepancy exists or is discovered between the terms of this Proposal and any other written agreement, contract, subcontract, specification, drawing, etc. on the project, then the terms of this Proposal shall prevail. The terms of this Proposal have the highest precedence, and cancel all conflicting terms.
3. Pricing is good for 30 days from date of this Proposal, and is based on award of all bid items.

Assumptions and Limitations

1. Temporary power to be provided by others (onsite use).
2. Contractor to be able to use on site facilities during work hours.

ATTACHMENT B

Construction Proposal



Proposal #: 23-031

CSLB # 940594 DOSH Reg # 983

Date: 1 December 2023 Office: (916) 919-1167 Fax: (916) 295-1135
By: Joshua Bryant Email: Joshua@element26.us Cell Phone: (916) 919-1167

To: Cascade Housing Association Attn: Kristi Isham

Address: POB 182
Springfield, OR 97477

Phone: (541) 726-6181

Cell:

Fax: Email: kristi.isham@cascadehousing.org

Site / Project: **Glenbrook** Oak Ridge and Cedar Park **Car Ports**
Grass Valley

Addenda Noted: NONE

Prevailing Wages: NO

Plans Date: NONE

Abatement Report: NONE

Thank you for considering Element 26 Contracting for the above-mentioned project. If you have any questions regarding this proposal, please feel free to contact me at the above noted numbers. We look forward to working with you!

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3. Pricing is good for 30 days from date of this Proposal, and is based on award of all bid items.

Assumptions and Limitations

1. Temporary power to be provided by others (onsite use).
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ATTACHMENT B

Construction Proposal



Proposal #: 23-031

CSLB # 940594 DOSH Reg # 983

Date: 1 December 2023 Office: (916) 919-1167 Fax: (916) 295-1135
By: Joshua Bryant Email: Joshua@element26.us Cell Phone: (916) 919-1167

To: Cascade Housing Association Attn: Kristi Isham

Address: POB 182
Springfield, OR 97477

Phone: (541) 726-6181

Cell:

Fax: Email: kristi.isham@cascadehousing.org

Site / Project: Glenbrook, Oak Ridge and Cedar Park Car Ports
Grass Valley

Addenda Noted: NONE

Prevailing Wages: NO

Plans Date: NONE

Abatement Report: NONE

Thank you for considering Element 26 Contracting for the above-mentioned project. If you have any questions regarding this proposal, please feel free to contact me at the above noted numbers. We look forward to working with you!

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- **Landscaping repair (owners landscaping contractor)**

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4. Temporary water to be provided by others (on site use).
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3. Pricing is good for 30 days from date of this Proposal, and is based on award of all bid items.

Assumptions and Limitations

1. Temporary power to be provided by others (onsite use).
2. Contractor to be able to use on site facilities during work hours.

Attachment 5: Insurance Claims

Attachment C



Claim #: 5021781016-1
Insured: OREGON INVESTORS V
GA: Jeff Camacho
DOL: 2/28/2023

Monday, March 25, 2024

Truck Insurance Exchange

BUILDING COVERAGE

Building Coverage

Xactimate Estimate
Element 26 Removal Invoice
Less Non-covered portion of Element 26 Invoice for 3 carports

Policy limit:

BUILDING STATEMENT OF LOSS

\$ 16,790,000.00

\$230,884.96

\$60,000.00

-\$9,000.00

Building Coverage Sub-Total:

\$281,884.96

Replacement Cost Grand Total:

\$281,884.96

Payable When Incurred

<Less O&P ACV, Depreciation on O&P, Tax>

<Less Recoverable Depreciation>

\$78,735.05

<Less Non-Recoverable Depreciation>

Actual Cash Value

\$203,149.91

<Less Deductible of \$25,000>

\$25,000.00

Total Amount Due:

\$178,149.91

Description of Payment

<Less prior payments:>
<Less prior payments:>
<Less prior payments:>
<Less prior payments:>
<Less prior payments:>
TOTAL PRIOR PAYMENTS

Date of Payment

6/13/2023	\$178,149.91
	\$178,149.91

Amount of Payment

This Payment:

\$0.00

Attachment C



Claim #: 7006217336-1
Insured: OREGON INVESTORS V
GA: Jeff Camacho
DOL: 3/7/2023

Monday, March 25, 2024

Truck Insurance Exchange

BUILDING COVERAGE

Building Coverage

Xactimate Estimate

Element 26 Removal Invoice

Policy limit:

BUILDING STATEMENT OF LOSS

\$ 9,588,100.00

\$167,202.03

\$39,000.00

Building Coverage Sub-Total:

\$206,202.03

Replacement Cost Grand Total:

\$206,202.03

Payable When Incurred

<Less O&P ACV, Depreciation on O&P, Tax>

<Less Recoverable Depreciation>

\$53,098.97

<Less Non-Recoverable Depreciation>

Actual Cash Value

\$153,103.06

<Less Deductible of \$25,000>

\$25,000.00

Total Amount Due:

\$128,103.06

Description of Payment

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

TOTAL PRIOR PAYMENTS

Date of Payment

Amount of Payment

\$39,000.00

\$89,103.06

\$128,103.06

This Payment:

\$0.00

Attachment C



Claim #: 5021822222-1
Insured: OREGON INVESTORS V
GA: Jeff Camacho
DOL: 3/7/2023

Monday, March 25, 2024

Farmers Insurance Exchange

BUILDING COVERAGE

Building Coverage

Xactimate Estimate
Element 26 Removal Invoice
Less Non-covered portion of Element 26 Invoice for 1 carport

Policy limit: \$ 18,277,100.00

BUILDING STATEMENT OF LOSS

\$261,132.03

\$48,000.00

-\$3,000.00

Building Coverage Sub-Total:

\$306,132.03

Replacement Cost Grand Total:

\$306,132.03

Payable When Incurred

<Less O&P ACV, Depreciation on O&P, Tax>

<Less Recoverable Depreciation>

\$103,682.27

<Less Non-Recoverable Depreciation>

Actual Cash Value

\$202,449.76

<Less Deductible of \$25,000>

\$25,000.00

Total Amount Due:

\$177,449.76

Description of Payment

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

<Less prior payments:>

TOTAL PRIOR PAYMENTS

\$0.00

This Payment:

\$177,449.76

Attachment 6: Demolition Invoices

Element 26 Contracting

3277 Monier Cir
Rancho Cordova, CA 95742
Phone: (916) 295-1130
Fax: (916) 295-1135

Invoice

Invoice Number
1196
Invoice Date
3/27/2023

Bill To: Cambridge Real Estate Services
P.O. Box 2968

Portland, OR 97208

Re: Cedar Park Apartments Parking

Grass Valley, CA

Our Job No	Customer Job No	Customer PO	Payment Terms	Due Date
23-004			Due Upon Receipt	3/27/2023
Description				Price
Demolition of single and double unit carports. Includes patching of asphalt where the structural columns were. 20 units @ \$3,000 each				60,000.00

Subtotal \$ 60,000.00

Total Due \$ 60,000.00

Thank you for your business!

AIA Type Document
Application and Certification for Payment

Page 1 of 2

TO (OWNER): Cascade Housing Association
PO Box 182
Springfield, OR 97477

PROJECT: Cedar Park Exterior Lighting
201 Sutton Way
Grass Valley, CA 95945

APPLICATION NO: 1
PERIOD TO: 8/31/2023

DISTRIBUTION
TO:
_ **OWNER**
_ **ARCHITECT**
_ **CONTRACTOR**

FROM (CONTRACTOR): Element 26 Contracting
3277 Monier Cir
Rancho Cordova, CA 95742

VIA (ARCHITECT):

ARCHITECT'S
PROJECT NO:

CONTRACT FOR:

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Type Document is attached.

1. **ORIGINAL CONTRACT SUM** \$ 2,000.00
2. **Net Change by Change Orders** \$ 0.00
3. **CONTRACT SUM TO DATE** (Line 1 + 2). \$ 2,000.00
4. **TOTAL COMPLETED AND STORED TO DATE** \$ 2,000.00

5. RETAINAGE:

a. 0.00 % of Completed Work \$ 0.00
b. 0.00 % of Stored Material \$ 0.00

Total retainage (Line 5a + 5b) \$ 0.00

6. **TOTAL EARNED LESS RETAINAGE** \$ 2,000.00
(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 0.00

8. **CURRENT PAYMENT DUE** \$ 2,000.00

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	0.00
Total approved this Month	0.00	0.00
TOTALS	0.00	0.00
NET CHANGES by Change Order	0.00	

The Undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the owner, and that current payment shown herein is now due.

CONTRACTOR: Element 26 Contracting
3277 Monier Cir Rancho Cordova, CA 95742

By: _____ Date: _____
/

State of:

County of:

Subscribed and Sworn to before me this _____ Day of _____ 20 ____

Notary Public:

My Commission Expires : _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In Accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, Payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA Type Document
Application and Certification for Payment

TO (OWNER): Cascade Housing Association PO Box 182 Springfield, OR 97477	PROJECT: Cedar Park Exterior Lighting 201 Sutton Way Grass Valley, CA 95945	APPLICATION NO: 1 PERIOD TO: 8/31/2023	DISTRIBUTION TO: _ OWNER _ ARCHITECT _ CONTRACTOR
FROM (CONTRACTOR): Element 26 Contracting 3277 Monier Cir Rancho Cordova, CA 95742	VIA (ARCHITECT):	ARCHITECT'S PROJECT NO:	

CONTRACT FOR:				CONTRACT DATE:					
ITEM	DESCRIPTION	SCHEDULE VALUE	PREVIOUS APPLICATIONS	COMPLETED THIS PERIOD	STORED MATERIAL	COMPLETED STORED	%	BALANCE	RETAINAGE
1	Electrical disconnects & safe-offs of demolished carport lighting	2,000.00	0.00	2,000.00	0.00	2,000.00	100.00	0.00	0.00
REPORT TOTALS		\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	100.00	\$0.00	\$0.00

Element 26 Contracting

3277 Monier Cir
Rancho Cordova, CA 95742
Phone: (916) 295-1130
Fax: (916) 295-1135

Invoice

Invoice Number
1193
Invoice Date
3/27/2023

Bill To: Cambridge Real Estate Services
P.O. Box 2968

Portland, OR 97208

Re: Glenbrook Apartments Parking

Grass Valley, CA

Our Job No	Customer Job No	Customer PO	Payment Terms	Due Date
23-006			Due Upon Receipt	3/27/2023
Description				Price
Demolition of single and double unit carports. Includes patching of asphalt where the structural columns were. 10 units @ \$3,000 each				30,000.00
Hand demolition due to high voltage lines. 2 units @ \$4,500 each				9,000.00

Subtotal \$ 39,000.00

Total Due \$ 39,000.00

Thank you for your business!

AIA Type Document
Application and Certification for Payment

Page 1 of 2

TO (OWNER): Cascade Housing Association
P.O. Box 182
Springfield, OR 97477

PROJECT: Glenbrook Exterior Lighting
265 Sutton Way
Grass Valley, CA 95945

APPLICATION NO: 1
PERIOD TO: 8/31/2023

DISTRIBUTION
TO:
_ **OWNER**
_ **ARCHITECT**
_ **CONTRACTOR**

FROM (CONTRACTOR): Element 26 Contracting
3277 Monier Cir
Rancho Cordova, CA 95742

VIA (ARCHITECT):

ARCHITECT'S
PROJECT NO:

CONTRACT FOR:

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Type Document is attached.

1. **ORIGINAL CONTRACT SUM** \$ 2,000.00
2. **Net Change by Change Orders** \$ 0.00
3. **CONTRACT SUM TO DATE** (Line 1 + 2). \$ 2,000.00
4. **TOTAL COMPLETED AND STORED TO DATE** \$ 2,000.00

5. RETAINAGE:

a. 0.00 % of Completed Work \$ 0.00
b. 0.00 % of Stored Material \$ 0.00

Total retainage (Line 5a + 5b) \$ 0.00

6. **TOTAL EARNED LESS RETAINAGE** \$ 2,000.00
(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 0.00

8. **CURRENT PAYMENT DUE** \$ 2,000.00

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	0.00
Total approved this Month	0.00	0.00
TOTALS	0.00	0.00
NET CHANGES by Change Order	0.00	

The Undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the owner, and that current payment shown herein is now due.

CONTRACTOR: Element 26 Contracting
3277 Monier Cir Rancho Cordova, CA 95742

By: _____ Date: _____
/

State of:

County of:

Subscribed and Sworn to before me this _____ Day of _____ 20 ____

Notary Public:

My Commission Expires : _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In Accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, Payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA Type Document
Application and Certification for Payment

TO (OWNER): Cascade Housing Association P.O. Box 182 Springfield, OR 97477	PROJECT: Glenbrook Exterior Lighting 265 Sutton Way Grass Valley, CA 95945	APPLICATION NO: 1 PERIOD TO: 8/31/2023	DISTRIBUTION TO: _ OWNER _ ARCHITECT _ CONTRACTOR
FROM (CONTRACTOR): Element 26 Contracting 3277 Monier Cir Rancho Cordova, CA 95742	VIA (ARCHITECT):	ARCHITECT'S PROJECT NO:	

CONTRACT FOR:				CONTRACT DATE:					
ITEM	DESCRIPTION	SCHEDULE VALUE	PREVIOUS APPLICATIONS	COMPLETED THIS PERIOD	STORED MATERIAL	COMPLETED STORED	%	BALANCE	RETAINAGE
1	Electrical disconnects & safe-offs of demolished carport lighting	2,000.00	0.00	2,000.00	0.00	2,000.00	100.00	0.00	0.00
REPORT TOTALS		\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	100.00	\$0.00	\$0.00

Element 26 Contracting

3277 Monier Cir
Rancho Cordova, CA 95742
Phone: (916) 295-1130
Fax: (916) 295-1135

Invoice

Invoice Number
1192
Invoice Date
3/27/2023

Bill To: Cambridge Real Estate Services
P.O. Box 2968

Portland, OR 97208

Re: Oak Ridge Apartments Parking

Grass Valley, CA

Our Job No	Customer Job No	Customer PO	Payment Terms	Due Date
23-005			Due Upon Receipt	3/27/2023
Description				Price
Demolition of single and double unit carports. Includes patching of asphalt where the structural columns were. 16 units @ \$3,000 each				48,000.00

Subtotal \$ 48,000.00

Total Due \$ 48,000.00

Thank you for your business!

AIA Type Document
Application and Certification for Payment

Page 1 of 2

TO (OWNER): Cascade Housing Association
P.O. Box 182
Springfield, OR 97477

PROJECT: Oak Ridge Exterior Lighting
228 Sutton Way
Grass Valley, CA 95945

APPLICATION NO: 1
PERIOD TO: 8/31/2023

DISTRIBUTION
TO:
_ **OWNER**
_ **ARCHITECT**
_ **CONTRACTOR**

FROM (CONTRACTOR): Element 26 Contracting
3277 Monier Cir
Rancho Cordova, CA 95742

VIA (ARCHITECT):

ARCHITECT'S
PROJECT NO:

CONTRACT FOR:

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Type Document is attached.

1. **ORIGINAL CONTRACT SUM** \$ 2,000.00
2. **Net Change by Change Orders** \$ 0.00
3. **CONTRACT SUM TO DATE** (Line 1 + 2) \$ 2,000.00
4. **TOTAL COMPLETED AND STORED TO DATE** \$ 2,000.00

5. RETAINAGE:

a. 0.00 % of Completed Work \$ 0.00
b. 0.00 % of Stored Material \$ 0.00

Total retainage (Line 5a + 5b) \$ 0.00

6. **TOTAL EARNED LESS RETAINAGE** \$ 2,000.00
(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate) \$ 0.00

8. **CURRENT PAYMENT DUE** \$ 2,000.00

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	0.00
Total approved this Month	0.00	0.00
TOTALS	0.00	0.00
NET CHANGES by Change Order	0.00	

The Undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the work covered by this application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the owner, and that current payment shown herein is now due.

CONTRACTOR: Element 26 Contracting
3277 Monier Cir Rancho Cordova, CA 95742

By: _____ Date: _____
/

State of:

County of:

Subscribed and Sworn to before me this _____ Day of _____ 20 ____

Notary Public:

My Commission Expires : _____

ARCHITECT'S CERTIFICATE FOR PAYMENT

In Accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ _____

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.)

ARCHITECT:

By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, Payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AIA Type Document
Application and Certification for Payment

Page 2 of 2

TO (OWNER): Cascade Housing Association
P.O. Box 182
Springfield, OR 97477

PROJECT: Oak Ridge Exterior Lighting
228 Sutton Way
Grass Valley, CA 95945

APPLICATION NO: 1
PERIOD TO: 8/31/2023

DISTRIBUTION
TO:
_ **OWNER**
_ **ARCHITECT**
_ **CONTRACTOR**

FROM (CONTRACTOR): Element 26 Contracting
3277 Monier Cir
Rancho Cordova, CA 95742

VIA (ARCHITECT):

ARCHITECT'S
PROJECT NO:

CONTRACT FOR:

CONTRACT DATE:

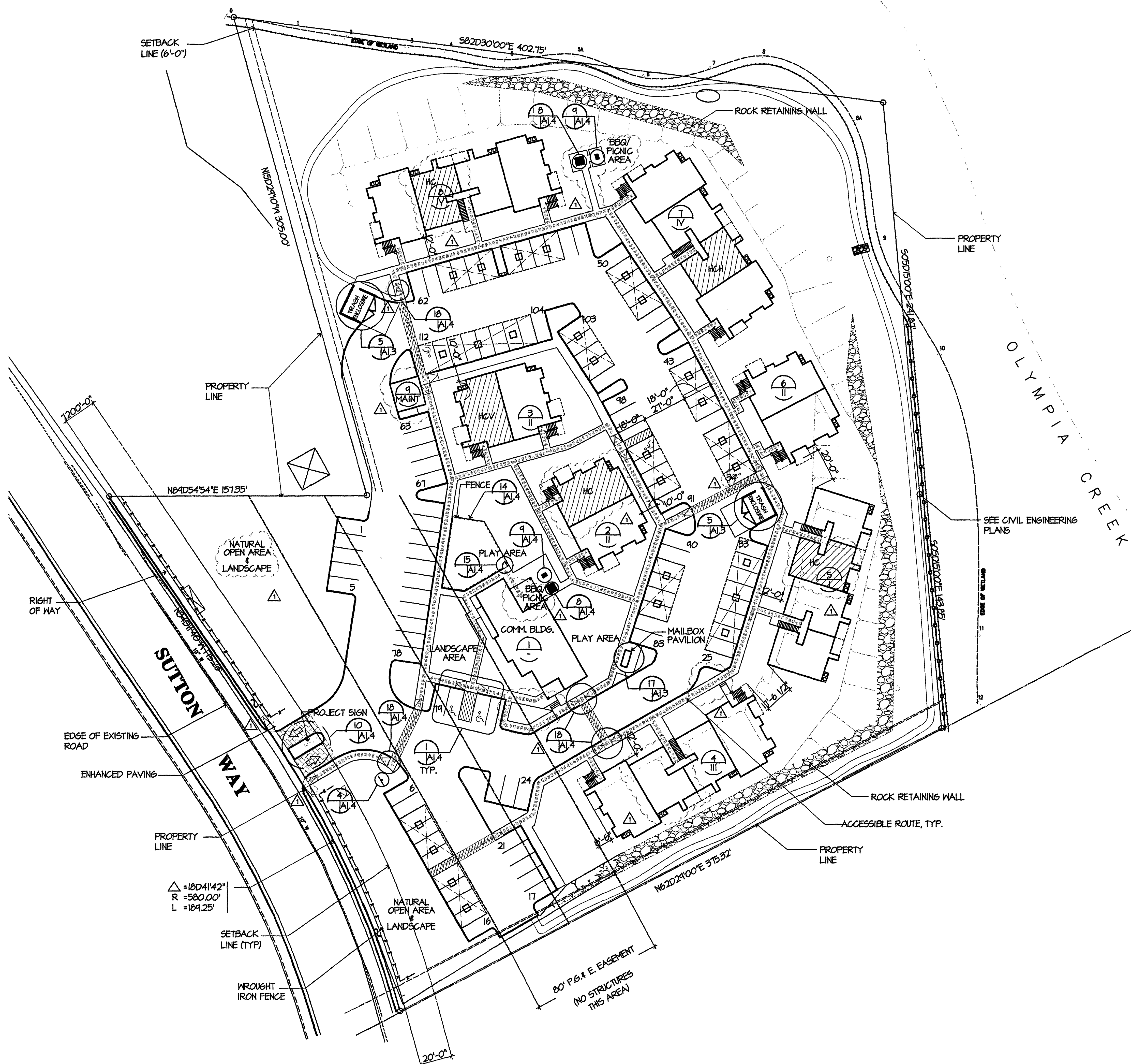
ITEM	DESCRIPTION	SCHEDULE VALUE	PREVIOUS APPLICATIONS	COMPLETED THIS PERIOD	STORED MATERIAL	COMPLETED STORED	%	BALANCE	RETAINAGE
1	Electrical disconnects & safe-offs of demolished carport lighting	2,000.00	0.00	2,000.00	0.00	2,000.00	100.00	0.00	0.00
REPORT TOTALS		\$2,000.00	\$0.00	\$2,000.00	\$0.00	\$2,000.00	100.00	\$0.00	\$0.00

Attachment 7: Site Plans



A1.2
OF SHTS

EXT. PAINT COLORS - RFI #14 - BLDG. COLOR SCHEMES



BUILDING TYPES & UNIT COMBINATION					
BUILDING PLAN	BLDG TYPE	NO. BLDGS	B-UNIT 2-BDR	C-UNIT 3-BDR	TOTAL UNITS
	I	1	0	0	0
	II	3	0	12	12
	III	1	4	4	8
	IV	2	12	12	24
TOTAL		7	24	28	52

SITE SUMMARY	
PARKING STATISTICS: CITY REQUIRED PARKING FOR 52 UNITS	
STANDARD CARPORTS	= 53
HANDICAP CARPORTS	= 3
STANDARD OPEN SPACES	= 34
HANDICAP OPEN SPACES	= 2
TOTAL SPACES PROVIDED	= 112
TOTAL SPACES REQUIRED	= 104
PARCEL	= 199,064 S.F. (4.51 ACRES)

AMENITIES	
COMMUNITY BUILDING TOTAL AREA	2,185 SQ. FT.
- LAUNDRY FACILITY	320 SQ. FT.
- STORAGE	127 SQ. FT.
- MANAGER'S OFFICE	176 SQ. FT.
PATIO	240 SQ. FT.
MAINTENANCE	324 SQ. FT.
PLAY AREAS, TOT LOT, BBQ AREAS	6,256 SQ. FT.
WALKING TRAIL	

UNIT BREAKDOWN				
UNIT TYPE	DESCRIPTION	SQ.FT.	NO. UNITS	TOTAL SQ.FT.
UNIT B	TWO BDR ONE BATH	872	24	20,928
UNIT C	THREE BDR TWO BATHS	1083	28	30,324
APARTMENT TOTALS			52	51,252
AMENITIES TOTAL				2,144
BUILDING TOTAL				54,001

GROUND/LEVEL UNITS LEGEND	
HC	CALPHA BUILT OUT UNIT
HCB	N/A
HCH	ACCESSIBLE UNIT FOR HEARING IMPAIRED
HCV	ACCESSIBLE UNIT FOR VISION IMPAIRED
FOR LOCATION OF ACCESSIBLE UNITS SEE "TYPICAL NOTES"	

BUILDING AREA BREAK DOWN						
BLDG TYPE	1ST FLOOR LIVING AREA	2ND FLOOR LIVING AREA	3RD FLOOR LIVING AREA	SUB-TOTAL AREA	BALC & PATIO	GROSS-TOTAL AREA
TYPE I	3,480 SQ. FT.	3,480 SQ. FT.	-	6,976 SQ. FT.	624 SQ. FT.	7,944 SQ. FT.
TYPE II	2,166 SQ. FT.	2,166 SQ. FT.	-	4,332 SQ. FT.	316 SQ. FT.	4,716 SQ. FT.
TYPE III	3,910 SQ. FT.	3,910 SQ. FT.	-	7,820 SQ. FT.	620 SQ. FT.	8,680 SQ. FT.
TYPE IV	3,910 SQ. FT.	3,910 SQ. FT.	3,910 SQ. FT.	11,730 SQ. FT.	942 SQ. FT.	13,032 SQ. FT.

APPROVED FOR CONSTRUCTION
BY: **RS.** DATE: **3-9-04**

- TYPICAL NOTES:**
1. MANAGEMENT TO ASSIGN MAIL BOXES FOR ACCESSIBLE UNITS TO LOWER BOXES.
 2. VERIFY PATHS OF TRAVEL WITH CIVIL PLANS.
 3. REFER TO LANDSCAPE PLANS FOR ADDITIONAL NOTES AND SITE IMPROVEMENTS.
 4. SCREEN ALL UTILITY EQUIPMENT WITH LANDSCAPING
 5. NOTE: EXISTING OVERHEAD LINE AND POLES TO BE LOCATED UNDER GROUND SEE EASEMENT TO BE MODIFY SEE CIVIL DRAWINGS.
 6. NOTE: ADDITIONAL ACCESSIBLE PARKING SPACES WILL BE DEDICATED AS UNITS ARE ADAPTED FOR ACCESSIBLE USE
 7. SEE T/A1.3 FOR TYPICAL CARPORT FRAME
 8. SEE DETAIL 21/A1.4 FOR TYPICAL RAMP.
 9. ALL GROUND FLOOR UNITS ARE ACCESSIBLE UNITS WHEN ON AN ACCESSIBLE ROUTE UNLESS OTHERWISE NOTED.

7 OF 12
SITE PLAN
RFI #3

THESE PLANS AND SPECIFICATIONS ARE PREPARED FOR CONTRACT CONSTRUCTION WORK AND SHALL BE USED ONLY UNDER SPECIFIC AGREEMENT WITH THE ARCHITECT.
O.M.A.P. INC. 2000

OREGON INVESTOR'S VII
GLENBROOK APARTMENTS
SUTTON WAY
GRASS VALLEY, CALIFORNIA

SITE PLAN
90 EAST ESCALON, SUITE 123, FRESNO, CALIFORNIA 93710
PHONE: 559-435-6000
FAX: 559-435-5497

CAD BY: **MSC**
DATES: **12-1-03**
CK: **12-1-03**
APP: **12-1-03**

REGISTERED ARCHITECT
RENEAL E. MEYER
NO. 2-833
EXPI. 3-31-05
STATE OF CALIFORNIA

PLOT DATA
FILE: 68-21-ARCH
SCALE: 1"=30'-0"
DATE:

JOB NO.
0211

SHEET NO.
A1.2
OF 3 SHITS

MEYER ARCHITECTURE & PLANNING, INC.

