

When Recorded Return to:

Frederick H. Olsen
Ballard Spahr, LLP
201 South Main Street
Salt Lake City, Utah 84111

Tax Parcel I.D. No.: 12-066-0058

HUD AMENDMENT TO UTAH HOUSING REGULATORY AGREEMENT

This AMENDMENT TO UTAH HOUSING REGULATORY AGREEMENT (“Amendment”) is made as of March ___, 2012, between OAKSTONE II, L.C., a Utah limited liability company (“Borrower”), U.S. Bank National Association (“Trustee”), and UTAH HOUSING CORPORATION, a public body politic and corporate constituting a public corporation duly organized and existing under the laws of the State of Utah, formerly known as Utah Housing Finance Agency (the “Utah Housing”).

WHEREAS, Borrower has obtained financing from Oak Grove Commercial Mortgage, LLC, a Delaware limited liability company (the “Lender”) for the benefit of the project known as County Oaks, more particularly described in Exhibit “A” attached hereto (the “Project”), the proceeds of which will be used to pay and redeem all outstanding Bonds, as defined below, which loan is secured by a Deed of Trust (“Security Instrument”) dated as of March ___, 2012 and recorded in the official records of the County Recorder of Davis County, Utah (the “Records”) concurrently herewith, and which loan is insured by the United States Department of Housing and Urban Development (“HUD”);

WHEREAS, Borrower received a loan from GMAC Commercial Mortgage Corporation, the funds of which loan were generated by the sale of certain \$3,195,000 Utah Housing Finance Agency GNMA Collateralized Mortgage Revenue Bonds (County Oaks Apartments Project) Series 1999 (the “Bonds”), and in connection therewith, the Utah Housing required that certain land-use restrictions be recorded against the Project;

WHEREAS, Borrower entered into that certain Utah Housing Regulatory Agreement with respect to the Project, dated as of August 1, 1999, and recorded on September 14, 1999, in the official records of the County Recorder of Davis County, Utah as Entry No. 1546047, in Book 2558, beginning at Page 276 (the "Restrictive Covenants");

WHEREAS, HUD is requiring that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Utah Housing has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to amend the Restrictive Covenants by adding the following new Section 17 to the Restrictive Covenants as follows:

"Section 17.

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Section 17, the provision contained in this Section 17 shall govern and be controlling in all respects.

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

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

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

"Lender" means Oak Grove Commercial Mortgage, LLC, its successors and assigns.

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

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

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

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

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

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

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, except the requirements in 26 U.S.C. 42(h)(6)(E)(ii), the provisions of the Restrictive Covenants are expressly subordinate to (i) the Security Instrument, (ii) the HUD Regulatory Agreement and (iii) Program Obligations. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the Security Instrument, HUD Regulatory Agreement, or Program Obligations, the provisions of the Mortgage Loan Documents and Program Obligations shall control and supersede the enforcement of the Restrictive Covenants.

(d) In the event of foreclosure, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall automatically terminate, with the exception of the requirements of 26 U.S.C. 42(h)(6)(E)(ii) above, or as otherwise approved by HUD.

(e) Borrower and the Utah Housing acknowledge that Borrower’s failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the terms of the Security Instrument, the HUD Regulatory Agreement, or any other document relating to the Mortgage Loan to Borrower for the Project, provided that, nothing herein limits the Utah Housing’s ability to enforce the terms of the Restrictive Covenants to the extent not in conflict with the Mortgage Loan Documents or Program Obligations.

(f) in enforcing the Restrictive Covenants, the Utah Housing will not file any claim against the Project or any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

- i. Available surplus cash, if the Borrower is a for-profit entity;
- ii. Available distributions and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or
- iii. Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and the Utah Housing shall not further amend the Restrictive Covenants without HUD’s prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Utah Housing may require the Borrower to indemnify and hold the Utah Housing harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Utah Housing relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower’s obligation to indemnify and hold the Utah Housing harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

(i) No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.

(j) Notwithstanding the provisions of Section 8 of the Restrictive Covenants to the contrary, the parties hereto agree that HUD is not required to execute an instrument designed to amend, revise, or terminate the provisions of the Restrictive Covenants in order for such instrument to be effective.”

