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6/17/2019 9:18:00 AM \$40.00
Book - 10792 Pg - 3972-4000
RASHELLE HOBBS
Recorder, Salt Lake County, UT
INGEO SYSTEMS
BY: eCASH, DEPUTY - EF 29 P.

WHEN RECORDED RETURN TO:
Preston F. Olsen
Gilmore & Bell, P.C.
15 W. South Temple, Suite 1450
Salt Lake City, Utah 84101

For Reference Purposes Only:

TAX REGULATORY AGREEMENT

Dated as of June 1, 2019

among

UTAH HOUSING CORPORATION
("Governmental Lender")

and

U.S. BANK NATIONAL ASSOCIATION,
as fiscal agent
("Fiscal Agent")

and

DOWNTOWN SLC B LLC,
a New York limited liability company
("Borrower")

Relating to:

Exchange B
447 South Blair Street, Salt Lake City, UT

Maximum Funding Loan Principal Amount: \$11,195,000

TAX REGULATORY AGREEMENT

THIS TAX REGULATORY AGREEMENT (the “Regulatory Agreement”) is entered into as of June 1, 2019, by and among Utah Housing Corporation (the “Governmental Lender”), an independent body politic and corporate constituting a public corporation of the State of Utah created pursuant to the Utah Housing Corporation Act, Title 63H, Chapter 8, Part 1, Utah Code Annotated 1953, as amended (the “Act”), U.S. Bank National Association, as fiscal agent (the “Fiscal Agent”) under a Funding Loan Agreement, dated as of June 1, 2019 (the “Funding Loan Agreement”), and Downtown SLC B LLC, a New York limited liability company (the “Borrower”).

WITNESSETH:

WHEREAS, the Governmental Lender is making a loan in the maximum aggregate principal amount of \$11,195,000 (the “Project Loan”) to the Borrower to finance the acquisition, construction and equipping by the Borrower of a residential multifamily housing project intended for rental in part to persons of low and moderate income, to be located in Salt Lake City, Utah, the legal description of which is described at Appendix “I” hereto (the “Project”);

WHEREAS, the Governmental Lender is making the Project Loan to the Borrower with the proceeds received from the separate loan made to the Governmental Lender pursuant to the Funding Loan Agreement in the maximum aggregate principal amount of \$11,195,000 (the “Funding Loan”). The Funding Loan is evidenced by a Multifamily Note dated June 13, 2019 (together with all riders and addenda thereto, the “Governmental Note”).

WHEREAS, all parties to this Regulatory Agreement have joined in this Regulatory Agreement to restrict the use of the Project as provided herein to preserve the exclusion from gross income of interest on the Governmental Note for federal income tax purposes.

NOW, THEREFORE, the Borrower does hereby impose upon the Project the following covenants, restrictions, charges and easements, which shall run with the land and shall be binding and a burden upon the Project and all portions thereof, and upon any purchaser, grantee, developer or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee, company or lessee of any portion of the Project and any other person or entity having any right, title or interest therein, for the length of time that this Regulatory Agreement shall be in force and effect.

Section 1. Definitions. Unless otherwise expressly provided herein or unless the context clearly requires otherwise, the terms defined above shall have the meanings set forth above and the following terms shall have the respective meanings set forth below for the purposes hereof:

“Area” means the Salt Lake City, UT MSA or such other area as may be designated by HUD in which the Project is located.

“Area Median Gross Income” means, as of any date, the median gross income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, (or if such program is terminated, under such program as in effect immediately before such termination). Except for any HUD Hold Harmless Impacted Project, as defined in Code section 142(d)(2)(E)(iv), any determination of Area Median Gross Income with respect to the Project for any calendar year after 2008 shall not be less than the Area Median Gross Income determined with respect to the Project for the calendar year preceding the calendar year for which such determination is made. Special rules for determining the Area Median Gross Income for calendar years after 2008 for HUD Hold Harmless Impacted Projects are set forth in Code section 142(d)(2)(E)(ii).