TELEPHONE SYSTEM NOTES:

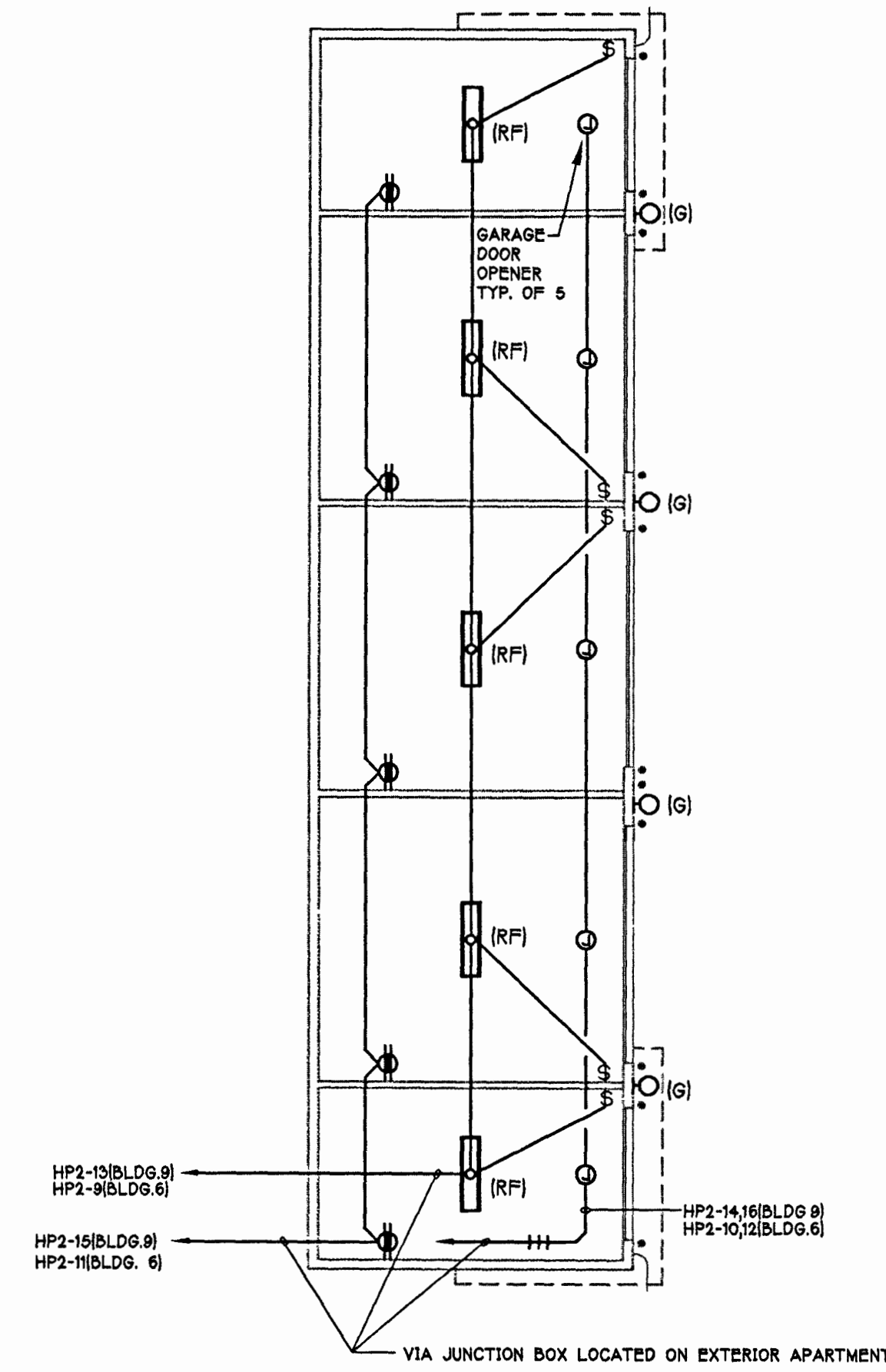
IT IS THE INTENT OF TELEPHONE SYSTEM INFORMATION SHOWN HERewith TO ASSIST THE CONTRACTOR TO PROPERLY ESTIMATE THE JOB. THE CONTRACTOR SHALL COORDINATE WITH SERVICE PHONE COMPANY FOR SERVICE REQUIREMENTS.

TELEPHONE SYSTEM RECOMMENDED PARTS LIST

1. TELEPHONE TERMINAL CABINET, BENNER-NAWMAN # 24266 OR EQUAL COMPLETE WITH 25 PAIR CONNECTING BLOCK, ONE PER EACH BUILDING LOCATE CABINET ADJACENT TO ELECTRIC METER. COORDINATE WITH POWER COMPANY TO UTILIZE COMMON TRENCH WHERE POSSIBLE.
2. TELEPHONE CABLE HOMERUN TO LAUNDRY/OFFICE BUILDING TELEPHONE ROOM 2" PVC SCH40 CONDUIT WITH 25 PAIR AIRCORE CABLE, ONE PER EACH BUILDING
3. TELEPHONE JACKS, QUANTITY AS SHOWN ON ELECTRICAL PLAN ALT # 216-4
4. INDOOR TELEPHONE CABLE, ATT 3 PAIR CABLE, ONE PER APARTMENT UNIT

TELEPHONE WIRING DISTRIBUTION TABULATION

BLDG NO.	NO. OF UNITS	MIN. PAIR REQ'D	NO. OF BLDG	TOTAL PAIR REQ'D
1,2,3,7,8,12	8	16	6	96
4,5,6,9,10,11,13,14 OFFICE	4	8	8	64
		6		6
TOTAL TERMINAL CAPACITY				166
MIN. PHONE INCOMING PAIR				200



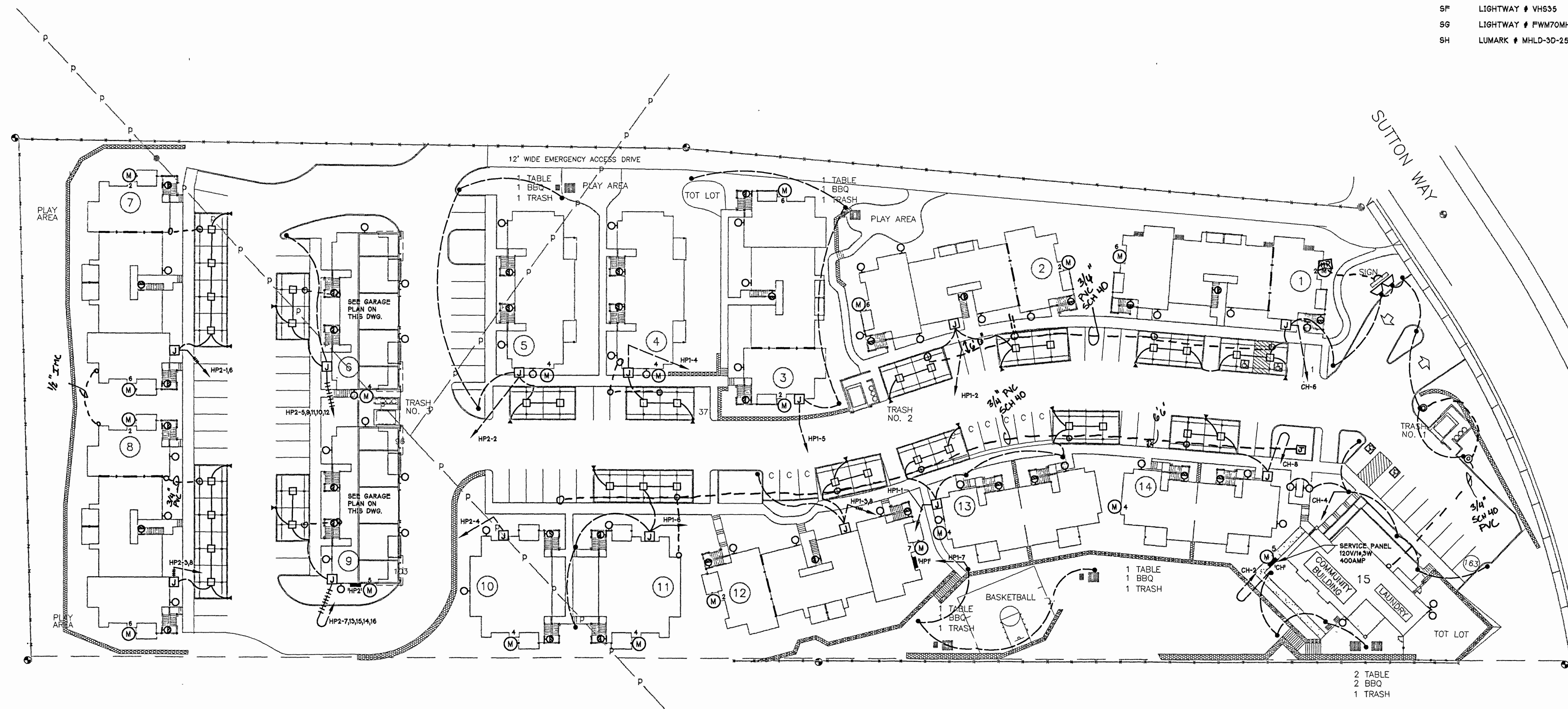
GARAGE PLAN
SCALE: 1" = 10' - 0"

SITE SYMBOL LEGEND:

TYPE	LAMP
(SA)	50W HPS
(SB)	70W HPS +12' - 0"
(SC)	150W HPS
(SD)	150W HPS
(SF)	35W HPS
(SG)	2-26 DULUX D/E
(SH)	400W MH
(J)	JUNCTION BOX LOCATED AT EXTERIOR OF APARTMENT BUILDING TO HAVE DISCONNECT SWITCHES AS PER N.E.C. 240-240.3
(M)	METER BANK LOCATION, NUMBER OF METER AS PER SINGLE LINE DIAGRAM SHOWN ON SHEET E-6.
(S)	LOCATED TELEPHONE AND CABLE TV SERVICE TERMINAL CABINET ADJACENT OR BELOW, COORDINATE WITH CABLE TV COMPANY FOR THIS WORK.
(L)	LOCATION SHOWN ARE PRELIMINARY. FINAL LOCATIONS SUBJECT TO UTILITY COMPANIES APPROVAL.

LIGHTING FIXTURE LEGEND

TYPE	DESCRIPTION	LAMP	WATTS	VOLT	MOUNTING	REMARK
A	ANCHOR # A43	150W A21	150	120	PENDANT	DINING
B	METALUX # WS232-EB	2F032 30K	62	120	CEILING	KITCHEN
C	ANCHOR # 414-2	60W A19	60	120	CEILING	ENTRY
D	SEAGULL # 4449-15	60W A19	60	120	WALL +6'-6"	HALLWAY
F	ANCHOR # 34-3-3	4-60W A19	240	120	WALL +6'-6"	BATH
G	ANCHOR # 36-2	2-60W A19	120	120	WALL +8'-6"	FRONT & BACK PORCH
H	ANCHOR # 46-2	60W A19	60	120	CEILING	W.I. CLOSET
L	KEYLESS INCANDESCENT SOCKET	60W A19	60	120	CEILING	
RA	LIGHTWAY # GBRQ26	2QTT13	34	120	WALL +7'-0"	
RB	LIGHTWAY # GBRQ26	2QTT13	34	120	CEILING	
RC	METALUX # WS232-EB	2F032 30K	62	120	CEILING	
RD	METALUX # WS332-EB2	3F032 30K	89	120	CEILING	
RE	METALUX # WS232-EB-EL4 UL LISTED EMERGENCY BATTERY PACK TO OPERATE ONE LAMP AT 1100 LUMEN	2F032 30K	62	120	CEILING	BATH
RF	METALUX # SS232-EB	2F032 30K	62	120	CEILING	
RG	ANCHOR # 36-2	2-40W A19	80	120	WALL +6'-6"	
X	SURE-LITE # CX-7-1-10-9-SD UL LISTED EMERGENCY EXIT LIGHT WITH BATTERY BACK UP	L.E.D.	6	120	CEILING	
SA	LIGHTWAY # CH550	50W HPS	64	120	CEILING	
SB	LIGHTWAY # WPM70	70W HPS	94	120	WALL +12'-0"	
SC	LUMARK # HPWR65S150MT	150W HPS	188	120	SLIPFITTER 12" ABOVE CARPORT ROOF	
SD	LIGHTWAY # PH5100/65-03901	100W HPS	128	120	POLE 10FT	
SF	LIGHTWAY # VH535	35W HPS	43	120	WALL 7FT ABOVE STAIR STEP	
SG	LIGHTWAY # FWM70MH	70W MH	95	120	WP BOX +6"	
SH	LUMARK # MHL-D-3D-250-MT/R564A155F	250W MH	465	240	POLE 15 FT	



010 JAN 11, 99
H&D ELECTRIC
SITE ELECTRIC
AS-BUILT CONDITION

2H Engineering
Professional Engineers
2305 E. ASHLAN
FRESNO, CA 93726
(209) 228-6953



For Construction

SITE PLAN - ELECTRICAL

SCALE: 1" = 30' - 0"

SITE ELECTRICAL

209-435-6000
PHONE: 209-435-5497
FAX: 90 EAST ESCALON, SUITE 123, FRESNO, CALIFORNIA 93710

CAD BY: 2H
DATES:
CK: 9-16-97
APP: 9-16-97

PLOT DATA
FILE: 87104E1
SCALE: 1"=30'-0"
DATE: 08-07-97

JOB NO.
97104

SHEET NO.
E-1
OF SHTS

OAK RIDGE APARTMENTS
OREGON INVESTORS V,
A LIMITED PARTNERSHIP
GRASS VALLEY, CALIFORNIA

THESE PLANS AND SPECIFICATIONS ARE INSTRUMENTS OF SERVICE PREPARED FOR CONTRACT CONSTRUCTION WORK AND SHALL BE USED ONLY UNDER SPECIFIC AGREEMENT WITH THE ARCHITECT.
© M.A.P. INC. 1988-1995

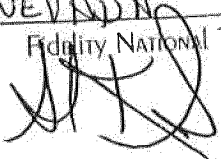
H&D ELECTRIC

Attachment 8: CalHFA Regulatory Agreements

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

Recording requested by and
when recorded return to:

CALIFORNIA HOUSING FINANCE
AGENCY
Office of General Counsel
P.O. Box 4034
Sacramento, CA 95812-4034

Certified to be a TRUE COPY of
document recorded 12-17-04
INSTRUMENT No. 2004-52614
Book _____ Page _____
NEVADA County Records
Fidelity National Title By _____


(Space above this line for Recorder's use)

CALIFORNIA HOUSING FINANCE AGENCY

REGULATORY AGREEMENT

CalHFA Development No. 02-027-N

This Regulatory Agreement (the "Agreement"), dated as of December 10, 2004 for informational purposes, is made and entered into by and between Oregon Investors VIII Limited Partnership, an Oregon limited partnership (the "Borrower"), and the California Housing Finance Agency (the "Agency"), a public instrumentality and a political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "Act"), Division 31 of the California Health and Safety Code.

RECITALS

A. The Borrower is the owner of the real property described in **Exhibit A** attached hereto and incorporated herein by this reference (the "Property"), and has applied to the Agency for a loan (the "Loan") to finance a multifamily rental housing development (the "Development") pursuant to the provisions of the Act, particularly those provisions contained in Chapter 6.7 of the Act (the "Law"). The Development includes the Property, all improvements constructed on the Property and all funds or property, of whatsoever kind or nature, committed to the Development.

B. The Agency has issued tax-exempt bonds ("Bonds") pursuant to the Code and the Law to provide the financing for the Development.

C. In order to assure the Agency and its bondholders that interest on the bonds sold to finance the Loan (the "Bonds") will be excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the Bonds are "qualified bonds" within the meaning of Section 141 of the Code, and to be in compliance with the Code, and to satisfy the public purposes for

which the Bonds are authorized to be issued under the Code, certain limits on the use and occupancy of the Development and certain other requirements need to be established.

D. As an inducement to the Agency to make the Loan, the Borrower has agreed to enter into this Agreement and has consented thereby to be and to have the Development regulated and restricted by the Agency as provided herein and in the Act and in the rules, regulations, policies and procedures of the Agency promulgated thereunder, and as amended from time to time.

NOW, THEREFORE, the parties hereto agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date of its execution and shall remain in full force and effect and shall apply to the Development until the latest of (i) the end of the Qualified Project Period, as defined below, (ii) payment in full of the Loan, or (iii) forty (40) years.

2. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

(a) "Closing Date" means the date on which the Note is delivered to or for the account of the Agency, and the Deed of Trust and this Agreement recorded in the official records of the County in which the Development is located.

(b) "Deed of Trust" means those certain deeds of trust entitled "California Housing Finance Agency Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, CalHFA Development No. 02-027-N (Permanent Financing)" and "California Housing Finance Agency Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, CalHFA Development No. 02-027-N (Bridge Financing)" which were executed by the Borrower, secure the Notes and this Agreement, and encumbers the Development. The term "Deed of Trust" may also include any other deed(s) of trust recorded against the Development which provide a security interest in such Development for the benefit of the Agency. It is intended that this Agreement shall be recorded ahead of and have priority over the Deed of Trust.

(c) "Distribution" means any withdrawal, taking or payment of any assets, earnings or income of the Development excluding payments for current Operating Expenses of the Development and repayment of Operating Expense Loans.

(d) "Gross Income" means all rents, charges, rental subsidies, fees and any other income of the Development, and without limitation, such income derived from commercial facilities of the Development, if any.

(e) "Loan" means the Agency's loan or loans to the Borrower as evidenced by the Note.

(f) "Loan Documents" means this Agreement, the Note and Deed of Trust, as defined herein, and any other document evidencing or securing the Loan.

(g) "Note" means collectively:

(i) that certain promissory note entitled "California Housing Finance Agency Promissory Note, CalHFA Development No. 02-027-N (Permanent Financing)" of the Borrower in the face amount of Five Million Six Hundred Thousand and No/100 Dollars (\$5,600,000.00); and

(ii) that certain promissory note entitled "California Housing Finance Agency Promissory Note, CalHFA Development No. 02-027-N (Bridge Loan – Annual Fixed Payment)" of the Borrower in the face amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00).

(h) "Operating Expense" means all reasonable and proper expenses of the operation of the Development, including, but not limited to, debt service on subordinate debt approved by the Agency (as evidenced by the Agency's final form CHFA 3), insurance, real estate taxes, ordinary maintenance and repair, costs of marketing, Development management fees, fuel, utilities, garbage disposal, sewer charges, audit expenses, all sums due or currently required to be paid under the terms of the Note or Deed of Trust, Agency required impound, reserve and escrow deposits, reasonable attorneys fees incurred in actions to terminate tenancies, and such other payments as the Agency may require or specifically approve in writing as Operating Expenses. In no event shall attorney fees or litigation costs other than as stated, nor expenditures normally required to be paid out of the Replacement Reserve, be treated as Operating Expenses unless specifically approved in writing by the Agency. Nonrecurring expenses in excess of Five Thousand and No/100 Dollars (\$5,000.00) shall not be considered an approved Operating Expense unless specifically approved in writing by the Agency, which such approval shall not be unreasonably withheld.

(i) "Operating Expense Loan" means any loan by the Borrower or partner of the Borrower for the purpose of paying Operating Expenses of the Development. Operating Expense Loans may be repaid only with the approval of the Agency, which such approval shall not be unreasonably withheld and only after payment of, or the reservation of funds for payment of, all Operating Expenses of the Development, including payments due under the Agency's Residual Receipts Loan, if applicable.

(j) "Qualified Project Period" means a period beginning on the later of the date of this Agreement or the first day on which ten percent (10%) of the units in the Development are occupied, and ending on the latest of (i) the date which is fifteen (15) years after the later of the date of this Agreement or the first date thereafter on which fifty percent (50%) of the units in the Development are first occupied, (ii) the date on which no tax-exempt "private activity bond," within the meaning of Section 141 of the Code, issued with respect to the Development is outstanding, or (iii) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates.

(k) "Qualified Tenants" means those tenants with special rights to occupy dwelling units in the Development as defined in Section 4(a) of this Agreement.

(l) "Residual Receipts" means that portion of Surplus Cash remaining at the end of the fiscal year after payment to the Borrower of Agency-approved Distribution.

(m) "Surplus Cash" means the balance of Gross Income of the Development remaining at the end of each fiscal year after payment of Operating Expenses, Agency-approved Operating Expense Loans, and reservation of cash required to meet current thirty (30) day obligations. For the purpose of computing Surplus Cash, Gross Income of the Development shall include any rent insurance proceeds, but shall exclude fire or other insurance proceeds, condemnation proceeds, and any security deposit which shall not have become the property of the Borrower free of the claim of any person claiming as or through the tenant having made such deposit.

(n) "Sustaining Occupancy" is deemed to have been achieved when, for at least three (3) consecutive months, (i) at least ninety-five percent (95%) of the total number of units are occupied, and (ii) Gross Income equals or exceeds that projected on the mortgage application approved at final commitment.

3. Maintenance as Residential Rental Property. The Borrower shall not take any action, or permit any action to be taken, which would result in the Development not being, or (except as expressly approved in writing by the Agency) in any proceeds of the Loan being used to provide other than, "residential rental property" within the meaning of 26 U.S.C. Section 142(d) of the Code. To that end, the Borrower represents, warrants and agrees that:

(a) The Development is comprised of at least two dwelling units and facilities functionally related and subordinate to the dwelling units. The portion of the Development that constitutes residential rental property shall be determined in accordance with Treasury Regulation Section 1.103-8(b)(4) and shall consist of the residential units in the Development, all other property of the Development benefiting only such units and the allocable portion of the Property of the Development benefiting both such units and other portions of the Development, as provided by the Treasury Regulations.

(b) Each of the dwelling units in the Development shall be similarly constructed, and shall contain complete, separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family.

(c) Each of the dwelling units in the Development shall be available for rental to members of the general public. None of the dwelling units in the Development shall at any time be utilized on a transient basis, shall ever be leased or rented for a period of less than thirty (30) days, or shall ever be used other than for housing purposes. The Development shall not be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court for use on a transient basis.

(d) The Development consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Development's facilities comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the common ownership, management, accounting and operation of the Development.

(e) The Borrower shall not convert the Development to condominium or other individual unit ownership during the term of this Agreement. No part of the Development shall at any time be owned or used by a cooperative housing corporation except in compliance with the provisions of Section 143(k)(9) of the Code.

(f) If the Development comprises fewer than five (5) dwelling units, the Borrower shall not occupy any dwelling unit in the Development.

(g) All of the amounts advanced for the Development from the proceeds of the Loan shall be used to provide amounts paid or incurred on or after May 12, 2002 (sixty (60) days prior to the Agency's declaration of official intent to issue bonds) which are chargeable to the residential rental portion of the Development's capital account or would be so chargeable either with a proper election by the Borrower (for example under Section 266 of the Code) or but for a proper election by the Borrower to deduct such amounts. If any portion of a Development was acquired from or constructed by a Related Person of the respective Borrower (whether as a general contractor or a subcontractor), such costs include only the actual out-of-pocket costs incurred by such Related Person and not, for example, intercompany profits resulting from members of an affiliated group

(within the meaning of Section 1504 of the Code) participating in the construction of such Development or payments received by such Related Person due to early completion of the Development (or any portion thereof). No proceeds of the Bonds will be spent on (1) leasing commissions, costs of advertising for any Development, or other costs related to the rental of units in any Development, (2) management fees for the management and operation of any Development after the completion date, or (3) interest allocable to any unit for any period after such unit is held available for rental. For purposes of this paragraph, "Related Person" shall mean a person with a relationship to a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons 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).

(h) On the basis of the cost and economic life of each asset of the Development (under midpoint lives under the ADR System or guideline lives under Treasury Revenue Procedure 62-21, as the case may be), the weighted average estimated economic life of the Development exceeds the maturity of the Loan.

(i) No more than twenty-four and nine-tenths percent (24.9%) of the proceeds of any Loan may be used (directly or indirectly) for the acquisition of land (or an interest therein). The Borrower shall expend Loan proceeds for eligible costs in such amount as may be necessary to comply with the preceding sentence.

(j) The Borrower shall submit to the Secretary of the Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Development continues to meet the requirements of Section 142(d) of the Code.

(k) If loan proceeds are to be used for acquisition of an existing Development, an amount equal to at least fifteen percent (15%) of the acquisition cost of each building in the Development financed with proceeds of the Bonds shall be attributable to rehabilitation expenditures (as that term is defined in Section 147(d)(3) of the Code) with respect to such building which occupied within twenty-four (24) months after the later of the issuance of the Bonds or the date such building was acquired.

(l) If loan proceeds originally used to finance the Development are from qualified 501(c)(3) bonds, subsections (i) and (k) above are inapplicable, and the Borrower certifies the following:

(i) it has received an IRS determination that it qualifies as a 501(c)(3) corporation;

(ii) it will own and operate the Development in furtherance of its charitable purposes (as described in its application to the IRS for its 501(c)(3) determination) and not for pecuniary benefit;

(iii) the ownership and operation of the Development does not and will not in any respect or to any extent constitute an unrelated trade or business under Section 513(a) of the Code; and

(iv) it will maintain its existence as, and conduct its operations so as, to maintain qualification as an organization described in Section 501(c)(3) of the Code for the term of the Loan.

4. Tenant Income Limitations.

(a) For the term of this Agreement, at least twenty percent (20%) of the completed dwelling units in the Development shall be occupied or reserved for occupancy, on a continuous basis by individuals or

families whose income does not exceed fifty percent (50%) of area median income, as adjusted for family size pursuant to Section 142(d) of the Code, and who constitute very low income households within the meaning of Section 51335 of the Law (collectively, "Qualified Tenants"). In no event, shall the occupants of a unit be considered to be Qualified Tenants if all such occupants are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a federal joint return under Section 6013 of the Code. Units so occupied shall be rented at rents (including an allowance for utilities) which shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of area median income, as published by the Department of Housing and Community Development or U.S. Department of Housing and Urban Development, with adjustments for household size. The Agency shall from time to time make available to the Borrower schedules of and any changes in the dollar amounts of the rent and income limitations contained in this Section 4.

Except as provided in Subsection 4(b) below, a dwelling unit occupied by an individual or family who at the commencement of the occupancy qualifies as a Qualified Tenant shall be treated as occupied by a Qualified Tenant, even if such individual or family during their tenancy in such unit ceases to so qualify. Moreover, if vacated, such unit shall be treated as occupied by a Qualified 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) No resident of a dwelling unit in the Development shall be denied continued occupancy because, after admission, the resident's family income increases (or family size decreases) so as to cause the family income to exceed the maximum income level for a Qualified Tenant. However, if a resident's family income increases (or family size decreases) so as to cause the family income to exceed one hundred forty percent (140%) of the applicable income limit, the Borrower shall ensure that the percentage requirements of this Section shall continue to be met by providing the next available unit or units to Qualified Tenants or by taking other actions to satisfy the percentage requirements of this Section. In determining whether such percentage requirements have been achieved, such requirements shall be complied with on June 30 of each year after any dwelling units in the Development are occupied.

(c) On a form approved by the Agency, the Borrower shall obtain a third party certification of income from each prospective tenant of a dwelling unit designated for rental by a Qualified Tenant prior to admission to the Development. An annual certification shall also be obtained from each tenant of a dwelling unit designated for rental by a Qualified Tenant on or about June 30 of each year. Copies of such certifications shall be sent to the Agency, shall be retained in the Borrower's files for a period of three (3) years and shall be available for inspection by the Agency or its agents upon request.