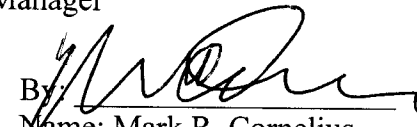
[Signatures on following pages]

BORROWER:

OAKSTONE II, L.C., a Utah limited liability company

By: Clearfield Affordable Housing II, L.C., a Utah
limited liability company
Its: Managing Member

By: Cowboy Partners, L.C., a Utah limited
liability company
Its: Manager

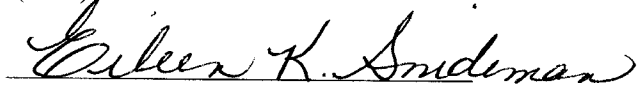
By: 
Name: Mark R. Cornelius
Its: Vice-President

STATE OF UTAH

COUNTY OF SALT LAKE

The foregoing instrument was acknowledged before me this 26 day of MARCH, 2012,
by Mark R. Cornelius, the Vice-President of Cowboy Partners, L.C., a Utah limited liability
company, the Manager of Clearfield Affordable Housing II, L.C., a Utah limited liability
company, the Managing Member of Oakstone II, L.C., a Utah limited liability company.

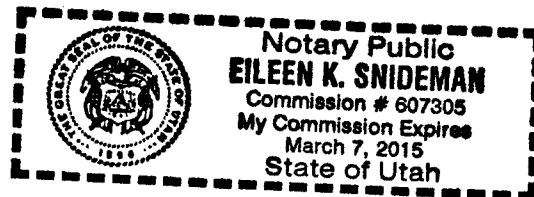
(Seal)



Notary Public

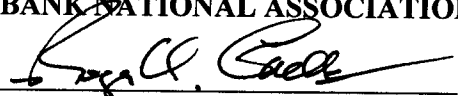
Printed Name: _____

My Commission Expires:



TRUSTEE:

U.S. BANK NATIONAL ASSOCIATION

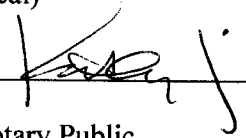
By: 
Name: ROGER K. FACKLAM
Its: VICE PRESIDENT

STATE OF UTAH

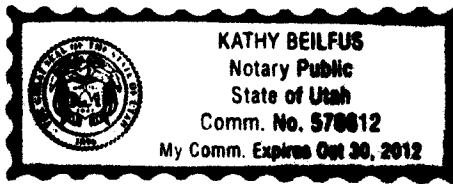
COUNTY OF SALT LAKE

The foregoing instrument was acknowledged before me this 26 day of MARCH, by Roger K. Facklam of U.S. BANK NATIONAL ASSOCIATION.

(Seal)



Notary Public



Printed Name: Kathy Beilfus

My Commission Expires:

10.30.12

UTAH HOUSING:


UTAH HOUSING CORPORATION

By: [Signature]
Name: _____
Its: _____

STATE OF UTAH

COUNTY OF Salt Lake

The foregoing instrument was acknowledged before me this 26 day of March 2012, by Grant Spangler ~~Grant Spangler~~ **UTAH HOUSING CORPORATION.**

(Seal)  **MONICA SPANGLE**
Notary Public
Commission #582897
My Commission Expires
June 2, 2014
State of Utah

Notary Public

Printed Name: Monica Spangle

My Commission Expires:

June 2 2012

EXHIBIT "A"

LEGAL DESCRIPTION

A part of the Southeast quarter of Section 12, Township 4 North, Range 2 West, Salt Lake Base and Meridian, U.S. survey. Beginning at a point being 997.11 feet North 00°06'05" East along the Section line and 33.00 feet West of the Southeast corner of Section 12 (Basis of Bearing: North 00°06'05" East from the Southeast corner of Section 12 along the Section line to the East quarter corner); thence as follows: North 89°44'36" West 495.00 feet; thence North 00°06'05" East for 321.07 feet; thence South 89°44'36" East 495.00 feet to the West line of 1000 East Street; thence South 00°06'05" West 321.07 feet along said street to the point of Beginning.

This document was drafted by:
Paul E. Kisselburg, Esquire
Oppenheimer Wolff & Donnelly LLP
Plaza VII, Suite 3300
45 South Seventh Street
Minneapolis, Minnesota 55402

After recordation, return to party listed on cover page.