“Bond Counsel” means any attorney or firm of attorneys with nationally recognized expertise in the area of tax-exempt multifamily housing financing approved by the Governmental Lender.

“Borrower” means Downtown SLC B LLC, a New York limited liability company, and its respective successors and assigns.

“Code” means the Internal Revenue Code of 1986, as amended; each reference to the Code shall be deemed to include (a) any successor internal revenue law and (b) the applicable regulations whether final, temporary or proposed under the Code or such successor law. Any reference to a particular provision of the Code shall be deemed to include (a) any successor provision of any successor internal revenue law and (b) the applicable regulations, whether final, temporary or proposed, under such provision or successor provision.

“Completed Units” means Residential Units that are occupied and Residential Units that are unoccupied but have been leased at least once after becoming available for occupancy.

“Deed of Trust” means the Construction Deed of Trust, with Absolute Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of June 13, 2019 from the Borrower for the benefit of the Governmental Lender relating to the Project and assigned by the Governmental Lender to the Fiscal Agent.

“Delivery Date” means the date of initial issuance and delivery of the Governmental Note.

“Functionally Related and Subordinate” shall mean and include facilities for use exclusively by tenants, for example, swimming pools, other recreational facilities, parking areas and other facilities which are reasonably required for the Project, for example, heating and cooling equipment, trash disposal equipment and units for resident managers or maintenance personnel; provided that the same are of a character and size

commensurate with the character and size of the Project and, as to size, does not exceed that necessary to service the requirements of the residents of the Project.

“Governmental Lender” means Utah Housing Corporation.

“Governmental Note” means the Multifamily Note dated June 13, 2019, as the same may be subsequently amended and restated, together with all riders and addenda thereto.

“Income” means the anticipated total annual income of the individuals or family, determined in a manner consistent with determinations of lower income families by the Secretary of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended (or, if such program is terminated, under such program as in effect immediately before such termination). Subsection (g) and (h) of Code section 7872 shall not apply in determining income hereunder.

“Low Income Tenants” means individuals or families whose Income is 50% or less of the Area Median Gross Income. Determinations under the preceding sentence shall include adjustments for family size. If all occupants of a Residential Unit are or will be full-time students during five calendar months of the calendar year at an educational institution (other than a correspondence school) with regular faculty and students, such occupants shall not be considered to be Low Income Tenants unless all such students are either (i) married and eligible to file a joint federal income tax return or (ii) single parents and their children and such parents and children are not dependents of another individual or (ii) receiving assistance under Title IV of the Social Security Act (including AFDC/TANF) or the Job Training Partnership Act or under similar Federal, State, or local laws, or were previously under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of Title IV of the Social Security Act (foster care assistance). For purposes of determining Low Income Tenants the combined Income of all occupants of a Residential Unit, whether or not legally related, shall be utilized.

“Moderate Income Tenants” means individuals or families who satisfy the requirements of Section 4 of this Regulatory Agreement.

“Project” means the residential multifamily housing project to be located in Salt Lake City, Utah, the legal description of which is described at Appendix “I” hereto.

“Project Loan” means the mortgage loan made to the Borrower pursuant to the Project Loan Agreement for the purpose of providing funds to the Borrower to finance the acquisition, construction and equipping of the Project.

“Project Loan Agreement” means the Project Loan Agreement dated as of June 1, 2019 among the Governmental Lender, the Trustee and the Borrower, as amended, modified, supplemented or restated from time to time.

“Project Site” means the real property described in Appendix “I” attached hereto.

“Qualified Project Period” means a period beginning on the later of the first date on which at least 10% of all of the Residential Units in the Project are first occupied or the issue date of the Governmental Note and ending on the latest of (i) the date which is 15 years after the date on which at least 50% of the Residential Units in the Project are first occupied, (ii) the first day on which no tax-exempt private activity bond or note issued with respect to the Project is outstanding, (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates or (iv) the date which is 51 years after the date on which the Governmental Note is issued.