(d) On or before August 15th of each year the Borrower shall file with the Agency a report on a form approved by the Agency specifying the total number of dwelling units in the Development and the number of units occupied by Qualified Tenants as of June 30th of such year.

5. Agency Financing and Rental Requirements. In addition to the requirements of Sections 3 and 4, the Borrower covenants that:

(a) Unless otherwise approved by the Agency, rental charges to Qualified Tenants shall include all utilities except telephone and cable television; provided however, that where the Agency approves direct payment of utilities (in addition to telephone) by such tenants, such rental charges shall be calculated as if the estimated expense of such utilities were to be paid by the Borrower, but the amounts actually collected from such tenants shall be decreased by the estimated expense of such utilities approved by the Agency.

(b) The Borrower shall require every tenant in the Development to execute a lease in a form which may be subject to approval by the Agency and shall not lease any dwelling unit in the Development for less than thirty (30) days nor more than two (2) years. The form of lease shall provide for eviction procedures conforming to California law.

(c) The Borrower shall not discriminate against tenants or applicants who are recipients of federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or any successor subsidy program.

(d) Utilization of the commercial facilities of the Development, if any, shall be compatible with the residential uses of the Development. Any commercial tenants, improvements and lease provisions must be approved by the Agency. The Agency shall have the right to require existing and future commercial tenants to enter into nondisturbance and attornment agreements on commercially reasonable terms. The Borrower and each commercial tenant agree to do any acts and execute any documents necessary to effectuate the Agency's rights in this regard.

(e) The Borrower agrees to make available any and all units of the Development for the purposes of physical inspection by Agency personnel upon prior notice and in accordance with Agency policies and procedures. In addition, Borrower shall require that its managing agent inspect each unit at least on an annual basis.

(f) The Borrower shall not permit any interest to be charged nor to accrue on any advances to the Development from the Borrower or any affiliate of the Borrower except upon the following conditions: (1) prior written notice of such advance and the terms thereof shall be given to the Agency; (2) interest shall be limited to the rate on the Note; (3) the amount of such advance shall be no greater than necessary to pay current expenses; and (4) such advances shall be repaid after payment of, or the reservation of funds for payment of, all Operating Expenses of the Development and prior to any Distributions from the Development. Failure of any of these conditions shall render the party making the advance liable to refund and/or forfeit all interest paid or due and shall be an event of default pursuant to this Agreement.

(g) The dwelling units to be occupied by, or reserved for occupancy by, Qualified Tenants shall be of comparable quality to all other dwelling units, shall be dispersed throughout the Development, and shall be in size and type available in the same percentages as the sizes and types of all other dwelling units.

(h) The Borrower represents and warrants that at all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, all applicable provisions of the Act, the rules, regulations, policies and procedures of the Agency and all agreements with the Agency and any other public entities concerning the Development as amended from time to time. The Borrower represents to the Agency that professional advice is available to the Borrower for the purpose of enabling the Borrower to be aware of and to comply with said laws, policies, procedures and agreements. The Borrower agrees to indemnify the Agency against any loss incurred by the Agency as a result of the Borrower's failure to comply therewith.

Specifically, the Borrower acknowledges the existence of federal, state and local laws regarding handicapped accessibility and the relocation of persons displaced by the Development. The Borrower agrees that the Borrower, and not the Agency, is responsible for complying with such laws.

(i) Throughout the term of this Agreement, the Borrower shall seek, and if offered, accept or renew, all Section 8 Housing Assistance Payment Contracts, vouchers or equivalent, based on subsidies at rent levels equal to, or higher than those existing at the Closing Date. All payments to Borrower pursuant to any such contract or contracts are hereby assigned to the Agency for the duration of this Agreement. Borrower hereby grants to the Agency a security interest in all such payments.

6. Establishment and Use of Reserve Funds. The Borrower shall establish and maintain the following reserve and escrow accounts. Unless otherwise specified herein or approved by the Agency, in its sole discretion, such accounts (i) shall be established on or before the Closing Date, (ii) shall be funded with cash, (iii) shall be under the control of the Agency at all times, (iv) may be invested by the Agency provided that income earned on such funds (minus 1% per annum of the principal balance of the account, but only to the extent there are earnings, which may be retained by the Agency as an administrative fee) shall accrue to the account, (v) shall be used for the prescribed purposes, and (vi) shall have any remaining balance, upon the Agency's termination of the requirement for the particular reserve account, returned to the Borrower. Borrower agrees that any conveyance or transfer, voluntary or involuntary, of its interest in the Development shall have the effect of transferring to the successor-in-interest all of Borrower's interest in and all of its rights to, if any, the reserve and escrow funds without further act of the Borrower, and in refunding all or any part of the reserve and escrow funds, the Agency may deal with whoever is the record owner of the property at the time of termination. Borrower agrees that the Agency is granted a security interest in all required reserve and escrow funds which are intended to benefit the Development. Borrower hereby appoints the Agency, during the term of this Agreement, as its attorney-in-fact, to substitute any new owner of the Property or Development, or the Agency itself, as signatory of the reserve and escrow accounts, in the place of Borrower.

(a) Operating Expense Reserve. An Operating Expense Reserve (the "OER") shall be established and maintained from sources other than Gross Income in the amount of Seventy-Nine Thousand Five Hundred Ninety-Four and No/100 Dollars (\$79,594.00), until such time as two (2) full consecutive Development fiscal years have passed in which the audited annual financial statement accepted by the Agency shows that Gross Income is sufficient to meet all Operating Expenses. The OER shall be funded on a one-time-only basis and, if drawn down, need not be replenished. The OER shall be used to fund any Operating Expenses not covered by Gross Income, the MA, or the RUA.

(b) Replacement Reserve. A Replacement Reserve (the "RR") shall be established and maintained until the termination of this Agreement. The RR shall be funded by deposits in the amount of Two Thousand One Hundred Ninety-Three Dollars and seventy-five cents (\$2,193.75) per month, due on the first day of each and every month commencing with the first payment due on the Note. The Agency may adjust, at any time, the amount of the monthly payments to be made into the RR as necessary to, in its sole discretion, keep pace with increases in the costs of replacing structural elements and equipment of the Development. The RR shall be used upon the Agency's written approval to replace major structural elements or equipment of the Development or for any other purpose consistent with maintaining the financial and physical integrity of the Development. Borrower agrees to make arrangements for a physical needs assessment and an evaluation, by an independent party acceptable to the Agency of current and future maintenance requirements of the Development. This physical needs assessment and maintenance evaluation shall occur upon the Agency's request and shall be forwarded to the Agency for review. The costs of such assessment and evaluation shall be an obligation of the Borrower.

(c) Construction Defect Security. On or before the Closing Date, the Agency shall be provided with a cash deposit or letter of credit, as approved by the Agency (the "Construction Defect Security" or "CDS"), in the amount of One Hundred Fifty Thousand Thirty-Four and No/100 Dollars (\$150,034.00) (2.5% of the construction contract amount as of the date of completion) or such greater amount as may, in the sole discretion of the Agency, be necessary to adequately secure the Agency and Development against construction defects. The term "construction defect" as used herein shall mean all construction related physical problems including but not limited to deviations from the approved final plans and specifications for the Development. Such CDS shall be kept in effect and one (1) year from the date of Permanent Loan Closing and may be used or set aside for the correction of construction defects or related damages which appear during such period and which are not corrected by the contractor or the Borrower within a reasonable time following the demand by the Agency for such correction. The date specified herein may be extended if payment of construction defect repairs will be paid after that date, or if there is an ongoing dispute regarding construction defects not yet repaired to the satisfaction of the Agency.

(f) Additional Escrows and Accounts. In addition to the OER, RR, and CDS, the Agency may, prior to the Closing Date, require the establishment and maintenance of other reserve and/or escrow accounts as necessary to create reserves which, in the sole discretion of the Agency, are necessary or proper to ensure the feasibility of the Development.

7. Application of Funds if Default. In the event of a default under this Agreement, or any of the other Loan Documents, the Agency in its sole discretion may apply or authorize the application of the funds in any of the accounts provided for in Section 6, to any amounts then due under this Agreement or the other Loan Documents, or use such funds for the continued operation of the Development provided, however, that if the default is cured, all funds shall be returned to the appropriate account.

8. Non-Discrimination and Equal Opportunity. Occupancy of the Development shall be open to all regardless of race, sex, sexual orientation, marital status, familial status, age (except for senior citizen housing pursuant to California and Federal law), color, religion, disability, source of income, national origin or ancestry. The Borrower shall require that its officers, agents, employees, management agent, contractors, subcontractors, and employees associated with the Development provide equal opportunity for employment and that they shall not engage in any unlawful discriminatory conduct. In addition, the Borrower agrees to conduct its own affirmative marketing programs as approved by the Agency.

9. Qualified Tenant's Rental Limits Increase Procedure.

(a) The Agency will, from time to time, revise the maximum rental limits applicable to dwelling units reserved for Qualified Tenants by a percentage equal to any percentage change in county median income. Until such time as the Agency mails a notice of such change of rent limits to the Borrower (or such change is posted on the Agency's website), the previously existing charges shall apply.

(b) Upon receipt of new rental limit schedules, the Borrower may increase, and shall, if necessary, decrease the rental charges. Any increase in rental charges must comply with the terms of the lease as to the time and manner of such changes, provided that, no Qualified Tenant shall have a rent increase sooner than one (1) year after initial occupancy, and provided further, no Qualified Tenant shall have an annual rent increase in excess of the percentage increase in the county median income for the applicable year in which the rent increase is being considered, nor shall there be an accumulation of rental increases from year-to-year for those years in which the Borrower chooses not to increase rents by the percentage allowed herein.

10. Financial Covenants. In addition to, but not by way of limitation of, all other duties of the Borrower set forth herein, the Borrower shall comply with the following:

(a) Audit. The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, inspection and copying at any reasonable time by the Agency or by its authorized representative upon reasonable notice to Borrower.

(b) Books and Records. The books and records of the Development shall be kept by the Borrower in accordance with the requirements of the Agency.

(c) Financial Reporting.

(i) Within sixty (60) days following the end of each fiscal year of the Development, the Agency shall be furnished by the Borrower with a complete annual financial report on the Development based upon an examination of the books and records of the Development, prepared in accordance with the requirements of the Agency, and certified by the Borrower, and at the Borrower's expense, by an independent certified public accountant licensed in California and acceptable to the Agency. Each such financial report shall be subject to the approval of the Agency and when approved by the Agency shall be a "Development Financial Report" as referred to herein;

(ii) Within twenty (20) days following the end of each month, the Agency shall be furnished by the Borrower with a complete monthly financial report. The monthly financial report must include a detailed accounting of, without limitation, all income and expenses, accounts receivable, accounts payable and disbursements received or made in the month reported.

(d) Furnishing Information. At the request of the Agency, the Borrower shall furnish such reports, financial statements, projections and analyses as may be required from time to time by the Agency and shall give specific answers to questions upon which information is desired relative to the income, expenses, assets, liabilities, contracts, operations and conditions of the Borrower and the Development. Borrower understands and agrees that the content of such reports, statements, projections, analyses and other information may be disclosed in any documentation prepared in connection with the issuance by the Agency of its Bonds and may otherwise be publicly disclosed in accordance with state and federal law.

(e) Development Account.

(1) The Borrower shall establish an account (the "Development Account") with a depository, which is insured by the Federal Deposit Insurance Corporation ("FDIC") or by a successor in interest to FDIC into which all Gross Income of the Development shall be deposited when received. The Borrower or any person receiving funds and tenant security deposits of the Development other than as permitted by this Agreement shall immediately deposit such funds in the Development Account and failing to do so shall hold such funds in trust for the Development. The Borrower or any person receiving any property of the Development in violation of this Agreement shall immediately deliver such property to the Agency, and failing to do so shall hold such property in trust for the Development. Reserves, deposits, rents, charges, fees and any other deposits and/or income of the Development as used herein shall also include, without limitation, such income derived from commercial facilities of the Development, if any.

(2) Agency shall have a first priority security interest in the Development Account, and Borrower hereby grants Agency a security interest in the Development Account. Immediately upon establishing the Development Account, Borrower shall notify the Agency of the identity of the depository, the branch where the account is established and the account number. The depository shall be required to execute a deposit account control agreement within the meaning of Article 9 of the California Uniform Commercial Code ("Control Agreement"), in a form acceptable to the Agency, to perfect the Agency's security interest in such account. Agency shall be entitled to exercise its rights under the Control Agreement upon Borrower's default, as determined by the Agency in its sole discretion, under the Loan Documents. However, the Agency shall not be obligated to give the Borrower the advance notice of default required by Section 16 of this Agreement prior to giving the depository the written "Notice of Exclusive Control" provided for in the Control Agreement.

(3) Borrower may not transfer the Development Account to another depository without the prior written consent of the Agency, which consent, if granted in the agency's sole discretion, shall be conditioned upon the new depository executing a Control Agreement.

(4) Disbursements from the Development Account shall be permitted only to administer security deposits and to pay Operating Expenses and permitted Distributions.

(5) The Borrower shall maintain security deposits in accordance with applicable law.

(f) Annual Operating Budget. The Borrower shall submit to the Agency a proposed operating budget for the Development not later than sixty (60) days prior to the beginning of each fiscal year of the Development. The proposed operating budget shall set forth the anticipated Gross Income of the Development and a detailed estimate of all Operating Expenses thereof, which shall include an itemization of administration expenses, maintenance expenses, cost of utilities, hazard insurance, earthquake insurance, taxes and assessments, Loan principal and interest, deposits to all funds, reserves or accounts required by the Agency and/or established by the Borrower. The budget shall be in a form satisfactory to the Agency and shall otherwise be consistent with the requirements of this Agreement. Upon approval by the Agency, such proposed operating budget shall be the operating budget for the ensuing fiscal year.

11. Development Management.

(a) The Borrower shall provide for the management of the Development in a manner satisfactory to the Agency, shall employ a bonded and licensed management agent, develop a management plan, and use a management agreement acceptable to the Agency. A fidelity bond shall be maintained in an amount equal to one month's gross rent and shall insure the Borrower and the Agency against misapplication of Development Funds. **All management agreements shall include a copy of this Agreement, which shall be incorporated therein, and made a part of the contract.** The management agreement shall be structured so that it is subject to termination with or without cause by the Borrower or the Agency, and without penalty, upon not less than thirty (30) days prior written to the management agent. Any liability associated with the termination of the management contract shall be the sole obligation of the Borrower. Upon notice of termination, the Borrower agrees to make immediate alternative arrangements, satisfactory to the Agency, for the continued management of the Development. In the event that the Borrower shall fail to make such alternative arrangements for a substitute managing agent within a reasonable time (which in no event shall exceed sixty (60) days from the date of the sending of the termination notice), the Agency shall have the unilateral right to make such alternative

arrangements. The amount of the management agent's compensation shall be subject to approval by the Agency, which shall not be unreasonably withheld.

(b) The Borrower shall require that a Resident Selection/Affirmative Fair Housing Marketing Plan ("Plan") be prepared and maintained in cooperation with the managing agent. This Plan shall be subject to the approval of the Agency. In carrying out this Plan, the Borrower/management agent shall:

- (1) Lease no less than twenty percent (20%) of the total units of all sizes and types to Qualified Tenants;
- (2) Give preference to the applicants in the following order:
 - (i) persons displaced by:
 - a. natural disaster,
 - b. construction of this Development,
 - c. other public action,
 - d. other causes, provided that such displacement shall be certified in writing by a government agency, and
 - (ii) all other applicants;
- (3) Begin marketing of the Development at least ninety (90) days prior to the availability of the units for occupancy;
- (4) Assure that all advertising, (including letterheads, brochures and media advertising, shall include "Equal Housing Opportunity" and the "handicapped" logo. Further, if advertisements contain human models, a mix of minority and non-minority models are to be used to reflect the open housing philosophy. No preference for any economic status or lifestyle shall be depicted;
- (5) Where a significant number of persons in the community have limited fluency in the English language, provide publications, information, brochures and leases in the native language of such persons; "Significant number of persons" is deemed to be at least twenty-five percent (25%);
- (6) Develop and maintain a policy and procedure for the selection and rejection of applicants, and a grievance and eviction policy and procedure for tenants of the Development;
- (7) Assure that tenant selection is carried out without favoritism or partiality and that no preference is given to any applicant other than as provided herein;
- (8) Give each tenant selected, at the time of acceptance, a written copy of the tenant eviction and grievance procedures for the Development and all amendments thereto; and

(9) Where necessary, conduct such additional marketing as reasonably required to fulfill affirmative marketing goals and meet other goals of the Plan.

12. Certain Acts Prohibited. The Borrower shall not, without the prior written approval of the Agency, do any of the following. The granting of the Agency's approval shall be in its sole, unfettered discretion and may be conditioned upon the satisfaction of such terms and conditions as the Agency may prescribe.

(a) Make any sale, assignment, conveyance or transfer in any other form of the Development or any part thereof or of any of its interest therein, whether voluntarily or involuntarily, or by operation of law.

(i) A transfer by the Borrower in whole or in part, or a transfer by a party having a substantial interest in said Borrower, or transfers by more than one party of interests aggregating a substantial interest in said Borrower, or any other similarly significant change in the ownership of interests in the Borrower, or in the relative distribution thereof, or with respect to the parties in control of the Borrower or the degree thereof, by any other method or means (e.g., increased capitalization, merger with another corporation or other entity, corporate or other amendments, issuance of new or additional ownership interests or classification of ownership interests or otherwise) shall be deemed an assignment, conveyance, or transfer for purposes of this subsection. An assignment by the Borrower to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Borrower is the sole general partner, shall not be considered an assignment, conveyance, or transfer.

(ii) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.

(b) Make any Distribution not permitted by the terms of this Agreement,

(c) Assign or transfer any right to manage the Development.

(d) Materially remodel, add to, reconstruct, demolish or damage any part of the Development.

(e) Require, as a condition of the occupancy or leasing of any dwelling unit in the Development to Qualified Tenant, any consideration or deposit other than the prepayment of the first month's rent plus a security deposit in an amount not in excess of one (1) month's rent to guarantee the performance of the covenants of the lease.

(f) Incur any liability or obligation in connection with the Development, contingent or otherwise, other than for current Operating Expenses and for the indebtedness evidenced by the Note, or incur any liability or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Development.

(g) Invest any funds from the Development in any property, real, personal, or mixed, except as authorized by this Agreement, or deposited any such funds in a depository not authorized by this Agreement; or

(h) Make a loan of any funds from the Development to any person or entity; or

- (i) Fail to establish or maintain the accounts required by Section 6 of this Agreement.
- (j) Cause or permit the Development to be maintained in a condition which the Agency deems, in its sole discretion, as an impairment of its security interest, or a violation of the Borrower's obligation to maintain the Development in a safe, sanitary and decent condition.
- (k) If the Development receives Section 8 assistance, cause or permits the loss of Section 8 units under the Housing Assistance Payment Contract ("HAPC"), or failure to apply for or accept and extension of the HAPC.

13. Distributions.

(a) The Borrower shall be entitled to an annual Distribution of Surplus Cash. The Agency shall make an annual review of the Development Financial Report which shall be prepared in accordance with the Agency's Property Management Manual as amended from time to time, and determine whether a Distribution should be approved.

(b) If the debt service schedule of the Note is not payable from Surplus Cash or Residual Receipts, from time to time during the fiscal year, upon Agency approval, the Borrower may take advances on its reasonably expected annual distribution for the fiscal year. Such advances shall only be taken if there are no undisputed accounts payable older than thirty (30) days and there are sufficient funds to pay anticipated Operating Expenses coming due within the next thirty (30) days. The amount distributed shall not, in the aggregate, exceed the amount of the reasonably expected annual Distribution for the fiscal year. Such advances shall be reconciled to the monthly financials and the Development Financial Report for the fiscal year and, to the extent they exceed the approved annual Distribution, shall be refunded to the Development Account upon immediate demand by the Agency.

(c) If any debt service payable to the Agency derives from Surplus Cash or Residual Receipts, the Borrower shall not be entitled to advances of Distributions as discussed in subsection (b). All Distributions shall be taken annually and only after the Agency's prior written approval.

(d) Except as provided in subsection (b), no Distribution shall be taken, made, received or retained by the Borrower or any other persons or entity without the prior written approval of the Agency. The Agency shall not unreasonably withhold its approval of a Distribution request. Notwithstanding the foregoing, the Agency shall not be required to approve Distributions to be made from borrowed funds, or to be made while there is any violation or default under the terms of this Agreement or any of the other Loan Documents.

(e) The proceeds of any unapproved Distribution, while retained, shall be held by the recipient as trustee for the Development and shall be immediately refunded to the Development upon demand. The recipient of an unapproved Distribution shall be obligated to pay interest thereon to the Development at the rate of the Note for the period that the Distribution is retained by the recipient.

14. Actions. The Borrower agrees to notify the Agency promptly in writing of any action or proceeding by or against the Development or by or against the Borrower with respect to the Development. No action or proceeding seeking the recovery of a sum in excess of Ten Thousand and No/100 Dollars (\$10,000.00) or for specific performance or other equitable relief shall be instituted by the Borrower with respect to the Development, nor shall any action or proceeding seeking the recovery from the Development, or from the

Borrower with respect of the Development, of a sum in excess of Ten Thousand and No/100 Dollars (\$10,000.00) or for specific performance or other equitable relief against the Development, or against the Borrower in respect of the Development, be settled or compromised by the Borrower, without the prior approval of the Agency. Any such approval may be subject to such terms and conditions as the Agency, may prescribe.

15. Assignment of Rents for Security. As security for the performance of the Borrower of all its obligations under this Agreement, the Borrower hereby assigns and pledges to the Agency all of the Borrower's right, title and interest in and to the rents, profits, income and charges of whatsoever kind or nature which it may receive or be entitled to receive from the operation of the Development, subject, however, to any assignment of rents or like provision contained in the Deed of Trust or in any of the other Loan Documents; provided, however, that unless and until a default under this Agreement is declared by the Agency or a default or event of default shall have occurred under any of the other Loan Documents, the Borrower shall be permitted to collect and retain such rents, profits, income and charges, subject to the provisions of this Agreement.

16. Violation of Agreement by the Borrower. In the event of the violation of any of the provisions of this Agreement by the Borrower, the Agency shall give written notice thereof to the Borrower by registered or certified mail addressed to the Borrower at the address stated in this Agreement, or to such other address as may have been designated by the Borrower in writing, and if such violation is not corrected to the satisfaction of the Agency within thirty (30) days after the date such notice is mailed (or within such further time as the Agency in its sole discretion may permit), the Agency may without further prior notice declare in writing a default under this Agreement effective on the date of such declaration of default, and upon any such declaration of default, or, irrespective of any such declaration of default, upon the occurrence of a default or event of default under any of the other Loan Documents, the Agency may:

(a) Declare the whole of the principal amount of the indebtedness evidenced by the Note immediately due and payable and proceed with the rights and remedies provided for in the Loan Documents.

(b) Collect all rents, rental subsidies, profits, income and charges in connection with the operation of the Development and use same or the proceeds thereof, in such order as the Agency may determine, toward satisfaction of the Borrower's obligations under this Agreement or any of the Loan Documents; and toward payment of the necessary expenses of preserving and operating the Development.

(c) Take possession of the Development, bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the Agency, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement and in compliance with the requirements of any of the other Loan Documents.

(d) Apply to any court, state or federal, for specific performance of this Agreement; for an injunction against any violation by the Borrower of this Agreement; for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement; or for such other relief as may be appropriate, it being agreed by the Borrower that the injury to the Agency arising from the default under any of the terms of this Agreement would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the Agency which would afford adequate relief.

(e) In addition, if and to the extent necessary to correct any such default, the Borrower hereby grants to the Agency the option to lease, from time to time, units in the Development for a rental of one dollar

(\$1.00) per unit per year for the purpose of subleasing such units to comply with Sections 3 and 4 of this Agreement. Any rents received by the Agency under any such sublease shall be paid to the Borrower after the Agency has been reimbursed for any expenses incurred in connection with such sublease, provided, that if the Borrower is in default under the Loan, such rental shall be used to make payments of Loan principal and interest or otherwise to cure such defaults.

17. Interest Charges. In the event that the Borrower fails to make timely payment of any money provided for in this Agreement, then such payment obligation shall be increased to include interest at the rate of the lesser of ten percent (10%) simple interest per annum or the maximum rate permitted by law.

18. Action by the Agency. Except as may be otherwise specifically provided herein, whenever any approval, notice direction, consent, request or other action by the Agency is required or permitted under this Agreement such approval, notice direction, consent, request or other action shall be in writing.

19. Integration and Amendments. The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Agency in writing.

20. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

21. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior approval of the Agency. Except as expressly provided herein, this Agreement shall be for the exclusive benefit of the parties hereto and shall not confer any rights upon any third party. In the event the Borrower transfers title, possession or control of the Development to a third party, the Borrower covenants to require as a condition of transfer that such third party agrees to be bound by and to operate the Development in accordance with this Agreement. The Agency is deemed to be the beneficiary of such conditions and agreements with the right to enforce them against any such third party.

22. Recordation. This Agreement shall be acknowledged by each of the parties and recorded in the official records of the county in which the Development is located.

23. Election of Remedies; Events of Default. The remedies of the Agency hereunder and under the other Loan Documents are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

24. Waiver by Agency. No waiver by the Agency of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereof or default hereunder.

25. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

26. Legal Notices. Written notices pursuant to Section 16 of this Agreement by and between the parties hereto shall be addressed as follows unless and until a party hereto has, in writing, communicated a different address to the other party hereto, provided, **for notices other than to Borrower, CalHFA shall use its best efforts, and provided further that no legal consequences shall arise by reason of CalHFA's failure to give notice to:**

Borrower: Oregon Investors VIII Limited Partnership
c/o Cascade Housing Association
87460 Cedar Flat Road
Springfield, OR 97478
Attn: Kelly Williams

Limited Partner: Peoples Benefit Life Insurance Company
c/o AEGON USA Realty Advisors, Inc.
4333 Edgewood Road, N.E.
Cedar Rapids, IA 52499
Attn: Michael Sheehy, Counsel

Special Limited Partner: Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, Inc.
600 Montgomery Street, 16th Floor
San Francisco, CA 94111
Attn: David W. Kunhardt

Agency: Office of the General Counsel
California Housing Finance Agency
P.O. Box 4034
Sacramento, California 95812-4034

27. Attorney Fees, Costs. In any nonjudicial foreclosure process, or action to enforce or relating to any provision of the Loan Documents, the prevailing party shall be entitled to recover from the other party, its costs and expenses. The term "costs and expenses" as used herein shall include all costs and expenses actually and reasonably incurred including but not limited to attorney's fees; filing, motion, and jury fees; juror food and lodging; taping, videotaping, and transcribing depositions and travel expenses to attend depositions; service of process by a public officer, registered process server, or other means; expenses of attachment including keeper's fees; premiums on surety bonds; ordinary witness fees pursuant to Section 68093 of the California Government Code; fees of expert witnesses whether or not ordered by the court; transcripts of court proceedings whether or not ordered by the court; court reporters fees as established by statute; investigation expenses in preparing the case for trial; postage telephone, and photocopying charges; costs in investigation of jurors or in preparation for voir dire; models, blowups and photocopies of exhibits, and any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor.

28. No Conflict With Other Documents. The Borrower warrants that it has not, and shall not, execute any other agreement with provisions contradictory to the provisions hereof, and that, in any event, the

requirements of this Agreement shall be paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

29. Agency Insurance Requirements. The Borrower shall maintain insurance on the Development in substantial conformance with the requirements of the Agency as amended from time to time. As of the date of this Agreement, the Agency's requirements are set forth in that certain "Insurance Requirements For California Housing Finance Agency Developments" attached hereto as **Exhibit B** and incorporated herein by this reference.

30. Maintenance. The Borrower shall maintain the Development in a decent, safe and sanitary condition and in a good state of repair as determined by the Agency in its sole discretion.

31. Indemnification. The Borrower shall indemnify, defend (with counsel reasonably chosen by the Agency, at the Agency's option), and hold the Agency, and its employees, officers, agents, and board members harmless against all claims which arise out of or in connection with the ownership or occupancy of or construction on or in connection with the Development (including, without limitation, rehabilitation) by the Borrower or the Borrower's contractors, subcontractors, agents, employees, or tenants. This section shall survive the termination of this Agreement.

32. Environmental Covenants. The Borrower represents and warrants that after reasonable investigation and inquiry, and except as indicated in the Phase I environmental report submitted to the Agency, as of the closing date it has no knowledge of any hazardous substance or environmental condition on or within two thousand (2,000) feet of the Development which may adversely impact the security of the Loan, or which may render the Development financially infeasible, or which may affect the health and safety of the occupants, the Development, or which may present an undue risk of liability to the Agency. The Borrower agrees to comply with all laws and orders of any federal, state or local governmental agency relating to clean-up or remediation, or other response action required by applicable law or order concerning a release or threatened release of hazardous substances in or on the Development. The term "hazardous substance" as used in this paragraph shall mean as defined at Code of Civil Procedure Section 736(f)(3).

The Borrower shall give any and all environmental notices to tenants and/or workers (both employee and independent contractor) which may be required by state or federal law. The Borrower hereby agrees to indemnify and hold the Agency harmless for any and all liability arising out of the presence of hazardous substances on the Development during the longer of the term of the Loan or the term of the Regulatory Agreement. Liability may be established by, among other forms of demands, a demand in the form of a judgment, a settlement, or an administrative order; and may include costs, fees, penalties, interest, attorney's fees, and other costs related thereto. Whereas the purpose of this indemnity is to protect the Agency from harm, the rights to recover shall accrue as soon as the liability is incurred or costs are advanced. The term "any and all liability" shall include, but shall not be limited to, liability for: (a) the clean-up of hazardous substances; (b) claims for contribution or apportionment of remedies, and; (c) claims for physical or other damages to persons, property, or natural resources. The duty of the Borrower to indemnify and hold the Agency harmless shall include the duty to defend as set forth in California Civil Code Section 2778.

33. CDLAC Requirements. The Borrower shall comply with the conditions set forth in Exhibit A to CDLAC Resolution No. 02-127 relating to the Project and adopted on September 23, 2002 (the "CDLAC Conditions"), as they may be modified or amended from time-to-time, which conditions are incorporated herein by reference and made a part hereof. The Borrower will prepare and submit to CDLAC, not later than each anniversary of the Closing Date, until the end of the Qualified Project Period, a Certificate of Continuing Program

Compliance, executed by an authorized representative of the Borrower. The Agency shall have no obligation to monitor the Borrower's compliance with the CDLAC Conditions. In no event shall this Section extend the term of this Agreement as provided in Section I above.

34. Third-Party Beneficiary. The CDLAC is intended to be and shall be a third-party beneficiary of this Regulatory Agreement. CDLAC shall have the right (but not the obligation) to enforce the CDLAC Conditions and to pursue an action for specific performance or other available remedy at law or in equity, provided that any such action or remedy shall not materially adversely affect the interest and rights of the Bondholders or the Agency.


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

36. 3 Year Tax Credit Period. If this Development was assisted by federal tax credits, and in the event that it is determined that IRS Code Section 42(h)(6)(E) (ii) is applicable to the Agency, and in the event that the Agency were to take over ownership of the Development as a result of a foreclosure, the Agency will comply with the 3 year extended use requirement as specified therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

OREGON INVESTORS VIII LIMITED PARTNERSHIP,
an Oregon limited partnership

By: Cascade Housing Association,
an Oregon nonprofit public benefit
corporation, its General Partner

By: 
Kelly R. Williams
Secretary-Treasurer

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

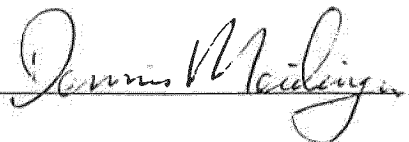
By: 

Exhibit A - Legal Description of the Development
Exhibit B - Agency Insurance Requirements

ACKNOWLEDGMENTS

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

SS.

On December 10, 2001 before me, J. Murray Beardwood, Notary Public

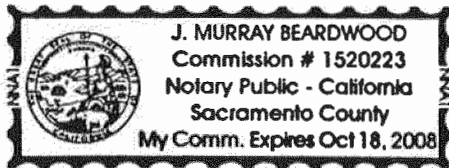
Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Dennis Meidinger

Name(s) of Signer(s)

- ☒ personally known to me
☐ proved to me on the basis of satisfactory evidence



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

WITNESS my hand and official seal.

J. Murray Beardwood
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Attorney-in-Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here

STATE OF OREGON

COUNTY OF LANE

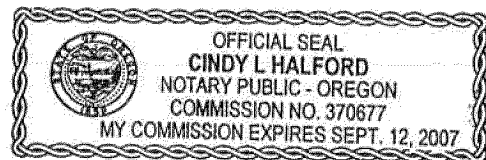
On December 14, 2004 before me, Cindy L. Halford
(Name of Notary Public)

personally appeared Kelly R. Williams

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

WITNESS my hand and official seal.

Cindy L. Halford
(Signature of Notary Public)



(This area for notarial seal)

EXHIBIT "A"

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GRASS VALLEY, COUNTY OF NEVADA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel One:

Parcel 1, as shown on Parcel Map 01-01, Cedar Park, filed May 17, 2001, in Book 19 of Parcel Maps, at Page 60.

EXCEPTING THEREFROM minerals, gas, oil and mineral deposits below a depth of 200 feet below the surface together with all necessary and convenient rights to explore for, develop, produce, extract and take the same, subject to the express limitation that the foregoing exception and reservation shall not include any right of entry upon the surface of said land without the consent of the owner of such of said land as set forth in the Deed dated August 28, 1961, recorded August 29, 1961, recorded August 29, 1961, in Book 302, Page 339, Official Records, executed by Sum-Gold Corporation, Inc., to John P. O'Brien et ux.

Parcel Two:

A non-exclusive right of way for purposes of ingress and egress over a portion of Parcel 2, Book 19 of Parcel Maps, at Page 60, Nevada County, located in Southwest quarter of the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., said right of way being more particularly described as follows:

Commencing at the Southwest corner of the subject Parcel 2, a point from which the Southwest corner of said Section 24 bears the following two consecutive courses, to-wit: South 90° West 582.88 feet and South 01° 28' 00" East 258.40 feet and running thence from said point of beginning North 33° 55' 35" West 94.56 feet to the beginning of a non tangent curve concaved to the Northeasterly having a radial bearing of North 33° 55' 35" East and a radius of 79.12 feet; thence along said curve Southeasterly 23.94 feet, thence North 36° 10' 12" East 28.29 feet, thence South 49° 35' 32" East 42.81 feet; thence North 82° 23' 01" East 155.32 feet to a point on the Westerly line of Sutton Way, thence running along said Westerly line South 07° 13' 30" East 75.54 feet; thence leaving said Sutton Way South 89° 59' 14" East 288.25 feet to the point of beginning as disclosed by a Grant of Easement dated January 24, 2003, by Cascade Housing Association, an Oregon non-profit Corporation to Martin Harmon, recorded January 31, 2003, Document No. 2003-0005020, Official Records of Nevada County.

Parcel Three:

An exclusive right of way for purposes of constructing roadways, curb, gutter and utilities on Parcel C as recorded in Book 7 of Parcel Maps at Page 41, Nevada County, California. This right of way shall

be terminated at the end of construction. Located in the Southwest quarter of the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., a strip of land 60 feet wide, the center line which is described as follows:

Commencing at a point from which the Southwest corner of said Section 24 bears the following three courses, to-wit: North 90° 00' 00" West 145.00 feet, South 01° 28' 00" East 450.07, South 01° 28' 00" East 258.40 feet running thence from said point of beginning along the centerline of said right of way North 00° 00' 00" East a distance of 20.00 feet to the end thereof by an Easement and Maintenance Agreement dated January 24, 2003, by Oregon Investors V Limited Partnership, an Oregon limited partnership to Oregon Investors VIII Limited Partnership, an Oregon limited partnership, recorded January 31, 2003, Document No. 2003-0005021, Official Records of Nevada County.

Parcel Four:

A non-exclusive right of way for purposes of ingress and egress over a portion of Parcel 2, Book 19 of Parcel Maps at Page 60, Nevada County, located in Southwest quarter of Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., said right of way being more particularly described as follows:

Commencing at the Southwest corner of the subject Parcel 2, a point from which the Southwest corner of said Section 24 bears the following two consecutive courses, to-wit: South 90° West 582.88 feet and South 01° 28' 00" East 258.40 feet and running thence from said point of beginning: North 33° 55' 35" West 94.56 feet to the beginning of a non tangent curve concaved to the Northeasterly having a radial bearing of North 33° 55' 35" East and a radius of 79.12 feet; thence along said curve Southeasterly 23.94 feet, thence North 36° 10' 12" East 28.29 feet; thence South 49° 35' 32" East 42.81 feet; thence North 82° 23' 01" East 155.32 feet to a point on the Westerly line of Sutton Way; thence running along said Westerly line South 07° 13' 30" East 75.54 feet; thence leaving said Sutton Way South 89° 59' 14" East 288.25 feet to the point of beginning as disclosed by a Reciprocal Easement dated January 28, 2003, by Cascade Housing Association, an Oregon non-profit Corporation and Oregon Investors VIII Limited Partnership, an Oregon limited partnership, recorded February 5, 2003, Document No. 2003-0005781, Official Records of Nevada County.

APN: 35-412-04

EXHIBIT B

CALIFORNIA HOUSING FINANCE AGENCY

INSURANCE REQUIREMENTS FOR CALIFORNIA HOUSING FINANCE AGENCY DEVELOPMENTS

Owner shall procure and maintain for the duration of the loan, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the owners operation of the premises to which this contract applies.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Property insurance against the perils of fire, "extended coverage", vandalism, and malicious mischief to real property and business income (rents).
2. If not granted a waiver, Property insurance against the perils of earthquake and flood for both real property and business income (rents). (May be purchased through CalHFA).
3. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
4. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
5. Workers; Compensation insurance as required by the State of California and Employer's Liability Insurance.
6. Boiler and Machinery coverage against standard "broad form" perils.

Minimum Limits of Insurance

Owner shall maintain limits no less than:

1. Property Insurance: Full replacement cost with no coinsurance penalty provision for real property, and at least the annual gross potential rental income for the development for business interruption coverage.
2. General Liability: (Including operations, products and completed operations.) **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
3. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
4. Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.
5. Earthquake and Flood:

A. Limit as provided through participation in the earthquake and flood DIC policy coverage offered through the Agency, or.

B. For new proposed projects, application to Multifamily Programs underwriting for a waiver.

C. For projects not covered by the Agency policy or granted a waiver, total replacement value (building replacement cost plus business interruption value) with no coinsurance penalty provision.

Blanket earthquake insurance policies will be considered on a case by case basis.

6. Boiler & Machinery: **\$1,000,000.**

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by CalHFA. At the option of the CalHFA, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CalHFA, its officers, officials, employees and volunteers; or the owner shall provide a financial guarantee satisfactory to CalHFA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Notwithstanding the foregoing, the owner may select deductibles no greater than \$10,000 per occurrence on Property and Boiler & Machinery coverages, and no greater than 5% of the values per building per location at the time and place of the loss per occurrence on Earthquake and Flood coverages.

Other Insurance Provisions

With respect to Property and Earthquake and Flood coverage, the Agency's interest shall be protected by a Lenders Loss Payable Endorsement naming the Agency as "Loss Payee."

Crime Coverage: The Agency recommends, but does not require owner to carry insurance covering money or other property against burglary, robbery or theft.

Directors and Officers: The Agency recommends but does not require liability insurance for directors and officers of non-profit boards.

The general liability policy is to contain, or be endorsed to contain, the following provisions:

1. The owner's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the Agency shall be excess of the owner's insurance and shall not contribute with it.
2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, reduced or modified except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII or an S&P rating of AA.

Verification of Coverage

Policies must be acquired at initial occupancy and a certificate of insurance must be submitted to the Agency for approval 45 days prior to permanent loan recordation. Renewal insurance certificates must be submitted 30 days prior to the expiration date of any current certificate.

Impounds

At the time of permanent loan closing, the Agency will establish insurance impounds

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

Recording requested by and
when recorded return to:

CALIFORNIA HOUSING FINANCE
AGENCY
Office of General Counsel
P.O. Box 4034
Sacramento, CA 95812-4034

Certified to be a TRUE copy of
DOCUMENT RECORDED January 19, 2006
INSTRUMENT No. 2006-0001836
Book — Page —
Nevada COUNTY RECORDS
Fidelity NATIONAL TITLE
By J. Brown

(Space above this line for Recorder's use)

CALIFORNIA HOUSING FINANCE AGENCY

REGULATORY AGREEMENT

CalHFA Development No. 02-049-N

This Regulatory Agreement (the "**Agreement**"), dated as of January 1, 2006 for informational purposes, is made and entered into by and between Oregon Investors VII Limited Partnership, an Oregon limited partnership (the "**Borrower**"), and the California Housing Finance Agency (the "**Agency**"), a public instrumentality and political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act (the "**Act**"), Division 31 of the California Health and Safety Code.

RECITALS

A. The Borrower is the owner of the real property described in **Exhibit A** attached hereto and incorporated herein by this reference (the "**Property**"), and has applied to the Agency for a loan (the "**Loan**") to finance a multifamily rental housing development (the "**Development**") pursuant to the provisions of the Act, particularly those provisions contained in Chapter 6.7 of the Act (the "**Law**"). The Development includes the Property, all improvements constructed on the Property and all funds or property, of whatsoever kind or nature, committed to the Development.

B. The Agency has issued tax-exempt bonds ("**Bonds**") pursuant to the Code (as defined below) and the Law to provide the financing for the Development.

C. In order to assure the Agency and its bondholders that interest on the Bonds will be excluded from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), and that the Bonds are "qualified bonds" within the meaning of Section 141 of the Code, and to be in compliance with the Code, and to satisfy the public purposes for which the Bonds are authorized to be issued under the Code, certain limits on the use and occupancy of the Development and certain other requirements need to be established.

D. As an inducement to the Agency to make the Loan, the Borrower has agreed to enter into this Agreement and has consented thereby to be and to have the Development regulated and restricted by the Agency as provided herein and in the Act and in the rules, regulations, policies and procedures of the Agency promulgated thereunder, and as amended from time to time.

NOW, THEREFORE, the parties hereto agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date of its execution and shall remain in full force and effect and shall apply to the Development until the latest of (i) the end of the Qualified Project Period, as defined below, (ii) payment in full of the Loan, or (iii) forty (40) years.

2. Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

(a) "**Closing Date**" means the date on which the Note is delivered to or for the account of the Agency, and the Deed of Trust and this Agreement recorded in the official records of the County in which the Development is located.

(b) "**Deed of Trust**" means collectively:

(i) that certain deed of trust entitled "California Housing Finance Agency Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, CalHFA Development No. 02-049-N (Permanent Financing)" which was executed by the Borrower, secures the Note and this Agreement, and encumbers the Development; and

(ii) that certain deed of trust entitled "California Housing Finance Agency Permanent Deed of Trust with Assignment of Rents, Security Agreement and Fixture Filing, CalHFA Development No. 02-049-N (Permanent Bridge Financing)" which was executed by the Borrower, secures the Note and this Agreement, and encumbers the Development.

The term "Deed of Trust" may also include any other deed(s) of trust recorded against the Development which provide a security interest in such Development for the benefit of the Agency. It is intended that this Agreement shall be recorded ahead of and have priority over the Deed of Trust.

(c) "**Distribution**" means any withdrawal, taking or payment of any assets, earnings or income of the Development excluding payments for current Operating Expenses of the Development and repayment of Operating Expense Loans.

(d) "**Gross Income**" means all rents, charges, rental subsidies, fees and any other income of the Development, and without limitation, such income derived from commercial facilities of the Development, if any.

(e) "**Loan**" means the Agency's loan or loans to the Borrower as evidenced by the Note.

(f) "**Loan Documents**" means this Agreement, the Note and Deed of Trust, as defined herein, and any other document evidencing or securing the Loan.

(g) "**Note**" means collectively:

(i) that certain promissory note entitled "California Housing Finance Agency Promissory Note, CalHFA Development No. 02-049-N (Permanent Financing)" of the Borrower in the face amount of Three Million Eight Hundred Twenty Thousand and No/100 Dollars (\$3,820,000); and

(ii) that certain promissory note entitled "California Housing Finance Agency Promissory Note, CalHFA Development No. 02-049-N (Permanent Bridge Financing)" of the Borrower in the face amount of One Million Eight Hundred Seventy Thousand and No/100 Dollars (\$1,870,000).

(h) "**Operating Expense**" means all reasonable and proper expenses of the operation of the Development, including, but not limited to, debt service on subordinate debt approved by the Agency (as evidenced by the Agency's final form CHFA 3), insurance, real estate taxes, ordinary maintenance and repair, costs of marketing, Development management fees, fuel, utilities, garbage disposal, sewer charges, audit expenses, all sums due or currently required to be paid under the terms of the Note or Deed of Trust, Agency required impound, reserve and escrow deposits, reasonable attorneys fees incurred in actions to terminate tenancies, and such other payments as the Agency may require or specifically approve in writing as Operating Expenses. In no event shall attorney fees or litigation costs other than as stated, nor expenditures normally required to be paid out of the Replacement Reserve, be treated as Operating Expenses unless specifically approved in writing by the Agency. Nonrecurring expenses in excess of Ten Thousand and No/100 Dollars (\$10,000.00) shall not be considered an approved Operating Expense unless specifically approved in writing by the Agency, which such approval shall not be unreasonably withheld.

(i) "**Operating Expense Loan**" means any loan by the Borrower or partner of the Borrower for the purpose of paying Operating Expenses of the Development. Operating Expense Loans may be repaid only with the approval of the Agency, which such approval shall not be unreasonably withheld and only after payment of, or the reservation of funds for payment of, all Operating Expenses of the Development, including payments due under the Agency's Residual Receipts Loan, if applicable.

(j) "**Qualified Project Period**" means a period beginning on the later of the date of this Agreement or the first day on which ten percent (10%) of the units in the Development are occupied, and ending on the latest of (i) the date which is fifteen (15) years after the later of the date of this Agreement or the first date thereafter on which fifty percent (50%) of the units in the Development are first occupied, (ii) the date on which no tax-exempt "private activity bond," within the meaning of Section 141 of the Code, issued with respect to the Development is outstanding, or (iii) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates.

(k) "**Qualified Tenants**" means those tenants with special rights to occupy dwelling units in the Development as defined in Section 4(a) of this Agreement.

(l) "**Residual Receipts**" means that portion of Surplus Cash remaining at the end of the fiscal year after payment to the Borrower of Agency-approved Distribution.

(m) "**Surplus Cash**" means the balance of Gross Income of the Development remaining at the end of each fiscal year after payment of Operating Expenses, Agency-approved Operating Expense Loans, and reservation of cash required to meet current thirty- (30-) day obligations. For the purpose of computing Surplus Cash, Gross Income of the Development shall include any rent insurance proceeds, but shall exclude fire or other insurance proceeds, condemnation proceeds, and any security deposit which shall not have become the property of the Borrower free of the claim of any person claiming as or through the tenant having made such deposit.

(n) "**Sustaining Occupancy**" is deemed to have been achieved when, for at least three (3) consecutive months, (i) at least ninety-five percent (95%) of the total number of units are occupied, and (ii) Gross Income equals or exceeds that projected on the mortgage application approved at final commitment.

3. Maintenance as Residential Rental Property. The Borrower shall not take any action, or permit any action to be taken, which would result in the Development not being, or (except as expressly approved in writing by the Agency) in any proceeds of the Loan being used to provide other than, "residential rental property" within the meaning of 26 U.S.C. Section 142(d) of the Code. To that end, the Borrower represents, warrants and agrees that:

(a) The Development is comprised of at least two dwelling units and facilities functionally related and subordinate to the dwelling units. The portion of the Development that constitutes residential rental property shall be determined in accordance with Treasury Regulation Section 1.103-8(b)(4) and shall consist of the residential units in the Development, all other property of the Development benefiting only such units and the allocable portion of the Property of the Development benefiting both such units and other portions of the Development, as provided by the Treasury Regulations.

(b) Each of the dwelling units in the Development shall be similarly constructed, and shall contain complete, separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family.

(c) Each of the dwelling units in the Development shall be available for rental to members of the general public. None of the dwelling units in the Development shall at any time be utilized on a transient basis, shall ever be leased or rented for a period of less than thirty (30) days, or shall ever be used other than for housing purposes. The Development shall not be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court for use on a transient basis.

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

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

(e) The Borrower shall not convert the Development to condominium or other individual unit ownership during the term of this Agreement. No part of the Development shall at any time be owned or used by a cooperative housing corporation except in compliance with the provisions of Section 143(k)(9) of the Code.

(f) If the Development comprises fewer than five (5) dwelling units, the Borrower shall not occupy any dwelling unit in the Development.

(g) All of the amounts advanced for the Development from the proceeds of the Loan shall be used to provide amounts paid or incurred on or after January 4, 2003 (sixty (60) days prior to the Agency's declaration of official intent to issue bonds) which are chargeable to the residential rental portion of the Development's capital account or would be so chargeable either with a proper election by the Borrower (for example under Section 266 of the Code) or but for a proper election by the Borrower to deduct such amounts. If any portion of a Development was acquired from or constructed by a Related Person of the respective Borrower (whether as a general contractor or a subcontractor), such costs include only the actual out-of-pocket costs incurred by such Related Person and not, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction of such Development or payments received by such Related Person due to early completion of the Development (or any portion thereof). No proceeds of the Bonds will be spent on (1) leasing commissions, costs of advertising for any Development, or other costs related to the rental of units in any Development, (2) management fees for the management and operation of any Development after the completion date, or (3) interest allocable to any unit for any period after such unit is held available for rental. For purposes of this paragraph, "Related Person" shall mean a person with a relationship to a person such that (i) the relationship between such persons would result in a disallowance of losses under Section 267 or 707(b) of the Code or (ii) such persons 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.

(h) On the basis of the cost and economic life of each asset of the Development (under midpoint lives under the ADR System or guideline lives under Treasury Revenue Procedure 62-21, as the case may be), the weighted average estimated economic life of the Development exceeds the maturity of the Loan.

(i) No more than twenty-four and nine-tenths percent (24.9%) of the proceeds of any Loan may be used (directly or indirectly) for the acquisition of land (or an interest therein). The Borrower shall expend Loan proceeds for eligible costs in such amount as may be necessary to comply with the preceding sentence.

(j) The Borrower shall submit to the Secretary of the Treasury (at such time and in such manner as the Secretary shall prescribe) an annual certification as to whether the Development continues to meet the requirements of Section 142(d) of the Code.

(k) If loan proceeds are to be used for acquisition of an existing Development, an amount equal to at least fifteen percent (15%) of the acquisition cost of each building in the Development financed with proceeds of the Bonds shall be attributable to rehabilitation expenditures (as that term is defined in Section 147(d)(3) of the Code) with respect to such building which occupied within twenty-four (24) months after the later of the issuance of the Bonds or the date such building was acquired.

(l) If loan proceeds originally used to finance the Development are from qualified 501(c)(3) bonds, subsections (i) and (k) above are inapplicable, and the Borrower certifies the following:

(i) it has received an IRS determination that it qualifies as a 501(c)(3) corporation;

(ii) it will own and operate the Development in furtherance of its charitable purposes (as described in its application to the IRS for its 501(c)(3) determination) and not for pecuniary benefit;

(iii) the ownership and operation of the Development does not and will not in any respect or to any extent constitute an unrelated trade or business under Section 513(a) of the Code; and

(iv) it will maintain its existence as, and conduct its operations so as, to maintain qualification as an organization described in Section 501(c)(3) of the Code for the term of the Loan.

4. Tenant Income Limitations.

(a) For the term of this Agreement, at least twenty percent (20%) of the completed dwelling units in the Development shall be occupied or reserved for occupancy, on a continuous basis by individuals or families whose income does not exceed fifty percent (50%) of area median income, as adjusted for family size pursuant to Section 142(d) of the Code, and who constitute very low income households within the meaning of Section 51335 of the Law (collectively, "*Qualified Tenants*"). In no event, shall the occupants of a unit be considered to be Qualified Tenants if all such occupants are students (as defined under Section 151(c)(4) of the Code), no one of whom is entitled to file a federal joint return under Section 6013 of the Code. Units so occupied shall be rented at rents (including an allowance for utilities) which shall not exceed one-twelfth (1/12th) of thirty percent (30%) of fifty percent (50%) of area median income, as published by the Department of Housing and Community Development or U.S. Department of Housing and Urban Development, with adjustments for household size. The Agency shall from time to time make available to the Borrower schedules of and any changes in the dollar amounts of the rent and income limitations contained in this Section 4.

Except as provided in Subsection 4(b) below, a dwelling unit occupied by an individual or family who at the commencement of the occupancy qualifies as a Qualified Tenant shall be treated as occupied by a Qualified Tenant, even if such individual or family during their tenancy in such unit ceases to so qualify. Moreover, if vacated, such unit shall be treated as

occupied by a Qualified 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) No resident of a dwelling unit in the Development shall be denied continued occupancy because, after admission, the resident's family income increases (or family size decreases) so as to cause the family income to exceed the maximum income level for a Qualified Tenant. However, if a resident's family income increases (or family size decreases) so as to cause the family income to exceed one hundred forty percent (140%) of the applicable income limit, the Borrower shall ensure that the percentage requirements of this Section shall continue to be met by providing the next available unit or units to Qualified Tenants or by taking other actions to satisfy the percentage requirements of this Section. In determining whether such percentage requirements have been achieved, such requirements shall be complied with on June 30 of each year after any dwelling units in the Development are occupied.

(c) On a form approved by the Agency, the Borrower shall obtain a third party certification of income from each prospective tenant of a dwelling unit designated for rental by a Qualified Tenant prior to admission to the Development. An annual certification shall also be obtained from each tenant of a dwelling unit designated for rental by a Qualified Tenant on or about June 30 of each year. Copies of such certifications shall be sent to the Agency, shall be retained in the Borrower's files for a period of three (3) years and shall be available for inspection by the Agency or its agents upon request.

(d) On or before August 15th of each year the Borrower shall file with the Agency a report on a form approved by the Agency specifying the total number of dwelling units in the Development and the number of units occupied by Qualified Tenants as of June 30th of such year.

5. Agency Financing and Rental Requirements. In addition to the requirements of Sections 3 and 4, the Borrower covenants that:

(a) Unless otherwise approved by the Agency, rental charges to Qualified Tenants shall include all utilities except telephone and cable television; provided however, that where the Agency approves direct payment of utilities (in addition to telephone) by such tenants, such rental charges shall be calculated as if the estimated expense of such utilities were to be paid by the Borrower, but the amounts actually collected from such tenants shall be decreased by the estimated expense of such utilities approved by the Agency.

(b) The Borrower shall require every tenant in the Development to execute a lease in a form which may be subject to approval by the Agency and shall not lease any dwelling unit in the Development for less than thirty (30) days nor more than two (2) years. The form of lease shall provide for eviction procedures conforming to California law.

(c) The Borrower shall not discriminate against tenants or applicants who are recipients of federal rent subsidies pursuant to Section 8 of the United States Housing Act of 1937, as amended, or any successor subsidy program.

(d) Utilization of the commercial facilities of the Development, if any, shall be compatible with the residential uses of the Development. Any commercial tenants, improvements and lease provisions must be approved by the Agency. The Agency shall have the right to require existing and future commercial tenants to enter into nondisturbance and attornment agreements on commercially reasonable terms. The Borrower and each commercial tenant agree to do any acts and execute any documents necessary to effectuate the Agency's rights in this regard.

(e) The Borrower agrees to make available any and all units of the Development for the purposes of physical inspection by Agency personnel upon prior notice and in accordance with Agency policies and procedures. In addition, Borrower shall require that its managing agent inspect each unit at least on an annual basis.

(f) The Borrower shall not permit any interest to be charged nor to accrue on any advances to the Development from the Borrower or any affiliate of the Borrower except upon the following conditions: (1) prior written notice of such advance and the terms thereof shall be given to the Agency; (2) interest shall be limited to the rate on the Note; (3) the amount of such advance shall be no greater than necessary to pay current expenses; and (4) such advances shall be repaid after payment of, or the reservation of funds for payment of, all Operating Expenses of the Development and prior to any Distributions from the Development. Failure of any of these conditions shall render the party making the advance liable to refund and/or forfeit all interest paid or due and shall be an event of default pursuant to this Agreement.

(g) The dwelling units to be occupied by, or reserved for occupancy by, Qualified Tenants shall be of comparable quality to all other dwelling units, shall be dispersed throughout the Development, and shall be in size and type available in the same percentages as the sizes and types of all other dwelling units.

(h) The Borrower represents and warrants that at all times its acts in connection with the Development have complied with and shall continue to comply with all applicable provisions of federal, state and local laws, all applicable provisions of the Act, the rules, regulations, policies and procedures of the Agency and all agreements with the Agency and any other public entities concerning the Development as amended from time to time. The Borrower represents to the Agency that professional advice is available to the Borrower for the purpose of enabling the Borrower to be aware of and to comply with said laws, policies, procedures and agreements. The Borrower agrees to indemnify the Agency against any loss incurred by the Agency as a result of the Borrower's failure to comply therewith.

Specifically, the Borrower acknowledges the existence of federal, state and local laws regarding handicapped accessibility and the relocation of persons displaced by the Development. The Borrower agrees that the Borrower, and not the Agency, is responsible for complying with such laws.

6. Establishment and Use of Reserve Funds. The Borrower shall establish and maintain the following reserve and escrow accounts. Unless otherwise specified herein or approved by the Agency, in its sole discretion, such accounts (i) shall be established on or before the Closing Date, (ii) shall be funded with cash, (iii) shall be under the control of the Agency at all times, (iv) may be invested by the Agency provided that income earned on such funds (minus 1%

per annum of the principal balance of the account, but only to the extent there are earnings, which may be retained by the Agency as an administrative fee) shall accrue to the account, (v) shall be used for the prescribed purposes, and (vi) shall have any remaining balance, upon the Agency's termination of the requirement for the particular reserve account, returned to the Borrower. Borrower agrees that any conveyance or transfer, voluntary or involuntary, of its interest in the Development shall have the effect of transferring to the successor-in-interest all of Borrower's interest in and all of its rights to, if any, the reserve and escrow funds without further act of the Borrower, and in refunding all or any part of the reserve and escrow funds, the Agency may deal with whoever is the record owner of the property at the time of termination. Borrower agrees that the Agency is granted a security interest in all required reserve and escrow funds which are intended to benefit the Development. Borrower hereby appoints the Agency, during the term of this Agreement, as its attorney-in-fact, to substitute any new owner of the Property or Development, or the Agency itself, as signatory of the reserve and escrow accounts, in the place of Borrower.

(a) Operating Expense Reserve. An Operating Expense Reserve (the "**OER**") shall be established and maintained from sources other than Gross Income in the amount of Fifty-One Thousand Three Hundred Forty-Four and No/100 Dollars (\$51,344), until such time as two (2) full consecutive Development fiscal years have passed in which the audited annual financial statement accepted by the Agency shows that Gross Income is sufficient to meet all Operating Expenses. The OER shall be funded on a one-time-only basis and, if drawn down, need not be replenished. The OER shall be used to fund any Operating Expenses not covered by Gross Income.

(b) Replacement Reserve. A Replacement Reserve (the "**RR**") shall be established and maintained until the termination of this Agreement. The RR shall be funded by deposits in the amount of One Thousand Four Hundred Eight and 33/100 Dollars (\$1,408.33) per month, due on the first day of each and every month commencing with the first payment due on the Note. The Agency may adjust, at any time, the amount of the monthly payments to be made into the RR as necessary to, in its sole discretion, keep pace with increases in the costs of replacing structural elements and equipment of the Development. The RR shall be used upon the Agency's written approval to replace major structural elements or equipment of the Development or for any other purpose consistent with maintaining the financial and physical integrity of the Development. Borrower agrees to make arrangements for a physical needs assessment and an evaluation, by an independent party acceptable to the Agency of current and future maintenance requirements of the Development. This physical needs assessment and maintenance evaluation shall occur upon the Agency's request and shall be forwarded to the Agency for review. The costs of such assessment and evaluation shall be an obligation of the Borrower.

(c) Construction Defect Security. On or before the Closing Date, the Agency shall be provided with a cash deposit or letter of credit, as approved by the Agency (the "**Construction Defect Security**" or "**CDS**"), in the amount of One Hundred Fifty-Four Thousand Four Hundred Eight and No/100 Dollars (\$154,408.00) (2.5% of the construction contract amount as of the date of completion) or such greater amount as may, in the sole discretion of the Agency, be necessary to adequately secure the Agency and Development against construction defects. The term "construction defect" as used herein shall mean all construction related physical problems including but not limited to deviations from the approved final plans and specifications for the Development. Such CDS shall be kept in effect for one (1) year from the date of Permanent Loan Closing and may be used or set aside for the correction of construction defects or related damages

which appear during such period and which are not corrected by the contractor or the Borrower within a reasonable time following the demand by the Agency for such correction. The date specified herein may be extended if payment of construction defect repairs will be paid after that date, or if there is an ongoing dispute regarding construction defects not yet repaired to the satisfaction of the Agency.

(d) Additional Escrows and Accounts. In addition to the MA, RUA, OER, RR, and CDS, the Agency may, prior to the Closing Date, require the establishment and maintenance of other reserve and/or escrow accounts as necessary to create reserves which, in the sole discretion of the Agency, are necessary or proper to ensure the feasibility of the Development.

7. Application of Funds if Default. In the event of a default under this Agreement, or any of the other Loan Documents, the Agency in its sole discretion may apply or authorize the application of the funds in any of the accounts provided for in Section 6, to any amounts then due under this Agreement or the other Loan Documents, or use such funds for the continued operation of the Development provided, however, that if the default is cured, all funds shall be returned to the appropriate account.

8. Non-Discrimination and Equal Opportunity. Occupancy of the Development shall be open to all regardless of race, sex, sexual orientation, marital status, familial status, age (except for senior citizen housing pursuant to California and Federal law), color, religion, disability, source of income, national origin or ancestry. The Borrower shall require that its officers, agents, employees, management agent, contractors, subcontractors, and employees associated with the Development provide equal opportunity for employment and that they shall not engage in any unlawful discriminatory conduct. In addition, the Borrower agrees to conduct its own affirmative marketing programs as approved by the Agency.

9. Qualified Tenant's Rental Limits Increase Procedure.

(a) The Agency will, from time to time, revise the maximum rental limits applicable to dwelling units reserved for Qualified Tenants by a percentage equal to any percentage change in county median income. Until such time as the Agency mails a notice of such change of rent limits to the Borrower (or such change is posted on the Agency's website), the previously existing charges shall apply.

(b) Upon receipt of new rental limit schedules, the Borrower may increase, and shall, if necessary, decrease the rental charges. Any increase in rental charges must comply with the terms of the lease as to the time and manner of such changes, provided that, no Qualified Tenant shall have a rent increase sooner than one (1) year after initial occupancy, and provided further, no Qualified Tenant shall have an annual rent increase in excess of the percentage increase in the county median income for the applicable year in which the rent increase is being considered, nor shall there be an accumulation of rental increases from year-to-year for those years in which the Borrower chooses not to increase rents by the percentage allowed herein.

10. Financial Covenants. In addition to, but not by way of limitation of, all other duties of the Borrower set forth herein, the Borrower shall comply with the following:

(a) Audit. The Development and all equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and shall be subject to examination, inspection and copying at any reasonable time by the Agency or by its authorized representative upon reasonable notice to Borrower.

(b) Books and Records. The books and records of the Development shall be kept by the Borrower in accordance with the requirements of the Agency.

(c) Financial Reporting.

(i) Within sixty (60) days following the end of each fiscal year of the Development, the Agency shall be furnished by the Borrower with a complete annual financial report on the Development based upon an examination of the books and records of the Development, prepared in accordance with the requirements of the Agency, and certified by the Borrower, and at the Borrower's expense, by an independent certified public accountant licensed in California and acceptable to the Agency. Each such financial report shall be subject to the approval of the Agency and when approved by the Agency shall be a "*Development Financial Report*" as referred to herein;

(ii) Within twenty (20) days following the end of each month, the Agency shall be furnished by the Borrower with a complete monthly financial report. The monthly financial report must include a detailed accounting of, without limitation, all income and expenses, accounts receivable, accounts payable and disbursements received or made in the month reported.

(d) Furnishing Information. At the request of the Agency, the Borrower shall furnish such reports, financial statements, projections and analyses as may be required from time to time by the Agency and shall give specific answers to questions upon which information is desired relative to the income, expenses, assets, liabilities, contracts, operations and conditions of the Borrower and the Development. Borrower understands and agrees that the content of such reports, statements, projections, analyses and other information may be disclosed in any documentation prepared in connection with the issuance by the Agency of its Bonds and may otherwise be publicly disclosed in accordance with state and federal law.

(e) Development Account.

(1) The Borrower shall establish an account (the "*Development Account*") with a depository, which is insured by the Federal Deposit Insurance Corporation ("*FDIC*") or by a successor in interest to FDIC into which all Gross Income of the Development shall be deposited when received. The Borrower or any person receiving funds and tenant security deposits of the Development other than as permitted by this Agreement shall immediately deposit such funds in the Development Account and failing to do so shall hold such funds in trust for the Development. The Borrower or any person receiving any property of the Development in violation of this Agreement shall immediately deliver such property to the Agency, and failing to do so shall hold such property in trust for the Development. Reserves, deposits, rents, charges, fees and any other deposits and/or income of the Development as used herein shall also include, without limitation, such income derived from commercial facilities of the Development, if any.

(2) Agency shall have a first priority security interest in the Development Account, and Borrower hereby grants Agency a security interest in the Development Account. Immediately upon establishing the Development Account, Borrower shall notify the Agency of the identity of the depository, the branch where the account is established and the account number. The depository shall be required to execute a deposit account control agreement within the meaning of Article 9 of the California Uniform Commercial Code ("**Control Agreement**"), in a form acceptable to the Agency, to perfect the Agency's security interest in such account. Agency shall be entitled to exercise its rights under the Control Agreement upon Borrower's default, as determined by the Agency in its sole discretion, under the Loan Documents. However, the Agency shall not be obligated to give the Borrower the advance notice of default required by Section 16 of this Agreement prior to giving the depository the written "Notice of Exclusive Control" provided for in the Control Agreement.

(3) Borrower may not transfer the Development Account to another depository without the prior written consent of the Agency, which consent, if granted in the agency's sole discretion, shall be conditioned upon the new depository executing a Control Agreement.

(4) Disbursements from the Development Account shall be permitted only to administer security deposits and to pay Operating Expenses and permitted Distributions.

(5) The Borrower shall maintain security deposits in accordance with applicable law.

(f) Annual Operating Budget. The Borrower shall submit to the Agency a proposed operating budget for the Development not later than sixty (60) days prior to the beginning of each fiscal year of the Development. The proposed operating budget shall set forth the anticipated Gross Income of the Development and a detailed estimate of all Operating Expenses thereof, which shall include an itemization of administration expenses, maintenance expenses, cost of utilities, hazard insurance, earthquake insurance, taxes and assessments, Loan principal and interest, deposits to all funds, reserves or accounts required by the Agency and/or established by the Borrower. The budget shall be in a form satisfactory to the Agency and shall otherwise be consistent with the requirements of this Agreement. Upon approval by the Agency, such proposed operating budget shall be the operating budget for the ensuing fiscal year.

11. Development Management.

(a) The Borrower shall provide for the management of the Development in a manner satisfactory to the Agency, shall employ a bonded and licensed management agent, develop a management plan, and use a management agreement acceptable to the Agency. A fidelity bond shall be maintained in an amount equal to one month's gross rent and shall insure the Borrower and the Agency against misapplication of Development Funds. **All management agreements shall include a copy of this Agreement, which shall be incorporated therein, and made a part of the contract.** The management agreement shall be structured so that it is subject to termination with or without cause by the Borrower or the Agency, and without penalty, upon not less than thirty (30) days prior written notice to the management agent. Any liability associated with the termination of the management contract shall be the sole obligation of the Borrower. Upon notice of termination,

the Borrower agrees to make immediate alternative arrangements, satisfactory to the Agency, for the continued management of the Development. In the event that the Borrower shall fail to make such alternative arrangements for a substitute managing agent within a reasonable time (which in no event shall exceed sixty (60) days from the date of the sending of the termination notice), the Agency shall have the unilateral right to make such alternative arrangements. The amount of the management agent's compensation shall be subject to approval by the Agency, which shall not be unreasonably withheld.

(b) The Borrower shall require that a Resident Selection/Affirmative Fair Housing Marketing Plan ("**Plan**") be prepared and maintained in cooperation with the managing agent. This Plan shall be subject to the approval of the Agency. In carrying out this Plan, the Borrower/management agent shall:

(1) Lease no less than twenty percent (20%) of the total units of all sizes and types to Qualified Tenants;

(2) Give preference to the applicants in the following order:

(i) persons displaced by:

a. natural disaster,

b. construction of this Development,

c. other public action,

d. other causes, provided that such displacement shall be certified in writing by a government agency, and

(ii) all other applicants;

(3) Begin marketing of the Development at least ninety (90) days prior to the availability of the units for occupancy;

(4) Assure that all advertising, (including letterheads, brochures and media advertising, shall include "Equal Housing Opportunity" and the "handicapped" logo. Further, if advertisements contain human models, a mix of minority and non-minority models are to be used to reflect the open housing philosophy. No preference for any economic status or lifestyle shall be depicted;

(5) Where a significant number of persons in the community have limited fluency in the English language, provide publications, information, brochures and leases in the native language of such persons; "Significant number of persons" is deemed to be at least twenty-five percent (25%);

(6) Develop and maintain a policy and procedure for the selection and rejection of applicants, and a grievance and eviction policy and procedure for tenants of the Development;

(7) Assure that tenant selection is carried out without favoritism or partiality and that no preference is given to any applicant other than as provided herein;

(8) Give each tenant selected, at the time of acceptance, a written copy of the tenant eviction and grievance procedures for the Development and all amendments thereto; and

(9) Where necessary, conduct such additional marketing as reasonably required to fulfill affirmative marketing goals and meet other goals of the Plan.

12. Certain Acts Prohibited. The Borrower shall not, without the prior written approval of the Agency, do any of the following. The granting of the Agency's approval shall be in its sole, unfettered discretion and may be conditioned upon the satisfaction of such terms and conditions as the Agency may prescribe.

(a) Make any sale, assignment, conveyance or transfer in any other form of the Development or any part thereof or of any of its interest therein, whether voluntarily or involuntarily, or by operation of law.

(i) A transfer by the Borrower in whole or in part, or a transfer by a party having a substantial interest in said Borrower, or transfers by more than one party of interests aggregating a substantial interest in said Borrower, or any other similarly significant change in the ownership of interests in the Borrower, or in the relative distribution thereof, or with respect to the parties in control of the Borrower or the degree thereof, by any other method or means (e.g., increased capitalization, merger with another corporation or other entity, corporate or other amendments, issuance of new or additional ownership interests or classification of ownership interests or otherwise) shall be deemed an assignment, conveyance, or transfer for purposes of this subsection. An assignment by the Borrower to a limited partnership, in which no limited partner has a 25 percent or more interest and of which the Borrower is the sole general partner, shall not be considered an assignment, conveyance, or transfer.

(ii) The term "substantial interest" means the interest of any general partner, any limited partner having a 25 percent or more interest in the organization, any corporate officer or director, and any stockholder having a 10 percent or more interest in the organization.

(b) Make any Distribution not permitted by the terms of this Agreement,

(c) Assign or transfer any right to manage the Development.

(d) Materially remodel, add to, reconstruct, demolish or damage any part of the Development.

(e) Require, as a condition of the occupancy or leasing of any dwelling unit in the Development to Qualified Tenant, any consideration or deposit other

than the prepayment of the first month's rent plus a security deposit in an amount not in excess of one (1) month's rent to guarantee the performance of the covenants of the lease.

- (f) Incur any liability or obligation in connection with the Development, contingent or otherwise, other than for current Operating Expenses and for the indebtedness evidenced by the Note, or incur any liability or obligation whatsoever that is secured in whole or in part by any interest in or lien or encumbrance on the Development.
- (g) Invest any funds from the Development in any property, real, personal, or mixed, except as authorized by this Agreement, or deposited any such funds in a depository not authorized by this Agreement; or
- (h) Make a loan of any funds from the Development to any person or entity; or
- (i) Fail to establish or maintain the accounts required by Section 6 of this Agreement.
- (j) Cause or permit the Development to be maintained in a condition which the Agency deems, in its sole discretion, as an impairment of its security interest, or a violation of the Borrower's obligation to maintain the Development in a safe, sanitary and decent condition.
- (k) If the Development receives Section 8 assistance, cause or permit the loss of Section 8 units under the Housing Assistance Payment Contract ("**HAPC**"), or fail to apply for or accept any extension of the HAPC.

13. Distributions.

(a) The Borrower shall be entitled to an annual Distribution of Surplus Cash. The Agency shall make an annual review of the Development Financial Report which shall be prepared in accordance with the Agency's Property Management Manual as amended from time to time, and determine whether a Distribution should be approved.

(b) If the debt service schedule of the Note is not payable from Surplus Cash or Residual Receipts, from time to time during the fiscal year, upon Agency approval, the Borrower may take advances on its reasonably expected annual distribution for the fiscal year. Such advances shall only be taken if there are no undisputed accounts payable older than thirty (30) days and there are sufficient funds to pay anticipated Operating Expenses coming due within the next thirty (30) days. The amount distributed shall not, in the aggregate, exceed the amount of the reasonably expected annual Distribution for the fiscal year. Such advances shall be reconciled to the monthly financials and the Development Financial Report for the fiscal year and, to the extent they exceed the approved annual Distribution, shall be refunded to the Development Account upon immediate demand by the Agency.

(c) If any debt service payable to the Agency derives from Surplus Cash or Residual Receipts, the Borrower shall not be entitled to advances of Distributions as discussed in subsection (b). All Distributions shall be taken annually and only after the Agency's prior written approval.

(d) Except as provided in subsection (b), no Distribution shall be taken, made, received or retained by the Borrower or any other persons or entity without the prior written approval of the Agency. The Agency shall not unreasonably withhold its approval of a Distribution request. Notwithstanding the foregoing, the Agency shall not be required to approve Distributions to be made from borrowed funds, or to be made while there is any violation or default under the terms of this Agreement or any of the other Loan Documents.

(e) The proceeds of any unapproved Distribution, while retained, shall be held by the recipient as trustee for the Development and shall be immediately refunded to the Development upon demand. The recipient of an unapproved Distribution shall be obligated to pay interest thereon to the Development at the rate of the Note for the period that the Distribution is retained by the recipient.

14. Actions. The Borrower agrees to notify the Agency promptly in writing of any action or proceeding by or against the Development or by or against the Borrower with respect to the Development. No action or proceeding seeking the recovery of a sum in excess of Ten Thousand and No/100 (\$10,000.00) or for specific performance or other equitable relief shall be instituted by the Borrower with respect to the Development, nor shall any action or proceeding seeking the recovery from the Development, or from the Borrower with respect of the Development, of a sum in excess of Ten Thousand and No/100 (\$10,000.00) or for specific performance or other equitable relief against the Development, or against the Borrower in respect of the Development, be settled or compromised by the Borrower, without the prior approval of the Agency. Any such approval may be subject to such terms and conditions as the Agency, may prescribe.

15. Assignment of Rents for Security. As security for the performance of the Borrower of all its obligations under this Agreement, the Borrower hereby assigns and pledges to the Agency all of the Borrower's right, title and interest in and to the rents, profits, income and charges of whatsoever kind or nature which it may receive or be entitled to receive from the operation of the Development, subject, however, to any assignment of rents or like provision contained in the Deed of Trust or in any of the other Loan Documents; provided, however, that unless and until a default under this Agreement is declared by the Agency or a default or event of default shall have occurred under any of the other Loan Documents, the Borrower shall be permitted to collect and retain such rents, profits, income and charges, subject to the provisions of this Agreement.

16. Violation of Agreement by the Borrower. In the event of the violation of any of the provisions of this Agreement by the Borrower, the Agency shall give written notice thereof to the Borrower by registered or certified mail addressed to the Borrower at the address stated in this Agreement, or to such other address as may have been designated by the Borrower in writing, and if such violation is not corrected to the satisfaction of the Agency within thirty (30) days after the date such notice is mailed (or within such further time as the Agency in its sole discretion may

permit), the Agency may without further prior notice declare in writing a default under this Agreement effective on the date of such declaration of default, and upon any such declaration of default, or, irrespective of any such declaration of default, upon the occurrence of a default or event of default under any of the other Loan Documents, the Agency may:

(a) Declare the whole of the principal amount of the indebtedness evidenced by the Note immediately due and payable and proceed with the rights and remedies provided for in the Loan Documents.

(b) Collect all rents, rental subsidies, profits, income and charges in connection with the operation of the Development and use same or the proceeds thereof, in such order as the Agency may determine, toward satisfaction of the Borrower's obligations under this Agreement or any of the Loan Documents; and toward payment of the necessary expenses of preserving and operating the Development.

(c) Take possession of the Development, bring any action necessary to enforce any rights of the Borrower growing out of the operation of the Development, and operate the Development in accordance with the terms of this Agreement until such time as the Agency, in its sole discretion, shall determine that the Borrower is again in a position to operate the Development in accordance with the terms of this Agreement and in compliance with the requirements of any of the other Loan Documents.

(d) Apply to any court, state or federal, for specific performance of this Agreement; for an injunction against any violation by the Borrower of this Agreement; for the appointment of a receiver to take over and operate the Development in accordance with the terms of this Agreement; or for such other relief as may be appropriate, it being agreed by the Borrower that the injury to the Agency arising from the default under any of the terms of this Agreement would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the Agency which would afford adequate relief.

(e) In addition, if and to the extent necessary to correct any such default, the Borrower hereby grants to the Agency the option to lease, from time to time, units in the Development for a rental of one dollar (\$1.00) per unit per year for the purpose of subleasing such units to comply with Sections 3 and 4 of this Agreement. Any rents received by the Agency under any such sublease shall be paid to the Borrower after the Agency has been reimbursed for any expenses incurred in connection with such sublease, provided, that if the Borrower is in default under the Loan, such rental shall be used to make payments of Loan principal and interest or otherwise to cure such defaults.

17. Interest Charges. In the event that the Borrower fails to make timely payment of any money provided for in this Agreement, then such payment obligation shall be increased to include interest at the rate of the lesser of ten percent (10%) simple interest per annum or the maximum rate permitted by law.

18. Action by the Agency. Except as may be otherwise specifically provided herein, whenever any approval, notice direction, consent, request or other action by the Agency is required

or permitted under this Agreement such approval, notice direction, consent, request or other action shall be in writing.

19. Integration and Amendments. The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Agency in writing.

20. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.

21. Binding on Successors. This Agreement shall bind, and the benefits thereof shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors and assigns; provided, however, that the Borrower may not assign this Agreement or any of its obligations hereunder, voluntarily or by operation of law, without the prior approval of the Agency. Except as expressly provided herein, this Agreement shall be for the exclusive benefit of the parties hereto and shall not confer any rights upon any third party. In the event the Borrower transfers title, possession or control of the Development to a third party, the Borrower covenants to require as a condition of transfer that such third party agrees to be bound by and to operate the Development in accordance with this Agreement. The Agency is deemed to be the beneficiary of such conditions and agreements with the right to enforce them against any such third party.

22. Recordation. This Agreement shall be acknowledged by each of the parties and recorded in the official records of the county in which the Development is located.

23. Election of Remedies; Events of Default. The remedies of the Agency hereunder and under the other Loan Documents are cumulative, and the exercise of one or more of such remedies shall not be deemed an election of remedies and shall not preclude the exercise by the Agency of any one or more of its other remedies.

24. Waiver by Agency. No waiver by the Agency of any breach of or default under this Agreement shall be deemed to be a waiver of any other or subsequent breach thereof or default hereunder.

25. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

26. Legal Notices. Written notices pursuant to Section 16 of this Agreement by and between the parties hereto shall be addressed as follows unless and until a party hereto has, in writing, communicated a different address to the other party hereto, provided, for notices other than to Borrower, CalHFA shall use its best efforts, and provided further that no legal consequences shall arise by reason of CalHFA's failure to give notice to:

Borrower: Oregon Investors VII Limited Partnership
c/o Cascade Housing Association
87460 Cedar Flat Road
Springfield, Oregon 97478
Attn: Kelly R. Williams

Limited Partner: MMA Financial Warehousing, LLC
c/o MMA Financial TC Corp.
101 Arch Street, 14th Floor
Boston, Massachusetts 02110
Attn: Geoffrey Giancola

Agency: Office of the General Counsel
California Housing Finance Agency
1415 L Street, Suite 500
Sacramento, California 95814

27. Attorney Fees, Costs. In any nonjudicial foreclosure process, or action to enforce or relating to any provision of the Loan Documents, the prevailing party shall be entitled to recover from the other party, its costs and expenses. The term "costs and expenses" as used herein shall include all costs and expenses actually and reasonably incurred including but not limited to attorney fees; filing, motion, and jury fees; juror food and lodging; taping, videotaping, and transcribing depositions and travel expenses to attend depositions; service of process by a public officer, registered process server, or other means; expenses of attachment including keeper's fees; premiums on surety bonds; ordinary witness fees pursuant to Section 68093 of the California Government Code; fees of expert witnesses whether or not ordered by the court; transcripts of court proceedings whether or not ordered by the court; court reporters fees as established by statute; investigation expenses in preparing the case for trial; postage telephone, and photocopying charges; costs in investigation of jurors or in preparation for voir dire; models, blowups and photocopies of exhibits, and any other item that is required to be awarded to the prevailing party pursuant to statute as an incident to prevailing in the action at trial or on appeal. Such costs and expenses shall be recoverable whether the services were rendered by a salaried employee of the party or by an independent contractor.

28. No Conflict With Other Documents. The Borrower warrants that it has not, and shall not, execute any other agreement with provisions contradictory to the provisions hereof, and that, in any event, the requirements of this Agreement shall be paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

29. Agency Insurance Requirements. The Borrower shall maintain insurance on the Development in substantial conformance with the requirements of the Agency as amended from time to time. As of the date of this Agreement, the Agency's requirements are set forth in that certain "Insurance Requirements For California Housing Finance Agency Developments" attached hereto as **Exhibit B** and incorporated herein by this reference.

30. Maintenance. The Borrower shall maintain the Development in a decent, safe and sanitary condition and in a good state of repair as determined by the Agency in its sole discretion.

31. Indemnification. The Borrower shall indemnify, defend (with counsel reasonably chosen by the Agency, at the Agency's option), and hold the Agency, and its employees, officers, agents, and board members harmless against all claims which arise out of or in connection with the ownership or occupancy of or construction on or in connection with the Development (including, without limitation, rehabilitation) by the Borrower or the Borrower's contractors, subcontractors, agents, employees, or tenants. This section shall survive the termination of this Agreement.

32. Environmental Covenants. The Borrower represents and warrants that after reasonable investigation and inquiry, and except as indicated in the Phase I environmental report submitted to the Agency, as of the closing date it has no knowledge of any hazardous substance or environmental condition on or within two thousand (2,000) feet of the Development which may adversely impact the security of the Loan, or which may render the Development financially infeasible, or which may affect the health and safety of the occupants, the Development, or which may present an undue risk of liability to the Agency. The Borrower agrees to comply with all laws and orders of any federal, state or local governmental agency relating to clean-up or remediation, or other response action required by applicable law or order concerning a release or threatened release of hazardous substances in or on the Development. The term "hazardous substance" as used in this paragraph shall mean as defined at Code of Civil Procedure Section 736(f)(3).

The Borrower shall give any and all environmental notices to tenants and/or workers (both employee and independent contractor) which may be required by state or federal law. The Borrower hereby agrees to indemnify and hold the Agency harmless for any and all liability arising out of the presence of hazardous substances on the Development during the longer of the term of the Loan or the term of the Regulatory Agreement. Liability may be established by, among other forms of demands, a demand in the form of a judgment, a settlement, or an administrative order; and may include costs, fees, penalties, interest, attorney fees, and other costs related thereto. Whereas the purpose of this indemnity is to protect the Agency from harm, the rights to recover shall accrue as soon as the liability is incurred or costs are advanced. The term "any and all liability" shall include, but shall not be limited to, liability for: (a) the clean-up of hazardous substances; (b) claims for contribution or apportionment of remedies, and (c) claims for physical or other damages to persons, property, or natural resources. The duty of the Borrower to indemnify and hold the Agency harmless shall include the duty to defend as set forth in California Civil Code Section 2778.

33. Intentionally Deleted.

34. Intentionally Deleted.

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


36. 3 Year Tax Credit Period. If this Development was assisted by federal tax credits, and in the event that it is determined that IRS Code Section 42(h)(6)(E) (ii) is applicable to the Agency, and in the event that the Agency were to take over ownership of the Development as a result of a foreclosure, the Agency will comply with the 3 year extended use requirement as specified therein.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BORROWER:

OREGON INVESTORS VII LIMITED PARTNERSHIP, an Oregon limited partnership

By: **Cascade Housing Association**, an Oregon non-profit corporation
Its General Partner

By: 
Name: Kelly R. Williams
Title: Secretary-Treasurer

AGENCY:

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


By: 
Name: _____
Title: BRUCE D. GILBERTSON
DIRECTOR OF FINANCING

Exhibit A - Legal Description of the Development
Exhibit B - Agency Insurance Requirements

ACKNOWLEDGMENTS

ALL PURPOSE ACKNOWLEDGEMENT

STATE OF CALIFORNIA
SS
COUNTY OF SACRAMENTO

On January 11, 2006, before me, J. Murray Beardwood, Notary Public, personally appeared Bruce D. Gilbertson, personally known to me to be the person whose name is subscribed in the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



J. Murray Beardwood
Notary Public in and for said State

----- (Optional) -----

Regulatory Agreement
Title or Type of Document

ACKNOWLEDGMENT

STATE OF OREGON)

COUNTY OF LANE)

On this 13th day of January in the year 2006,
before me, Cindy L. Halford, personally appeared
Kelly R. Williams

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



Cindy L. Halford
Notary Public

My Commission Expires:

September 12, 2007

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GRASS VALLEY, COUNTY OF NEVADA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that portion of the lands of Amaral as described in the Deeds as filed in Document No. 95-33674 and Document No. 2001-43532, Nevada County Records, situate within the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.B. & M., and more particularly described as follows:

COMMENCING at the Southeast corner of the herein described area from which the Southeast corner of said Section 24 bears the following two courses, North 62° 29' 00" East 310.97 feet and South 75° 54' 58" East 4004.35 feet; thence from said point of commencement along the Southerly line South 62° 29' 00" West 375.32 feet to the Southwest corner and being situate on the Easterly line of Sutton Way; said Southwest corner being situate on a curve to the left, concave to the Southwest, having a radius of 580.00 feet and an initial radial bearing of South 74° 30' 03" West; thence along said curve through an arc of 18° 41' 42" for a distance of 189.25 feet to the end thereof, thence North 34° 11' 40" West 175.23 feet to the most Westerly corner of the herein described area and being the Southwest corner of the lands of PG&E as described in the Deed filed in Book 470, Official Records, at Page 458, thence along the lines common to said PG&E the following two successive courses, North 89° 54' 54" East 157.35 feet; thence North 15° 29' 10" West 305.00 feet to the Northwest corner of the herein described area; thence along the Northerly Line South 82° 30' 00" East 402.75 feet to the Northeast corner of the herein described area; thence along the Easterly line South 05° 15' 00" East 385.72 feet to the point of commencement.

The above described area being further delineated on the Record of Survey, filed in Book 12 of Surveys, at Page 475, Nevada County Records.

EXCEPTING THEREFROM as to an undivided 1/2 interest in and to the minerals below the depth of 75 feet beneath the surface as provided in the Deed recorded October 23, 1948, in Book 136 of Official Records, at Page 17, Nevada County Records, executed by Idaho Maryland Mines Corporation, a Corporation, to Errol MacBoyle.

ALSO EXCEPTING THEREFROM as to an undivided 1/2 interest in and to all oil, gas, other hydrocarbon and minerals, lying below a plane 200 feet beneath the surface as described in the Quitclaim Deed recorded May 21, 1974, executed to Marlan Ghidotti.

APN: 35-412-25

EXHIBIT B

CALIFORNIA HOUSING FINANCE AGENCY

INSURANCE REQUIREMENTS FOR CALIFORNIA HOUSING FINANCE AGENCY DEVELOPMENTS

Owner shall procure and maintain for the duration of the loan, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the owners operation of the premises to which this contract applies.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Property insurance against the perils of fire, "extended coverage", vandalism, and malicious mischief to real property and business income (rents).
2. If not granted a waiver, Property insurance against the perils of earthquake and flood for both real property and business income (rents) (may be purchased through CalHFA).
3. Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
4. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).
5. Workers Compensation insurance as required by the State of California and Employer's Liability Insurance.
6. Boiler and Machinery coverage against standard "broad form" perils.

Minimum Limits of Insurance

Owner shall maintain limits no less than:

1. Property Insurance: Full replacement cost with no coinsurance penalty provision for real property, and at least the annual gross potential rental income for the development for business interruption coverage.
2. General Liability: (Including operations, products and completed operations.) **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

3. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
4. Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.
5. Earthquake and Flood:
 - (a) Limit as provided through participation in the earthquake and flood DIC policy coverage offered through the Agency, or.
 - (b) For new proposed projects, application to Multifamily Programs underwriting for a waiver.
 - (c) For projects not covered by the Agency policy or granted a waiver, total replacement value (building replacement cost plus business interruption value) with no coinsurance penalty provision.

Blanket earthquake insurance policies will be considered on a case by case basis.

6. Boiler & Machinery: **\$1,000,000.**

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by CalHFA. At the option of the CalHFA, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CalHFA, its officers, officials, employees and volunteers; or the owner shall provide a financial guarantee satisfactory to CalHFA guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Notwithstanding the foregoing, the owner may select deductibles no greater than \$10,000 per occurrence on Property and Boiler & Machinery coverages, and no greater than 5% of the values per building per location at the time and place of the loss per occurrence on Earthquake and Flood coverages.

Other Insurance Provisions

With respect to Property and Earthquake and Flood coverage, the Agency's interest shall be protected by a Lenders Loss Payable Endorsement naming the Agency as "Loss Payee."

Crime Coverage: The Agency recommends, but does not require owner to carry insurance covering money or other property against burglary, robbery or theft.

Directors and Officers: The Agency recommends but does not require liability insurance for directors and officers of non-profit boards.

The general liability policy is to contain, or be endorsed to contain, the following provisions:

1. The owner's insurance coverage shall be primary insurance. Any insurance or self-insurance maintained by the Agency shall be excess of the owner's insurance and shall not contribute with it.
2. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, reduced or modified except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agency.
3. The Agency, its officers, officials, and employees are to be covered as additional insureds with respect to liability arising out of ownership, maintenance or use of the premises.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII or an S&P rating of AA.

Verification of Coverage

Policies must be acquired at initial occupancy and a certificate of insurance must be submitted to the Agency for approval 45 days prior to permanent loan recordation. Renewal insurance certificates must be submitted 30 days prior to the expiration date of any current certificate.

Impounds

At the time of permanent loan closing, the Agency will establish insurance impounds.

228 Sutton Way (Oak Ridge Apartments)
does not have a CalHFA loan

Attachment 9: CTCAC Regulatory Agreements

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001



Nevada, County Recorder
Kathleen Smith

DOC- 2004-0052984-00

Monday, DEC 20, 2004 10:43:00
NOC \$0.0011

Ttl Pd \$0.00

Nbr-0000348905
KLB/KB/1-15

NP

Free Recording Requested
In Accordance With
Government Code 6103

Space above this line
for Recorder's use

REGULATORY AGREEMENT

Federal Credits

Tax-Exempt Bond Financed Project

RECEIVED
FEB 08 2005
TCAC

This Regulatory Agreement (this "Agreement") is made between the California Tax Credit Allocation Committee ("TCAC"), established under Section 50199.8 of the Health and Safety Code of the State of California, and Oregon Investors VIII Limited Partnership, an Oregon Limited Partnership ("Owner") and is dated as of May 26, 2004 (the "Effective Date"). The Owner has requested TCAC's determination and TCAC has determined that the Project (as herein defined) satisfies the requirements of the State of California's Qualified Allocation Plan relating to the low-income housing tax credit (the "Federal Tax Credit") under Section 42 of the Internal Revenue Code of 1986. The Tax Credit relates to a multifamily rental housing project known as Cedar Park Apartments, identified in the records of TCAC by TCAC# CA-2002-854 and IRS Building Identification Number CA-2002-85401 through CA-2002-85414, and located on the real property described in Exhibit A of this Agreement, attached hereto and incorporated herein (the "Project"). This Agreement is intended to constitute the extended low income housing commitment required by Section 42(h)(6) of the Internal Revenue Code. Accordingly, in consideration of the allocation relating to the Tax Credit by TCAC and the requirements of the Internal Revenue Code, the Owner and TCAC hereby agree as follows:

Section 1. Definitions.

a. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Regulatory Agreement between TCAC and the Owner.

"Applicable Fraction" means the smaller of the Unit Fraction or the Floor Space Fraction, all calculated in accordance with Section 42(c)(1) of the Code.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 14 hereof.

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

Free Recording Requested
In Accordance With
Government Code 6103

Space above this line
for Recorder's use

REGULATORY AGREEMENT

Federal Credits

Tax-Exempt Bond Financed Project

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"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 14 hereof.

"Code" means those provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

"Compliance Period" means the period of 30 consecutive taxable years beginning with the first taxable year of the Credit Period, or such longer period as is prescribed at Appendix A.

"Credit Period" means, with respect to the State Tax Credit, the period of four taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, and with respect to the Federal Tax Credit, the period of ten taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, as further provided pursuant to Section 2b hereof.

"Effective Date" means the date first set forth herein above.

"Federal Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"Floor Space Fraction" means the fraction, the numerator of which is the total floor space of the Low-Income Units in a building and the denominator of which is the total floor space of the Units in such building.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, as provided in Section 4b hereof, or such alternative income level as may be set forth in Appendix A.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit [or another unit in the same building], the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of Low-Income.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Amount" means the number of Units in the Project required to be Low-Income Units, which Minimum Amount for this Project is 20% or 40% of the Units, as provided in Section 4b hereof. Notwithstanding the Minimum Amount, the Applicable Fraction for this project shall be no less than that set forth at Section 4c hereof.

"Owner" means Oregon Investors VIII Limited Partnership, an Oregon Limited Partnership, or successors.

"Project" means the residential rental housing project known as Cedar Park Apartments, TCAC# CA-2002-854, and located on the real property described in Exhibit A.

"Qualified Low-Income Housing Project" means a residential rental project meeting the requirements of Section 4 hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code, as modified by Appendix A, if applicable.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"State Tax Credit" means the low-income housing tax credit under the provisions of Sections 12206 17058 and 23610.5 of the Revenue and Taxation Code.

"Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"TCAC" means the Tax Credit Allocation Committee and its successor.

"TCAC Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by TCAC for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Owner and the Project with the provisions of Section 42 of the Code and notify the Service of instances of noncompliance.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Owner.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

"Unit Fraction" means the fraction, the numerator of which is the number of Low-Income Units in a building and the denominator of which is the number of Units in such building.

b. Any term or phrase which is used in this Agreement and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

Section 2. Term.

a. This Agreement shall commence as of the Effective Date and shall terminate on the last day of the Compliance Period (the "Term"), unless earlier terminated pursuant to Section 2c hereof.

b. The Credit Period commences with respect to each building in the Project (i) the taxable year in which the building is placed in service or (ii) the succeeding taxable year, at the irrevocable election of the Owner pursuant to Section 42(f) (1)(B) of the Code. In the case of the Project, the Credit Period begins in the calendar year 2004 or set forth at Appendix A with respect to individual buildings.

c. Notwithstanding subsection a. of this Section 2, this Agreement shall terminate with respect to any building in the Project on the date such building is acquired by foreclosure or instrument in lieu of foreclosure unless the Secretary determines that such acquisition is part of an arrangement a purpose of which is to terminate such period; provided, however, that, except for eviction for good cause, the Tenant of any Low-Income Unit shall be entitled to occupy such Unit in accordance with the provisions of this Agreement for a period of three years following such termination.

Section 3. Filing. This Agreement, and all amendments hereto, shall be recorded as a restrictive covenant in the official records of the County of Nevada in which the Project is located. The Owner shall pay all fees and charges incurred in connection with such recording.

The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project land, encumbering the Project land for the Term of this Agreement and binding upon the Owner's successors in title and all subsequent owners and operators of the Project land, and (ii) shall bind the Owner (and the benefits shall inure to TCAC and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of California to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project land. For the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

Section 4. Qualified Low-Income Housing Project.

a. The Owner shall maintain the Project as a Qualified Low-Income Housing Project within the meaning of Section 42 of the Code at all times, commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Agreement. To this end, and without limitation, the Owner shall --

(i) operate the Project such that at least the Minimum Amount of the Units in the Project are Low-Income Units, and

(ii) assure that Units in the Project are (A) available for use by the general public, (B) suitable for occupancy and (C) used on other than a transient basis.

b. For purposes of this Agreement and Section 42 of the Code, the Owner has elected to comply with [] the "20-50 test" pursuant to which "Low-Income" is defined as 50% of Area Median Gross Income and the Minimum Amount is 20% of the Units in the Project or [X] the "40-60 test" pursuant to which "Low-Income" is defined as 60% of Area Median Gross Income and the Minimum Amount is 40% of the Units in the Project.

c. The amount of Tax Credit allocated to the Project is based on the requirement that the Applicable Fraction for buildings in the Project will be at least 100% or as specified, building-by-building, at Appendix A. The Owner's failure to ensure that each building in the Project complies with such requirement will cause TCAC to report such fact to the Service which may result in the reduction and recapture by the Service of Tax Credit, and (ii) to take other appropriate enforcement action, including, but not limited to, the remedies provided herein.

d. The Owner may not refuse to lease a Unit in the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

e. The Project and the Owner are subject to the additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

Section 5. Annual Determinations; Low-Income Units. Upon initial occupancy and, unless otherwise allowed under Section 42 of the Code and specifically authorized by TCAC, at least annually thereafter, the Owner shall determine and certify the Income of each Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the building (i) is rented to a person who is not a Low-Income Tenant or (ii) is rented without being Rent-Restricted. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit provided that (I) reasonable attempts are made to rent the Unit and (II) no other Units of comparable or smaller size in the building are rented to persons who are not Low-Income Tenants or are rented without being Rent-Restricted. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code, or any successor to such provision, as applicable to the Project.

Section 6. Compliance Monitoring. The Owner acknowledges that TCAC is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 of the Code and (ii) to notify the Service of any noncompliance which is found. The Owner agrees (I) to maintain records that substantiate and document such compliance, preserving such records for the period required by the Service and TCAC, (II) to take all actions required by TCAC pursuant to the TCAC Compliance Monitoring Procedures to assist or cooperate with TCAC in monitoring such compliance and (III) to pay the fee prescribed by TCAC with respect to such monitoring. The TCAC Compliance Monitoring Procedures require, among other things, that the Owner annually certify to TCAC (on such forms as are prescribed by TCAC) the number of Units in the Project which are Low-Income Units, the percentage of floor space in the Project which is allocable to Low-Income Units, that the Project continues to be a Qualified Low-Income Housing Project; provided, however, that in the first

year of the Credit Period, the Owner shall certify individually with respect to each month of such year the number of Low-Income Units in the Project and the percentage of floor space devoted to such Units on the last day of the month. The Owner is responsible for full adherence to the TCAC Compliance Monitoring Procedures without regard to whether particular requirements of those procedures are enumerated in this Agreement. The Owner agrees TCAC may, at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

Section 7. Notification of Noncompliance. The Owner agrees to notify TCAC or its designee if there is a determination by the Service that the Project is not a "qualified low-income housing project" within the meaning of Section 42(g) of the Code. Notification to TCAC will be made within ten business days of receipt of any such determination.

Section 8. Security for Performance. The Owner hereby assigns its interest in the rents from the Project to TCAC as security for the performance of the Owner's obligations under this Agreement. However, until and unless the Owner defaults in its obligations under this Agreement, the Owner is entitled to collect, retain and apply such rents.

Section 9. Remedies. In the event the Owner defaults in its obligations under this Agreement and such default is not cured within a reasonable time period, the remedies of TCAC, the Tenants and any former or prospective Low-Income Tenants shall include, but are not limited to, the following:

- a. collecting all rents with respect to the Project and applying them (i) to meet the ongoing costs of operating the Project, (ii) to pay debt service, (iii) to reimburse any Low-Income Tenants who may have been charged a Gross Rent above the applicable Rent-Restricted level or (iv) to assure the long-term, Low-Income use of the Project consistent with the requirements of Section 42 of the Code and this Agreement;
- b. taking possession of the Project and operating the Project in accordance with the requirements of this Agreement, including the collection and application of rents in accordance with subsection a of this Section 9, until the Owner demonstrates that it will operate the Project in accordance with this Agreement;
- c. applying to any court for specific performance of any of the obligations herein set forth;
- d. securing the appointment of a receiver to operate the Project in a manner consistent with this Agreement, including subsections a and b of this Section 9;
- e. suit against the Owner for damages or for the disgorgement of rents collected in excess of those which would have been received had the Owner complied with the requirements of this Agreement; and
- f. requiring the replacement of the manager of the Project with a property manager approved by TCAC, in the event the Owner fails to maintain the Project in sound and habitable condition, such that each Low-Income Unit is suitable for occupancy in accordance with the requirements of Section 42 (I) (3) (B) (I) of the Code and Section 4a of this Agreement;

g. requiring the payment of an increased compliance monitoring fee by the owner for such period as TCAC determines appropriate; and

h. such other relief as may be appropriate.

Section 10. Enforceability. This Agreement may be enforced by TCAC or its designee, including any agency of State or local government identified at Appendix A hereto or otherwise in a written notice provided by TCAC to Owner. In addition, the Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, one or more Tenants or persons meeting the Low-Income restriction, whether past, present, or prospective Tenants, as third-party beneficiaries hereof. TCAC, its designee and/or any Tenant or other third-party beneficiary shall be entitled to reasonable attorneys' fees and other legal costs in any judicial or administrative action in which such party shall prevail.

Section 11. No Conflicting Agreements. The Owner warrants that it is not bound by and will not execute any other agreement with provisions that bind it to violate the provisions of this Agreement; provided, however, that with the approval of TCAC, this Agreement may be subordinated, if required, to any lien or encumbrance of any banks or other institutional lenders to the Project; provided, further, that the terms of any such subordination shall provide that (i) prior to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the exercise of any remedy or authority by any such lender shall be subject to all of the requirements of the Agreement, and (ii) subsequent to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 12. Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and TCAC and its successors and assigns, for the Term of this Agreement, without regard to whether any such parties shall have executed an Assumption Agreement with respect hereto. Upon termination of this Agreement, the covenants and conditions contained herein shall expire, except that the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 13. Amendments; Waivers. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and acknowledged by each of the parties hereto or their successors and duly recorded in the official records of the county in which this Agreement is recorded. Any waiver of any provision of this Agreement shall not be deemed to be an amendment hereof. Upon request by TCAC, the Owner agrees that it will take all actions necessary to effect any amendment of this Agreement which may be necessary in TCAC's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

Section 14. Assignment by Owner. The Owner may not sell or otherwise dispose of any portion of any building in the Project unless it disposes of the entire building to the same person. Upon sale or transfer of the Project, the Owner shall be relieved of all obligations under the Agreement and the transferee shall succeed to and be bound by all of the Owner's rights and obligations hereunder, without regard to whether the transferee has executed an Assumption

Agreement as hereinafter provided. Prior to any transfer of the Project, the Owner shall notify TCAC in writing and provide the name(s) and address(es) and financial reports of the prospective successor owner and operator. The Owner shall require, as a condition precedent to any sale, transfer or exchange or any other disposition of the Project prior to termination of this Agreement, that the purchaser or successor assume, in writing, in an Assumption Agreement acceptable to TCAC, the Owner's obligations hereunder and under Section 42 of the Code and applicable regulations, which Assumption Agreement shall be delivered to TCAC in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Owner agrees that any sale, transfer or exchange of the Project without execution of an Assumption Agreement or otherwise in contravention of the provisions of this Section 14 shall be voidable at the discretion of TCAC. Changes in the constituents of the Owner shall not constitute a default under this Agreement. Owner acknowledges that the sale, transfer or exchange of the Project, or any interest in the Project or the Owner, consistent with the requirements of this Agreement, does not relieve the Owner or any of its constituents from any obligations which it may have under Section 42 of the Code, including those with respect to recapture of Tax Credit or any alternative thereto.

Section 15. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed received on the second day following the date on which the same have been mailed by certified mail, postage prepaid, or sent by other method which produces evidence of delivery thereof, addressed as follows:

To the TCAC:

California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

To the Owner:

Oregon Investors VIII Limited Partnership, an Oregon Limited Partnership
87460 Cedar Flat Road
Springfield, OR 97478

TCAC and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16. Indemnification. The Owner agrees to indemnify and hold harmless the Chairperson, TCAC committee members, TCAC officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by TCAC as a result of any material inaccuracy in any of the representations and warranties contained in this Agreement, or as a result of any action by the Owner, including claims by third parties.

The Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against TCAC which arise out of any of the matters relating to this Agreement, the Owner will cooperate fully with TCAC in the defense or other disposition thereof.

Section 17. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 18. Governing Law. This Agreement shall be governed by the laws of the State of California, excluding conflicts provisions, and, where applicable, the laws of the United States of America.

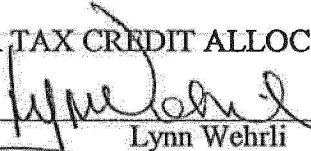
Section 19. Survival of Obligations. The obligations of the Owner as set forth herein and in the application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

Section 20. Interpretation. TCAC's interpretation of this Agreement shall be controlling for purposes of determining whether (i) the Compliance Period shall have commenced, (ii) this Agreement shall have been terminated in accordance with Section 2 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.


CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By


Lynn Wehrli
Executive Director

OREGON INVESTORS VIII LIMITED PARTNERSHIP, AN OREGON LIMITED
PARTNERSHIP


By


(Owner)
Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner
(Please type or print name)

The undersigned, owners of the property described on Exhibit A hereto, hereby consent to recordation of this Regulatory Agreement against such property, and agree that such property shall be bound by the provisions thereof.

OREGON INVESTORS VIII LIMITED PARTNERSHIP, AN OREGON LIMITED
PARTNERSHIP

By


Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner

CALIFORNIA ALL-PURPOSE NOTARY ACKNOWLEDGMENT

State of California
County of Sacramento

On this 13th day of December, 2004, before me,

Jenny E. Williams, Notary Public

Name, Title of Officer

personally appeared

Lynn Wehrli

Name(s) of Signer(s)

☒ personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Jenny E. Williams
SIGNATURE OF NOTARY

*** OPTIONAL SECTION *** CAPACITY CLAIMED BY SIGNER

Through statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☒ OTHER:

Executive Director
California Tax Credit Allocation
Committee

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

California Tax Credit Allocation
Committee

***** OPTIONAL SECTION *****

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

TITLE OR TYPE OF DOCUMENT Regulatory Agreement CA-2002-854

NUMBER OF PAGES _____

DATE OF DOCUMENT 5/26/04

SIGNER(S) OTHER THAN NAMED ABOVE Kelly Williams

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

ACKNOWLEDGMENT

STATE OF OREGON)

COUNTY OF LANE)

On this 6th day of December in the year 2004,
before me, Cindy L. Halford, personally appeared
Kelly R. Williams

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

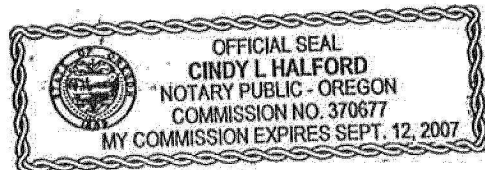
Given under my hand and official seal this 6th day of December, 2004.

Cindy L. Halford
Notary Public

My Commission Expires:

[SEAL]

September 12, 2007



to Regulatory Agreement

Description of the real property
on which the Project is located

CA-2002-854

Location:

210 Sutton Way
Grass Valley, CA 95945

Project Size Description:

14 Buildings
80 Low-Income Units; 1 Manager's Unit
0 SRO; 0 1-Bedroom; 37 2-Bedroom;
32 3-Bedroom; 12 4-Bedroom;
0 5-Bedroom

Legal Description:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GRASS VALLEY, COUNTY OF NEVADA,
STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

The land herein referred to is situated in the County of Nevada, State of California, and is described as follows:

Parcel One:

Parcel 1, as shown on Parcel Map 01-01, Cedar Park, filed May 17, 2001, in Book 19 of Parcel Maps, at Page 60.

EXCEPTING THEREFROM minerals, gas, oil and mineral deposits below a depth of 200 feet below the surface together with all necessary and convenient rights to explore for, develop, produce, extract and take the same, subject to the express limitation that the foregoing exception and reservation shall not include any right of entry upon the surface of said land without the consent of the owner of such of said land as set forth in the Deed dated August 28, 1961, recorded August 29, 1961, recorded August 29, 1961, in Book 302, Page 339, Official Records, executed by Sum-Gold Corporation, Inc., to John P. O'Brien et ux.

Parcel Two:

A non-exclusive right of way for purposes of ingress and egress over a portion of Parcel 2, Book 19 of Parcel Maps, at Page 60, Nevada County, located in Southwest quarter of the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., said right of way being more particularly described as follows:

Commencing at the Southwest corner of the subject Parcel 2, a point from which the Southwest corner of said Section 24 bears the following two consecutive courses, to-wit: South 90° West 582.88 feet and South 01° 28' 00" East 258.40 feet and running thence from said point of beginning North 33° 55' 35" West 94.56 feet to the beginning of a non tangent curve concaved to the Northeasterly having a radial bearing of North 33° 55' 35" East and a radius of 79.12 feet; thence along said curve Southeasterly 23.94 feet, thence North 36° 10' 12" East 28.29 feet, thence South 49° 35' 32" East 42.81 feet; thence North 82° 23' 01" East 155.32 feet to a point on the Westerly line of Sutton Way, thence running along said Westerly line South 07° 13' 30" East 75.54 feet; thence leaving said Sutton Way South 89° 59' 14" East 288.25 feet to the point of beginning as disclosed by a Grant of Easement dated January 24, 2003, by Cascade Housing Association, an Oregon non-profit Corporation to Martin Harmon, recorded January 31, 2003, Document No. 2003-0005020, Official Records of Nevada County.

EXHIBIT "A" (continued)

Parcel Three:

An exclusive right of way for purposes of constructing roadways, curb, gutter and utilities on Parcel C as recorded in Book 7 of Parcel Maps at Page 41, Nevada County, California. This right of way shall be terminated at the end of construction. Located in the Southwest quarter of the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., a strip of land 60 feet wide, the center line which is described as follows:

Commencing at a point from which the Southwest corner of said Section 24 bears the following three courses, to-wit: North 90° 00' 00" West 145.00 feet, South 01° 28' 00" East 450.07, South 01° 28' 00" East 258.40 feet running thence from said point of beginning along the centerline of said right of way North 00° 00' 00" East a distance of 20.00 feet to the end thereof by an Easement and Maintenance Agreement dated January 24, 2003, by Oregon Investors V Limited Partnership, an Oregon limited partnership to Oregon Investors VIII Limited Partnership, an Oregon limited partnership, recorded January 31, 2003, Document No. 2003-0005021, Official Records of Nevada County.

Parcel Four:

A non-exclusive right of way for purposes of ingress and egress over a portion of Parcel 2, Book 19 of Parcel Maps at Page 60, Nevada County, located in Southwest quarter of Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.M., said right of way being more particularly described as follows:

Commencing at the Southwest corner of the subject Parcel 2, a point from which the Southwest corner of said Section 24 bears the following two consecutive courses, to-wit: South 90° West 582.88 feet and South 01° 28' 00" East 258.40 feet and running thence from said point of beginning: North 33° 55' 35" West 94.56 feet to the beginning of a non tangent curve concaved to the Northeasterly having a radial bearing of North 33° 55' 35" East and a radius of 79.12 feet; thence along said curve Southeasterly 23.94 feet, thence North 36° 10' 12" East 28.29 feet; thence South 49° 35' 32" East 42.81 feet; thence North 82° 23' 01" East 155.32 feet to a point on the Westerly line of Sutton Way; thence running along said Westerly line South 07° 13' 30" East 75.54 feet; thence leaving said Sutton Way South 89° 59' 14" East 288.25 feet to the point of beginning as disclosed by a Reciprocal Easement dated January 28, 2003, by Cascade Housing Association, an Oregon non-profit Corporation and Oregon Investors VIII Limited Partnership, an Oregon limited partnership, recorded February 5, 2003, Document No. 2003-0005781, Official Records of Nevada County.

APN: 35-412-04

Appendix A

Income Target

☒ Throughout the Compliance Period, unless otherwise permitted by TCAC, Units must be occupied by Tenants such that the income of Tenants residing in 16 of the Units is at or below 50% of Area Median Gross Income and in 64 of the Units is at or below 60% of Area Median Gross Income, such Units shall be Rent-Restricted in accordance with such income level.

☒ Service Amenities

Throughout the Compliance Period, unless otherwise permitted by TCAC and CDLAC, the Project Sponsor has agreed to provide the following service amenities for a minimum of 10 years:

- After school programs
- Educational classes

Longer Compliance Period

☒ The Compliance Period shall be a period of 55 consecutive taxable years commencing with the first year of the Credit Period.

Designation of First Year of Credit Period by Building

Building Id.	<u>CA-2002-854-01</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-02</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-03</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-04</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-05</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-06</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-07</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-08</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-09</u>	First Year of Credit Period <u>2004</u>
Building Id.	<u>CA-2002-854-10</u>	First Year of Credit Period <u>2004</u>
Building ID	<u>CA-2002-854-11</u>	First Year of Credit Period <u>2004</u>
Building ID	<u>CA-2002-854-12</u>	First Year of Credit Period <u>2004</u>
Building ID	<u>CA-2002-854-13</u>	First Year of Credit Period <u>2004</u>
Building ID	<u>CA-2002-854-14</u>	First Year of Credit Period <u>2004</u>

Minimum Applicable Fraction by Building

Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%
Building Id. _____	Minimum Applicable Fraction ____%

Agency Designated to Enforce

At any time during the Compliance Period, the California Tax Credit Allocation Committee may designate an agency of local government to enforce the terms of this Agreement. The Department designates the following agency of local government for such purpose:

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001



Nevada, County Recorder
Kathleen Smith

DOC- 2005-0050416-00

Friday, DEC 16, 2005 09:19:00

NOC \$0.00

Ttl Pd \$0.00

Nbr-0000416377
ENM/EM/1-14

14
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Free Recording Requested
In Accordance With
Government Code 27383

Space above this line
for Recorder's use

REGULATORY AGREEMENT

Federal Credits

Tax-Exempt Bond Financed Project

This Regulatory Agreement (this "Agreement") is made between the California Tax Credit Allocation Committee ("TCAC"), established under Section 50199.8 of the Health and Safety Code of the State of California, and Oregon Investors VII Limited Partnership ("Owner") and is dated as of May 23, 2005 (the "Effective Date"). The Owner has requested TCAC's determination and TCAC has determined that the Project (as herein defined) satisfies the requirements of the State of California's Qualified Allocation Plan relating to the low-income housing tax credit (the "Federal Tax Credit") under Section 42 of the Internal Revenue Code of 1986. The Tax Credit relates to a multifamily rental housing project known as Glenbrook Apartments, identified in the records of TCAC by TCAC# CA-2003-801 and IRS Building Identification Number CA-2003-80101 through CA-2003-80107; and located on the real property described in Exhibit A of this Agreement, attached hereto and incorporated herein (the "Project"). This Agreement is intended to constitute the extended low income housing commitment required by Section 42(h)(6) of the Internal Revenue Code. Accordingly, in consideration of the allocation relating to the Tax Credit by TCAC and the requirements of the Internal Revenue Code, the Owner and TCAC hereby agree as follows:

Section 1. Definitions.

a. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Regulatory Agreement between TCAC and the Owner.

"Applicable Fraction" means the smaller of the Unit Fraction or the Floor Space Fraction, all calculated in accordance with Section 42(c)(1) of the Code.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 14 hereof.

"Code" means those provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

"Compliance Period" means the period of 30 consecutive taxable years beginning with the first taxable year of the Credit Period, or such longer period as is prescribed at Appendix A.

"Credit Period" means, with respect to the State Tax Credit, the period of four taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, and with respect to the Federal Tax Credit, the period of ten taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, as further provided pursuant to Section 2b hereof.

"Effective Date" means the date first set forth herein above.

"Federal Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"Floor Space Fraction" means the fraction, the numerator of which is the total floor space of the Low-Income Units in a building and the denominator of which is the total floor space of the Units in such building.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, as provided in Section 4c hereof, or such alternative income level as may be set forth in Appendix A.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit [or another unit in the same building], the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of Low-Income.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Amount" means the number of Units in the Project required to be Low-Income Units, which Minimum Amount for this Project is 20% or 40% of the Units, as provided in Section 4c hereof. Notwithstanding the Minimum Amount, the Applicable Fraction for this project shall be no less than that set forth at Section 4d hereof.

"Owner" means Oregon Investors VII Limited Partnership, or successors.

"Project" means the residential rental housing project known as Glenbrook Apartments, TCAC# CA-2003-801, and located on the real property described in Exhibit A.

"Qualified Low-Income Housing Project" means a residential rental project meeting the requirements of Section 4 hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code, as modified by Appendix A, if applicable.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"State Tax Credit" means the low-income housing tax credit under the provisions of Sections 12206 17058 and 23610.5 of the Revenue and Taxation Code.

"Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"TCAC" means the Tax Credit Allocation Committee and its successor.

"TCAC Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by TCAC for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Owner and the Project with the provisions of Section 42 of the Code and notify the Service of instances of noncompliance.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Owner.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

"Unit Fraction" means the fraction, the numerator of which is the number of Low-Income Units in a building and the denominator of which is the number of Units in such building.

b. Any term or phrase which is used in this Agreement and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

Section 2. Term.

a. This Agreement shall commence as of the Effective Date and shall terminate on the last day of the Compliance Period (the "Term"), unless earlier terminated pursuant to Section 2c hereof.

b. The Credit Period commences with respect to each building in the Project (i) the taxable year in which the building is placed in service or (ii) the succeeding taxable year, at the irrevocable election of the Owner pursuant to Section 42(f) (1)(B) of the Code. In the case of the Project, the Credit Period begins in the calendar year 2005 or as set forth at Appendix A with respect to individual buildings.

c. Notwithstanding subsection 2.a., this Agreement shall terminate with respect to any building in the Project on the date such building is acquired by foreclosure or instrument in lieu of foreclosure unless the Secretary determines that such acquisition is part of an arrangement a purpose of which is to terminate such period; provided, however, that, except for eviction for good cause, the Tenant of any Low-Income Unit shall be entitled to occupy such Unit in accordance with the provisions of this Agreement for a period of three years following such termination.

Section 3. Filing. This Agreement, and all amendments hereto, shall be recorded as a restrictive covenant in the official records of the County of Nevada in which the Project is located. The Owner shall pay all fees and charges incurred in connection with such recording.

The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project land, encumbering the Project land for the Term of this Agreement and binding upon the Owner's successors in title and all subsequent owners and operators of the Project land, and (ii) shall bind the Owner (and the benefits shall inure to TCAC and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of California to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project land. For the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

Section 4. Qualified Low-Income Housing Project.

a. The Owner shall maintain the Project as a Qualified Low-Income Housing Project within the meaning of Section 42 of the Code at all times, commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Agreement. To this end, and without limitation, the Owner shall --

(i) operate the Project such that at least the Minimum Amount of the Units in the Project are Low-Income Units, and

(ii) assure that Units in the Project are (A) available for use by the general public, (B) suitable for occupancy and (C) used on other than a transient basis.

b. During the Term of this Agreement, the Owner shall not evict, terminate the tenancy, or refuse to renew the lease or rental agreement of any tenant of any Low-Income Unit without good cause.

c. For purposes of this Agreement and Section 42 of the Code, the Owner has elected to comply with [] the "20-50 test" pursuant to which "Low-Income" is defined as 50% of Area Median Gross Income and the Minimum Amount is 20% of the Units in the Project or [X] the "40-60 test" pursuant to which "Low-Income" is defined as 60% of Area Median Gross Income and the Minimum Amount is 40% of the Units in the Project.

d. The amount of Tax Credit allocated to the Project is based on the requirement that the Applicable Fraction for buildings in the Project will be at least 100% or as specified, building-by-building, at Appendix A. The Owner's failure to ensure that each building in the Project complies with such requirement will cause TCAC to report such fact to the Service which may result in the reduction and recapture by the Service of Tax Credit, and (ii) to take other appropriate enforcement action, including, but not limited to, the remedies provided herein.

e. The Owner may not refuse to lease a Unit in the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

f. The Project and the Owner are subject to the additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

Section 5. Annual Determinations; Low-Income Units. Upon initial occupancy and, unless otherwise allowed under Section 42 of the Code and specifically authorized by TCAC, at least annually thereafter, the Owner shall determine and certify the Income of each Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the building (i) is rented to a person who is not a Low-Income Tenant or (ii) is rented without being Rent-Restricted. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit provided that (I) reasonable attempts are made to rent the Unit and (II) no other Units of comparable or smaller size in the building are rented to persons who are not Low-Income Tenants or are rented without being Rent-Restricted. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code, or any successor to such provision, as applicable to the Project.

Section 6. Compliance Monitoring. The Owner acknowledges that TCAC is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 of the Code and (ii) to notify the Service of any noncompliance which is found. The Owner agrees (I) to maintain records that substantiate and document such compliance, preserving such records for the period required by the Service and TCAC, (II) to take all actions required by TCAC pursuant to the TCAC Compliance Monitoring Procedures to assist or cooperate with TCAC in monitoring such compliance and (III) to pay the

fee prescribed by TCAC with respect to such monitoring. The TCAC Compliance Monitoring Procedures require, among other things, that the Owner annually certify to TCAC (on such forms as are prescribed by TCAC) the number of Units in the Project which are Low-Income Units, the percentage of floor space in the Project which is allocable to Low-Income Units, that the Project continues to be a Qualified Low-Income Housing Project; provided, however, that in the first year of the Credit Period, the Owner shall certify individually with respect to each month of such year the number of Low-Income Units in the Project and the percentage of floor space devoted to such Units on the last day of the month. The Owner is responsible for full adherence to the TCAC Compliance Monitoring Procedures without regard to whether particular requirements of those procedures are enumerated in this Agreement. The Owner agrees TCAC may, at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

Section 7. Notification of Noncompliance. The Owner agrees to notify TCAC or its designee if there is a determination by the Service that the Project is not a "qualified low-income housing project" within the meaning of Section 42(g) of the Code. Notification to TCAC will be made within ten business days of receipt of any such determination.

Section 8. Security for Performance. The Owner hereby assigns its interest in the rents from the Project to TCAC as security for the performance of the Owner's obligations under this Agreement. However, until and unless the Owner defaults in its obligations under this Agreement, the Owner is entitled to collect, retain and apply such rents.

Section 9. Remedies. In the event the Owner defaults in its obligations under this Agreement and such default is not cured within a reasonable time period, the remedies of TCAC, the Tenants and any former or prospective Low-Income Tenants shall include, but are not limited to, the following:

a. collecting all rents with respect to the Project and applying them (i) to meet the ongoing costs of operating the Project, (ii) to pay debt service, (iii) to reimburse any Low-Income Tenants who may have been charged a Gross Rent above the applicable Rent-Restricted level or (iv) to assure the long-term, Low-Income use of the Project consistent with the requirements of Section 42 of the Code and this Agreement;

b. taking possession of the Project and operating the Project in accordance with the requirements of this Agreement, including the collection and application of rents in accordance with subsection a of this Section 9, until the Owner demonstrates that it will operate the Project in accordance with this Agreement;

c. applying to any court for specific performance of any of the obligations herein set forth;

d. securing the appointment of a receiver to operate the Project in a manner consistent with this Agreement, including subsections a and b of this Section 9;

e. suit against the Owner for damages or for the disgorgement of rents collected in excess of those which would have been received had the Owner complied with the requirements of this Agreement; and

f. requiring the replacement of the manager of the Project with a property manager approved by TCAC, in the event the Owner fails to maintain the Project in sound and habitable condition, such that each Low-Income Unit is suitable for occupancy in accordance with the requirements of Section 42 (I) (3) (B) (I) of the Code and Section 4a of this Agreement;

g. requiring the payment of an increased compliance monitoring fee by the owner for such period as TCAC determines appropriate; and

h. such other relief as may be appropriate.

Section 10. Enforceability. This Agreement may be enforced by TCAC or its designee, including any agency of State or local government identified at Appendix A hereto or otherwise in a written notice provided by TCAC to Owner. In addition, the Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, one or more Tenants or persons meeting the Low-Income restriction, whether past, present, or prospective Tenants, as third-party beneficiaries hereof. TCAC, its designee and/or any Tenant or other third-party beneficiary shall be entitled to reasonable attorneys' fees and other legal costs in any judicial or administrative action in which such party shall prevail.

Section 11. No Conflicting Agreements. The Owner warrants that it is not bound by and will not execute any other agreement with provisions that bind it to violate the provisions of this Agreement; provided, however, that with the approval of TCAC, this Agreement may be subordinated, if required, to any lien or encumbrance of any banks or other institutional lenders to the Project; provided, further, that the terms of any such subordination shall provide that (i) prior to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the exercise of any remedy or authority by any such lender shall be subject to all of the requirements of the Agreement, and (ii) subsequent to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 12. Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and TCAC and its successors and assigns, for the Term of this Agreement, without regard to whether any such parties shall have executed an Assumption Agreement with respect hereto. Upon termination of this Agreement, the covenants and conditions contained herein shall expire, except that the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 13. Amendments; Waivers. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and acknowledged by each of the parties hereto or their successors and duly recorded in the official records of the county in which this Agreement is recorded. Any waiver of any provision of this Agreement shall not be deemed to be an amendment hereof. Upon request by TCAC, the Owner agrees that it will take all actions necessary to effect any amendment of this Agreement which may be necessary in TCAC's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

Section 14. Assignment by Owner. The Owner may not sell or otherwise dispose of any portion of any building in the Project unless it disposes of the entire building to the same person. Upon sale or transfer of the Project, the Owner shall be relieved of all obligations under the Agreement and the transferee shall succeed to and be bound by all of the Owner's rights and obligations hereunder, without regard to whether the transferee has executed an Assumption Agreement as hereinafter provided. Prior to any transfer of the Project, the Owner shall notify TCAC in writing and provide the name(s) and address(es) and financial reports of the prospective successor owner and operator. The Owner shall require, as a condition precedent to any sale, transfer or exchange or any other disposition of the Project prior to termination of this Agreement, that the purchaser or successor assume, in writing, in an Assumption Agreement acceptable to TCAC, the Owner's obligations hereunder and under Section 42 of the Code and applicable regulations, which Assumption Agreement shall be delivered to TCAC in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Owner agrees that any sale, transfer or exchange of the Project without execution of an Assumption Agreement or otherwise in contravention of the provisions of this Section 14 shall be voidable at the discretion of TCAC. Changes in the constituents of the Owner shall not constitute a default under this Agreement. Owner acknowledges that the sale, transfer or exchange of the Project, or any interest in the Project or the Owner, consistent with the requirements of this Agreement, does not relieve the Owner or any of its constituents from any obligations which it may have under Section 42 of the Code, including those with respect to recapture of Tax Credit or any alternative thereto.

Section 15. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed received on the second day following the date on which the same have been mailed by certified mail, postage prepaid, or sent by other method which produces evidence of delivery thereof, addressed as follows:

To the TCAC:

California Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

To the Owner:

Oregon Investors VII Limited Partnership
87460 Cedar Flat Road
Springfield, OR 97478

TCAC and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16. Indemnification. The Owner agrees to indemnify and hold harmless the Chairperson, TCAC committee members, TCAC officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by TCAC as a result of any material inaccuracy in any of the representations and warranties contained in this Agreement, or as a result of any action by the Owner, including claims by third parties.

The Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against TCAC which arise out of any of the matters relating to this Agreement, the Owner will cooperate fully with TCAC in the defense or other disposition thereof.

Section 17. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 18. Governing Law. This Agreement shall be governed by the laws of the State of California, excluding conflicts provisions, and, where applicable, the laws of the United States of America.

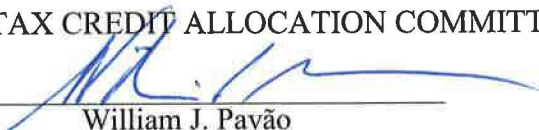
Section 19. Survival of Obligations. The obligations of the Owner as set forth herein and in the application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

Section 20. Interpretation. TCAC's interpretation of this Agreement shall be controlling for purposes of determining whether (i) the Compliance Period shall have commenced, (ii) this Agreement shall have been terminated in accordance with Section 2 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By



William J. Pavão
Executive Director

OREGON INVESTORS VII LIMITED PARTNERSHIP

By



(Owner)
Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner
(Please type or print name)

The undersigned, owners of the property described on Exhibit A hereto, hereby consent to recordation of this Regulatory Agreement against such property, and agree that such property shall be bound by the provisions thereof.

OREGON INVESTORS VII LIMITED PARTNERSHIP

By



Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner

CALIFORNIA ALL-PURPOSE NOTARY ACKNOWLEDGMENT

State of California
County of Sacramento

On this 13th day of December, 2005, before me,

Jenny E. Williams, Notary Public

Name, Title of Officer

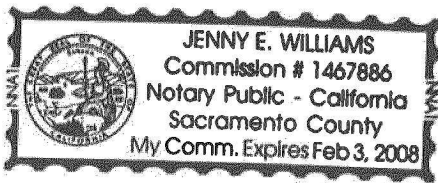
personally appeared

William J. Pavão

Name(s) of Signer(s)

☒ personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.



Jenny E. Williams
SIGNATURE OF NOTARY

*** OPTIONAL SECTION *** CAPACITY CLAIMED BY SIGNER

Through statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL

- ☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR

☒ OTHER: _____
Executive Director
California Tax Credit Allocation
Committee

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

California Tax Credit Allocation
Committee

***** OPTIONAL SECTION *****

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

TITLE OR TYPE OF DOCUMENT Regulatory Agreement CA-2003-801

NUMBER OF PAGES _____ DATE OF DOCUMENT 5/23/05

SIGNER(S) OTHER THAN NAMED ABOVE _____

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

ACKNOWLEDGMENT

STATE OF OREGON)

COUNTY OF LANE)

On this 5th day of December in the year 2005,
before me, Cindy L. Halford, personally appeared
Kelly R. Williams

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

Given under my hand and official seal this 5th day of December, 2005.

[SEAL]

Cindy L. Halford
Notary Public

My Commission Expires:

September 12, 2007



EXHIBIT A
to Regulatory Agreement

Description of the real property
on which the Project is located

CA-2003-801

Location:

265 Sutton Way
Grass Valley, CA 95945

Legal Description:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF GRASS VALLEY, COUNTY OF NEVADA, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that portion of the lands of Amaral as described in the Deeds as filed in Document No. 95-33674 and Document No. 2001-43532, Nevada County Records, situate within the Southwest quarter of Section 24, Township 16 North, Range 8 East, M.D.B. & M., and more particularly described as follows:

COMMENCING at the Southeast corner of the herein described area from which the Southeast corner of said Section 24 bears the following two courses, North 62° 29' 00" East 310.97 feet and South 75° 54' 58" East 4004.35 feet; thence from said point of commencement along the Southerly line South 62° 29' 00" West 375.32 feet to the Southwest corner and being situate on the Easterly line of Sutton Way; said Southwest corner being situate on a curve to the left, concave to the Southwest, having a radius of 580.00 feet and an initial radial bearing of South 74° 30' 03" West; thence along said curve through an arc of 18° 41' 42" for a distance of 189.25 feet to the end thereof, thence North 34° 11' 40" West 175.23 feet to the most Westerly corner of the herein described area and being the Southwest corner of the lands of PG&E as described in the Deed filed in Book 470, Official Records, at Page 458, thence along the lines common to said PG&E the following two successive courses, North 89° 54' 54" East 157.35 feet; thence North 15° 29' 10" West 305.00 feet to the Northwest corner of the herein described area; thence along the Northerly Line South 82° 30' 00" East 402.75 feet to the Northeast corner of the herein described area; thence along the Easterly line South 05° 15' 00" East 385.72 feet to the point of commencement.

The above described area being further delineated on the Record of Survey, filed in Book 12 of Surveys, at Page 475, Nevada County Records.

EXCEPTING THEREFROM as to an undivided 1/2 interest in and to the minerals below the depth of 75 feet beneath the surface as provided in the Deed recorded October 23, 1948, in Book 136 of Official Records, at Page 17, Nevada County Records, executed by Idaho Maryland Mines Corporation, a Corporation, to Errol MacBoyle.

ALSO EXCEPTING THEREFROM as to an undivided 1/2 interest in and to all oil, gas, other hydrocarbon and minerals, lying below a plane 200 feet beneath the surface as described in the Quitclaim Deed recorded May 21, 1974, executed to Marlan Ghidotti.

APN: 35-412-25

Project Size Description:

7 Buildings
51 Low-Income Units; 1 Manager's Unit
0 SRO; 0 1-Bedroom; 24 2-Bedroom;
28 3-Bedroom; 0 4-Bedroom;
0 5-Bedroom

Appendix A

Income Target

☒ Throughout the Compliance Period, unless otherwise permitted by TCAC, Units must be occupied by Tenants such that the income of Tenants residing in 11 of the Units is at or below 50% of Area Median Gross Income and in 40 of the Units is at or below 60% of Area Median Gross Income, such Units shall be Rent-Restricted in accordance with such income level.

Longer Compliance Period

☒ The Compliance Period shall be a period of 55 consecutive taxable years commencing with the first year of the Credit Period.

Designation of First Year of Credit Period by Building

Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__
Building Id. _____	First Year of Credit Period 200__

Minimum Applicable Fraction by Building

Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%
Building Id. _____	Minimum Applicable Fraction _____%

Agency Designated to Enforce

At any time during the Compliance Period, the California Tax Credit Allocation Committee may designate an agency of local government to enforce the terms of this Agreement. The Department designates the following agency of local government for such purpose:

Recording requested by and
when recorded mail to:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001



Nevada, County Recorder
Jewett-Burdick

DOC- 1999-9941895-00

Monday, DEC 06, 1999 10:18:44

NOC \$0.00

Ttl Pd \$0.00

Nbr-0000012958

CNO/CO/1-16

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REGULATORY AGREEMENT

Federal Credits

This Regulatory Agreement (this "Agreement") is made between the Tax Credit Allocation Committee ("TCAC"), established under Section 50199.8 of the Health and Safety Code of the State of California, and Oregon Investors V Limited Partnership, an Oregon Limited Partnership ("Owner") and is dated as of September 24, 1998 (the "Effective Date"). The Owner has requested and TCAC has authorized an allocation relating to the low-income housing tax credit (the "Federal Tax Credit") under Section 42 of the Internal Revenue Code of 1986 (collectively, the "Tax Credit"). The Tax Credit relates to a multifamily rental housing project known as Oak Ridge Apartments, identified in the records of TCAC by TCAC# CA-96-004 and IRS Building Identification Number CA-96-00401 through CA-96-00415, and located on the real property described in Exhibit A of this Agreement, attached hereto and incorporated herein (the "Project"). This Agreement is intended to constitute the extended low income housing commitment required by Section 42(h)(6) of the Internal Revenue Code. Accordingly, in consideration of the allocation relating to the Tax Credit by TCAC and the requirements of the Internal Revenue Code, the Owner and TCAC hereby agree as follows:

Section 1. Definitions.

a. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the following meanings:

"Agreement" means this Regulatory Agreement between TCAC and the Owner.

"Applicable Fraction" means the smaller of the Unit Fraction or the Floor Space Fraction, all calculated in accordance with Section 42(c)(1) of the Code.

"Area Median Gross Income" means the median gross income of the area in which the Project is located as determined by the Secretary for purposes of Section 42 of the Code, including adjustments for family size.

"Assumption Agreement" shall have the meaning assigned in Section 15 hereof.

"Code" means those provisions of the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

"Compliance Period" means the period of 30 consecutive taxable years beginning with the first taxable year of the Credit Period, or such longer period as is prescribed at Appendix A.

"Credit Period" means, with respect to the State Tax Credit, the period of four taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, and with respect to the Federal Tax Credit, the period of ten taxable years beginning with the taxable year the Project is placed in service or (at the election of the Owner) the succeeding taxable year, as further provided pursuant to Section 2b hereof.

"Effective Date" means the date first set forth herein above.

"Federal Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"Floor Space Fraction" means the fraction, the numerator of which is the total floor space of the Low-Income Units in a building and the denominator of which is the total floor space of the Units in such building.

"Gross Rent" means all amounts paid by a Tenant for rent, determined in a manner consistent with Section 42(g)(2) of the Code. If the Tenant pays utilities directly, Gross Rent shall include any utility allowance prescribed by the Secretary.

"Income" means the income of a Tenant determined in a manner consistent with the requirements of Section 142(d)(2)(B) of the Code.

"Low-Income" means, with respect to any Tenant, an income level not exceeding 50% or 60% of Area Median Gross Income, as provided in Section 4b hereof, or such alternative income level as may be set forth in Appendix A.

"Low-Income Tenant" means a Tenant who, when the Tenant originally occupied the Unit, had an Income qualifying as Low-Income. For so long as the Tenant occupies the particular Unit [or another unit in the same building], the Tenant will remain a Low-Income Tenant if the Tenant's Income, upon the most recent income certification, does not exceed 140% of Low-Income.

"Low-Income Unit" means a Unit in the Project that is occupied by a Low-Income Tenant, is Rent-Restricted and meets the other requirements of Section 42 of the Code, in particular, Section 42(i)(3).

"Minimum Amount" means the number of Units in the Project required to be Low-Income Units, which Minimum Amount for this Project is 20% or 40% of the Units, as provided in Section 4b hereof. Notwithstanding the Minimum Amount, the Applicable Fraction for this project shall be no less than that set forth at Section 4c hereof.

"Owner" means Oregon Investors V Limited Partnership, an Oregon Limited Partnership or successors.

"Project" means the residential rental housing project known as Oak Ridge Apartments, TCAC# CA-96-004, and located on the real property described in Exhibit A.

"Qualified Low-Income Housing Project" means a residential rental project meeting the requirements of Section 4 hereof.

"Rent-Restricted" means, with respect to any Unit, that the Gross Rent with respect to such Unit is not more than 30% of the imputed income limitation applicable to such Unit pursuant to Section 42(g)(2)(C) of the Code, as modified by Appendix A, if applicable.

"Secretary" means the Secretary of the Treasury of the United States.

"Service" means the United States Internal Revenue Service and any successor thereto.

"Tax Credit" means the low-income housing tax credit under Section 42 of the Code.

"TCAC" means the Tax Credit Allocation Committee and its successor.

"TCAC Compliance Monitoring Procedures" means those procedures and requirements adopted or imposed by TCAC for the purpose of discharging its responsibilities pursuant to Section 42(m)(1)(B)(iii) of the Code to monitor compliance by the Owner and the Project with the provisions of Section 42 of the Code and notify the Service of instances of noncompliance.

"Tenant" means the individual or individuals entitled to occupy a Unit in the Project by lease or other legal relationship with the Owner.

"Unit" means any residential rental unit in the Project consisting of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking, and sanitation; provided, however, that single room occupancy units used on a nontransient basis may be treated as Units.

"Unit Fraction" means the fraction, the numerator of which is the number of Low-Income Units in a building and the denominator of which is the number of Units in such building.

b. Any term or phrase which is used in this Agreement and not defined herein shall have the meaning, if any, assigned thereto in Section 42 of the Code. Any term or phrase which is defined herein shall, unless the context shall clearly indicate otherwise, be interpreted in a manner consistent with the provisions and requirements of Section 42 of the Code.

Section 2. Term.

a. This Agreement shall commence as of the Effective Date and shall terminate on the last day of the Compliance Period (the "Term"), unless earlier terminated pursuant to Section 2c hereof.

b. The Credit Period commences with respect to each building in the Project (i) the taxable year in which the building is placed in service or (ii) the succeeding taxable year, at the irrevocable election of the Owner pursuant to Section 42(f)(1)(B) of the Code. In the case of the Project, the Credit Period begins in the calendar year 1999 or set forth at Appendix A with respect to individual buildings.

c. Notwithstanding subsection a. of this Section 2, this Agreement shall terminate with respect to any building in the Project on the date such building is acquired by foreclosure or instrument in lieu of foreclosure unless the Secretary determines that such acquisition is part of an arrangement a purpose of which is to terminate such period; provided, however, that, except for eviction for good cause, the Tenant of any Low-Income Unit shall be entitled to occupy such Unit in accordance with the provisions of this Agreement for a period of three years following such termination.

Section 3. Filing. This Agreement, and all amendments hereto, shall be recorded as a restrictive covenant in the official records of the County of Nevada in which the Project is located. The Owner shall pay all fees and charges incurred in connection with such recording.

The Owner intends, declares and covenants, on behalf of itself and all future owners and operators of the Project during the Term of this Agreement, that this Agreement and the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project land, encumbering the Project land for the Term of this Agreement and binding upon the Owner's successors in title and all subsequent owners and operators of the Project land, and (ii) shall bind the Owner (and the benefits shall inure to TCAC and any past, present or prospective Tenant of the Project) and its respective successors and assigns during the Term of this Agreement. The Owner hereby agrees that any and all requirements of the laws of the State of California to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternate, that an equitable servitude has been created to insure that these restrictions run with the Project land. For the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Agreement; provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Agreement.

Section 4. Qualified Low-Income Housing Project.

a. The Owner shall maintain the Project as a Qualified Low-Income Housing Project within the meaning of Section 42 of the Code at all times, commencing with the last day of the first year of the Credit Period and continuing throughout the Term of this Agreement. To this end, and without limitation, the Owner shall --

(i) operate the Project such that at least the Minimum Amount of the Units in the Project are Low-Income Units, and

(ii) assure that Units in the Project are (A) available for use by the general public, (B) suitable for occupancy and (C) used on other than a transient basis.

b. For purposes of this Agreement and Section 42 of the Code, the Owner has elected to comply with [] the "20-50 test" pursuant to which "Low-Income" is defined as 50% of Area Median Gross Income and the Minimum Amount is 20% of the Units in the Project or [X] the "40-60 test" pursuant to which "Low-Income" is defined as 60% of Area Median Gross Income and the Minimum Amount is 40% of the Units in the Project.

c. The amount of Tax Credit allocated to the Project is based on the requirement that the Applicable Fraction for buildings in the Project will be at least 100% or as specified, building-by-building, at Appendix A. The Owner's failure to ensure that each building in the Project complies with such requirement will cause TCAC to report such fact to the Service which may result in the reduction and recapture by the Service of Tax Credit, and (ii) to take other appropriate enforcement action, including, but not limited to, the remedies provided herein.

d. The Owner may not refuse to lease a Unit in the Project to a prospective Tenant who holds a voucher or certificate of eligibility for assistance pursuant to Section 8 of the United States Housing Act of 1937, as amended, because of the status of such prospective Tenant as the holder of such voucher or certificate.

e. The Project and the Owner are subject to the additional and/or modified requirements, if any, set forth at Appendix A, which requirements are incorporated herein and made a part hereof.

Section 5. Annual Determinations; Low-Income Units. Upon initial occupancy and, unless otherwise allowed under Section 42 of the Code and specifically authorized by TCAC, at least annually thereafter, the Owner shall determine and certify the Income of each Low-Income Tenant. If, upon any such annual certification, the Tenant of a Low-Income Unit who was, at the last income certification, a Low-Income Tenant, is found no longer to be a Low-Income Tenant, such Unit will continue to be treated as a Low-Income Unit until the next available Unit of comparable or smaller size in the building (i) is rented to a person who is not a Low-Income Tenant or (ii) is rented without being Rent-Restricted. A Low-Income Unit that has been vacated will continue to be treated as a Low-Income Unit provided that (I) reasonable attempts are made to rent the Unit and (II) no other Units of comparable or smaller size in the building are rented to persons who are not Low-Income Tenants or are rented without being Rent-Restricted. In no case will a Unit be treated as a Low-Income Unit if all the Tenants of the Unit are students (as determined under Section 151(c)(4) of the Code), no one of whom is entitled to file a joint income tax return; provided, however, that such rule shall not apply to the types of students identified at Section 42(i)(3)(D) of the Code, or any successor to such provision, as applicable to the Project.

Section 6. Compliance Monitoring. The Owner acknowledges that TCAC is required, pursuant to Section 42(m)(1)(B)(iii) of the Code, (i) to monitor the Owner's and the Project's compliance with the requirements of Section 42 of the Code and (ii) to notify the Service of any noncompliance which is found. The Owner agrees (I) to maintain records that substantiate and document such compliance, preserving such records for the period required by the Service and TCAC, (II) to take all actions required by TCAC pursuant to the TCAC Compliance Monitoring Procedures to assist or cooperate with TCAC in monitoring such compliance and (III) to pay the fee prescribed by TCAC with respect to such monitoring. The TCAC Compliance Monitoring Procedures require, among other things, that the Owner annually certify to TCAC (on such forms as are prescribed by TCAC) the number of Units in the Project which are Low-Income Units, the percentage of floor space in the Project which is allocable to Low-Income Units, that the Project continues to be a Qualified Low-Income Housing Project; provided, however, that in the first year of the Credit Period, the Owner shall certify individually with respect to each month of such year the number of Low-Income Units in the Project and the percentage of floor space devoted to such Units on the last day of the month. The Owner is responsible for full adherence to the TCAC Compliance Monitoring Procedures without regard to whether particular requirements of those procedures are enumerated in this Agreement. The Owner agrees TCAC may, at any time during the construction, rehabilitation, or operation of the Project, enter and inspect the Project to

evaluate its physical and financial condition, construction, rehabilitation, operation, management and maintenance.

Section 7. Notification of Noncompliance. The Owner agrees to notify TCAC or its designee if there is a determination by the Service that the Project is not a "qualified low-income housing project" within the meaning of Section 42(g) of the Code. Notification to TCAC will be made within ten business days of receipt of any such determination.

Section 8. Security for Performance. The Owner hereby assigns its interest in the rents from the Project to TCAC as security for the performance of the Owner's obligations under this Agreement. However, until and unless the Owner defaults in its obligations under this Agreement, the Owner is entitled to collect, retain and apply such rents.

Section 9. Remedies. In the event the Owner defaults in its obligations under this Agreement and such default is not cured within a reasonable time period, the remedies of TCAC, the Tenants and any former or prospective Low-Income Tenants shall include, but are not limited to, the following:

a. collecting all rents with respect to the Project and applying them (i) to meet the ongoing costs of operating the Project, (ii) to pay debt service, (iii) to reimburse any Low-Income Tenants who may have been charged a Gross Rent above the applicable Rent-Restricted level or (iv) to assure the long-term, Low-Income use of the Project consistent with the requirements of Section 42 of the Code and this Agreement;

b. taking possession of the Project and operating the Project in accordance with the requirements of this Agreement, including the collection and application of rents in accordance with subsection a of this Section 9, until the Owner demonstrates that it will operate the Project in accordance with this Agreement;

c. applying to any court for specific performance of any of the obligations herein set forth;

d. securing the appointment of a receiver to operate the Project in a manner consistent with this Agreement, including subsections a and b of this Section 9;

e. suit against the Owner for damages or for the disgorgement of rents collected in excess of those which would have been received had the Owner complied with the requirements of this Agreement; and

f. requiring the replacement of the manager of the Project with a property manager approved by TCAC, in the event the Owner fails to maintain the Project in sound and habitable condition, such that each Low-Income Unit is suitable for occupancy in accordance with the requirements of Section 42 (I) (3) (B) (I) of the Code and Section 4a of this Agreement;

g. requiring the payment of an increased compliance monitoring fee by the owner for such period as TCAC determines appropriate; and

h. such other relief as may be appropriate.

Section 10. Enforceability. This Agreement may be enforced by TCAC or its designee, including any agency of State or local government identified at Appendix A hereto or otherwise in a written notice provided by TCAC to Owner. In addition, the Agreement shall be deemed a contract enforceable by, and shall inure to the benefit of, one or more Tenants or persons meeting the Low-Income restriction, whether past, present, or prospective Tenants, as third-party beneficiaries hereof. TCAC, its designee and/or any Tenant or other third-party beneficiary shall be entitled to reasonable attorneys' fees and other legal costs in any judicial or administrative action in which such party shall prevail.

Section 11. No Conflicting Agreements. The Owner warrants that it is not bound by and will not execute any other agreement with provisions that bind it to violate the provisions of this Agreement; provided, however, that with the approval of TCAC, this Agreement may be subordinated, if required, to any lien or encumbrance of any banks or other institutional lenders to the Project; provided, further, that the terms of any such subordination shall provide that (i) prior to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the exercise of any remedy or authority by any such lender shall be subject to all of the requirements of the Agreement, and (ii) subsequent to any such lender's acquisition of the Project by foreclosure or instrument in lieu of foreclosure, the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 12. Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Owner and its successors and assigns and all subsequent owners of the Project or any interest therein, and TCAC and its successors and assigns, for the Term of this Agreement, without regard to whether any such parties shall have executed an Assumption Agreement with respect hereto. Upon termination of this Agreement, the covenants and conditions contained herein shall expire, except that the requirement of Section 2c hereof, with respect to the continuation of occupancy and rent restrictions for three years following certain terminations of this Agreement, shall remain in effect.

Section 13. Amendments; Waivers. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified, altered or terminated except by written instrument executed and acknowledged by each of the parties hereto or their successors and duly recorded in the official records of the county in which this Agreement is recorded. Any waiver of any provision of this Agreement shall not be deemed to be an amendment hereof. Upon request by TCAC, the Owner agrees that it will take all actions necessary to effect any amendment of this Agreement which may be necessary in TCAC's sole discretion to comply with the Code, and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Tax Credits.

Section 14. Assignment by Owner. The Owner may not sell or otherwise dispose of any portion of any building in the Project unless it disposes of the entire building to the same person. Upon sale or transfer of the Project, the Owner shall be relieved of all obligations under the Agreement and the transferee shall succeed to and be bound by all of the Owner's rights and obligations hereunder, without regard to whether the transferee has executed an Assumption Agreement as hereinafter provided. Prior to any transfer of the Project, the Owner shall notify TCAC in writing and provide the name(s) and address(es) and financial reports of the prospective successor owner and operator. The Owner shall require, as a condition precedent to any sale, transfer or exchange or any other disposition of the Project prior to termination of this Agreement, that the purchaser or successor assume, in writing, in an Assumption Agreement

acceptable to TCAC, the Owner's obligations hereunder and under Section 42 of the Code and applicable regulations, which Assumption Agreement shall be delivered to TCAC in executed, recordable form prior to any such sale, transfer or exchange. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Project or any building in the Project. The Owner agrees that any sale, transfer or exchange of the Project without execution of an Assumption Agreement or otherwise in contravention of the provisions of this Section 14 shall be voidable at the discretion of TCAC. Changes in the constituents of the Owner shall not constitute a default under this Agreement. Owner acknowledges that the sale, transfer or exchange of the Project, or any interest in the Project or the Owner, consistent with the requirements of this Agreement, does not relieve the Owner or any of its constituents from any obligations which it may have under Section 42 of the Code, including those with respect to recapture of Tax Credit or any alternative thereto.

Section 15. Notices. All notices, certificates or other communications shall be sufficiently given and shall be deemed received on the second day following the date on which the same have been mailed by certified mail, postage prepaid, or sent by other method which produces evidence of delivery thereof, addressed as follows:

To the TCAC:

Tax Credit Allocation Committee
915 Capitol Mall, Room 485
P.O. Box 942809
Sacramento, CA 94209-0001

To the Owner:

Oregon Investors V Limited Partnership, an Oregon Limited Partnership
87460 Cedar Flat Road
Springfield, Oregon 97478

TCAC and the Owner may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 16. Indemnification. The Owner agrees to indemnify and hold harmless the Chairperson, TCAC committee members, TCAC officers, directors and employees from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by TCAC as a result of any material inaccuracy in any of the representations and warranties contained in this Agreement, or as a result of any action by the Owner, including claims by third parties.

The Owner agrees that should any claims, demands, suits or other legal proceedings be made or instituted by any person against TCAC which arise out of any of the matters relating to this Agreement, the Owner will cooperate fully with TCAC in the defense or other disposition thereof.

Section 17. Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

Section 18. Governing Law. This Agreement shall be governed by the laws of the State of California, excluding conflicts provisions, and, where applicable, the laws of the United States of America.


Section 19. Survival of Obligations. The obligations of the Owner as set forth herein and in the application shall survive the allocation of the Tax Credit and shall not be deemed to terminate or merge with the awarding of the allocation.

Section 20. Interpretation. TCAC's interpretation of this Agreement shall be controlling for purposes of determining whether (i) the Compliance Period shall have commenced, (ii) this Agreement shall have been terminated in accordance with Section 2 hereof, and (iii) the Additional Use Restrictions elected at Appendix A hereto, if any, shall have been complied with.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives, as of the day and year first written above.

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

By


Jeanne L. Peterson
Executive Director

OREGON INVESTORS V LIMITED PARTNERSHIP, AN OREGON LIMITED
PARTNERSHIP

By


(Owner)

Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner
(Please type or print name)

The undersigned, owners of the property described on Exhibit A hereto, hereby consent to recordation of this Regulatory Agreement against such property, and agree that such property shall be bound by the provisions thereof.

OREGON INVESTORS V LIMITED PARTNERSHIP, AN OREGON LIMITED
PARTNERSHIP

By



Kelly R. Williams, Secretary-Treasurer,
Cascade Housing Association, General Partner

CALIFORNIA ALL-PURPOSE NOTARY ACKNOWLEDGMENT

State of California
County of Sacramento

On this 23rd day of November, 1999, before me,

Terry J. Anderson, Notary Public

Name, Title of Officer

personally appeared

Jeanne L. Peterson

Name(s) of Signer(s)

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

WITNESS my hand and official seal.



Terry J. Anderson
SIGNATURE OF NOTARY

*** OPTIONAL SECTION *** CAPACITY CLAIMED BY SIGNER

Through statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the document

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S)
☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR



OTHER:

Executive Director

California Tax Credit Allocation

Committee

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

California Tax Credit Allocation
Committee

***** OPTIONAL SECTION *****

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW:

TITLE OR TYPE OF DOCUMENT

Regulatory Agreement - CA - 96-004

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

ACKNOWLEDGMENT

STATE OF ~~CALIFORNIA~~ OREGON)

COUNTY OF Lane)

On this 16th day of November, in the year 1999,
before me, Cindy L. Halford, personally appeared
Kelly R. Williams

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

Given under my hand and official seal this 16th day of November, 1999.

[SEAL]

Cindy L. Halford
Notary Public

My Commission Expires:

9-12-03



EXHIBIT A
to Regulatory Agreement

Description of the real property
on which the Project is located

Location:

228 Sutton Way
Grass Valley, CA 95945

Legal Description:

SEE ATTACHED

Project Size Description:

15 Buildings
79 Low-Income Units; 1 Manager's Unit
0 Studio, 0 1-Bedroom; 24 2-Bedroom;
32 3-Bedroom; 24 4-Bedroom;
0 5-Bedroom

ATTACHMENT TO
EXHIBIT "A"

The land herein referred to as situated in the State of California, County of Nevada, and is described as follows:

PARCEL 1:

A portion of the Southwest quarter of Section 24, Township 16 North, Range 8 East, Mount Diablo Meridian, described as follows:

All that portion of Parcel C and Parcel D, as shown on the Parcel Map filed in the office of the Nevada County Recorder in Book 7 of Parcel Maps, at Page 41, as described in that certain instrument entitled Notice of Merger, recorded September 19, 1997, Document No. 97-025746, Official Records of Nevada County.

EXCEPTING THEREFROM all that portion conveyed by the Deed dated May 30, 1986, recorded September 5, 1986, Official Records, Document no. 86-22573, executed by Alvin L. Williams et ux to the County of Nevada.

ALSO EXCEPTING THEREFROM minerals, gas, oil and mineral deposits below a depth of 200 feet below such surface, together with all necessary and convenient rights to explore for, develop, produce, extract and take the same, subject to the express limitation that the foregoing excepting and reservation shall not include any right of entry upon the surface of said land, as set forth in the Deed dated August 28, 1961, recorded August 29, 1961, in Book 302 of Official Records at page 339, executed by Sum-Gold Corporation, Inc., to John P. O'Brien et ux.

PARCEL 2:

TOGETHER WITH easements for ingress, egress and utility purposes, pursuant to the Deeds recorded January 23, 1973, in book 631, Official Records, Pages 154 and 176, the South lines of which are contiguous to the North lines of Parcels C & D of Parcel 1, described above.

The North lines of said easement are to be prolonged or shortened so as to end in the Northerly prolongations of the East and West lines of Parcels C & D of Parcel 1 above.

APN: 35-411-90

APPENDIX A
ADDITIONAL USE RESTRICTIONS

Housing Type

- ☒ Large Family
☐ Senior
☐ SRO
☐ Special Needs
☐ At-Risk
☐ Non-targeted

Average Income Target

- ☒ Throughout the Compliance Period, unless otherwise permitted by TCAC, Units must be occupied by Tenants such that the average income of Tenants is at or below 45% of Area Median Gross Income, and, such Units shall be Rent-Restricted in accordance with such income level.

Longer Compliance Period

- ☒ The Compliance Period shall be a period of 55 consecutive taxable years commencing with the first year of the Credit Period.

Designation of First Year of Credit Period by Building

Building Id. _____	First Year of Credit Period 199__
Building Id. _____	First Year of Credit Period 199__
Building Id. _____	First Year of Credit Period 199__
Building Id. _____	First Year of Credit Period 199__
Building Id. _____	First Year of Credit Period 199__
Building Id. _____	First Year of Credit Period 199__

☐ **Material Participation by Qualified Nonprofit Organization**

Throughout the Compliance Period, a "qualified nonprofit organization" within the meaning of Section 42(h)(5)(C) of the Code shall own an interest in the Project and shall materially participate (within the meaning of Section 469(h)) in the development and operation of the Project.

Targeted Population and Physical Facility Features

☒ Large Family Project

- At least thirty percent (30%) of the units in the project are three-bedroom or larger units, fifty percent (50%) if project received credits from the Small Development set-aside.
- Three-bedroom units include at least 1,000 square feet of living space and four-bedroom units include at least 1,200 square feet of living space, or TCAC has granted a waiver because these restrictions conflict with the requirements of another governmental agency to which the project was subject to approval.
- Four-bedroom and larger units have at least two full bathrooms.
- The project shall provide outdoor play/recreational facilities suitable for children of all ages, or TCAC waived this requirement because the project is a Small Development.
- The project provides an appropriately-sized common area.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 10 units, or if no centralized laundry facilities are provided, washers and dryers are provided in each unit.

☐ Senior project

- Unit occupancy shall be restricted to residents 55 years of age or older (at least one family member).¹
- Access to basic services shall be available by other than resident-owned transportation.
- If the Project is over two stories it contains an elevator.
- No more than twenty percent (20%) of the low-income units in the project are two-bedroom units.
- Emergency call systems shall be included in all units, with capability for 24-hour monitoring.
- Common area(s) are provided on site, or are within approximately one-half mile of the subject property.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units. If no centralized laundry facilities are provided, washers and dryers are provided in each of the units;

☐ SRO project

- Project units are efficiency units which include a complete private bath and kitchen but do not have a separate bedroom. No more than five percent (5%) of the total units contain a separate bedroom.
- At least one bath is provided for every eight units.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units.

¹ Note: The Federal Fair Housing Act requires, generally, that projects which are limited to occupancy by older persons either (i) be restricted to households in which all members are 62 years or older or (ii) be "intended and operated" for persons 55 years or older and publish "practices and procedures" demonstrating such intent. All tax credit projects must comply with these requirements, as applicable under Federal law, in addition to the TCAC Regulatory Agreement.

☐ **Special Needs project**

- The units and building configurations (including community space) meet the specific needs of the population.
- Adequate laundry facilities are available on the project premises, with no fewer than one washer/dryer per 15 units.

Minimum Applicable Fraction by Building

Building Id. _____ Minimum Applicable Fraction _____%

Building Id. _____ Minimum Applicable Fraction _____%

Building Id. _____ Minimum Applicable Fraction _____%

Building Id. _____ Minimum Applicable Fraction _____%

Building Id. _____ Minimum Applicable Fraction _____%

Building Id. _____ Minimum Applicable Fraction _____%

Agency Designated to Enforce

At any time during the Compliance Period, the California Tax Credit Allocation Committee may designate an agency of local government to enforce the terms of this Agreement. The California Tax Credit Allocation Committee designates the following agency of local government for such purpose:

Note: This Additional Use Restrictions Form is only to be used with 1996 to present year projects.