“Remaining Residential Units” means all Completed Units other than those required to be occupied by Low Income Tenants under Section 3 of this Regulatory Agreement and other than a manager’s unit.

“Residential Units” or “Units” means the units of multifamily residential housing comprising the Project.

“Treasury Regulations” means the regulations of the Department of the Treasury, Internal Revenue Service under Section 142(d) of the Code or predecessor Code sections, including, Regulation Section 1.103-8(b).

Section 2. Residential Rental Property. The Borrower hereby agrees that the Project shall be owned, managed and operated as a “qualified residential rental project” as such phrase is utilized in Section 142(d) of the Code. To that end the Borrower hereby represents, covenants and agrees as follows:

(a) the Project shall be constructed and equipped as a qualified residential rental project, the Borrower shall develop, own, manage and operate the Project as a qualified residential rental project containing residential units and facilities Functionally Related and Subordinate to such residential units, in accordance with Section 142(d) of the Code and related Treasury Regulations and each residential unit shall be similarly constructed and shall be rented or available for rental as required by Section 142(d) of the Code (residents being entitled to exclusive possession of such residential units);

(b) except as otherwise permitted by subsection (i) hereof, each Residential Unit in the Project contains complete and separate facilities for living, sleeping, eating, cooking (a cooking range, refrigerator and sink) and sanitation (including bathing) for a single person or a family;

(c) none of the Residential Units in the Project shall at any time be utilized on a transient basis; except as otherwise permitted by subsection (i) hereof, none of the Residential Units in the Project shall be leased or rented for a period of less than six months; none of the residents of the Project are residing at the Project for any ancillary purpose unrelated to housing (the Project being the sole residence of such residents during their occupancy); and neither the Project nor any portion thereof shall be used as a hotel, motel, dormitory, fraternity

house, sorority house, rooming house, hospital, nursing home, retirement home, sanitarium, rest home, trailer park or court or by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code);

(d) preferential access to Residential Units will not be provided to any persons for use in connection with their trades or businesses and, once available for occupancy, each Residential Unit in the Project shall be rented or available for rental on a continuous basis to members of the general public during the Qualified Project Period;

(e) the Residential Units in the Project shall be leased and rented to members of the general public in compliance with the Treasury Regulations and this Regulatory Agreement;

(f) substantially all (i.e., not less than 95%) of the Project shall consist of proximate buildings or structures located on one or more contiguous tracts of land which have similarly constructed residential units financed pursuant to a common plan together with Functionally Related and Subordinate facilities, all of which shall be owned by the same "person" (as such term is used in the Treasury Regulations) for federal tax purposes;

(g) the Borrower will not on the basis of age, sex, religion, race, color, creed, familial status, source of income, disability or national origin discriminate in the sale, lease or rental of any part of the Project, nor deny to any eligible applicant the opportunity to rent any Residential Unit in the Project on the basis of age, sex, religion, race, color, creed, familial status, source of income, disability or national origin. The Borrower will not advertise or in any other way make statements to occupants or prospective occupants of the Project to the effect that occupancy is restricted, or in any other way limited by, age, sex, religion, race, color, creed, familial status, source of income, disability or national origin;

(h) no building or structure in the Project containing fewer than five Residential Units shall be occupied by the Borrower or a related party (within the meaning of Section 1.103-10(e) of the Regulations) to the Borrower; and

(i) notwithstanding anything contained herein to the contrary, any Residential Unit shall not fail to be treated as a residential unit in a "qualified residential rental project" merely because such unit is a single-room occupancy unit (within the meaning of Code section 42).

Section 3. Low Income Tenants. To the end of satisfying the requirements of Section 142(d) of the Code and related Treasury Regulations relating to income limits, the Borrower hereby represents, covenants and agrees as follows:

(a) At all times during the Qualified Project Period, at least 20% of all Completed Units in the Project shall be occupied solely by Low Income Tenants; provided that for purposes of satisfying such requirement, the following general principles shall apply:

(i) The determination of whether the income of a resident of a Residential Unit in the Project exceeds the applicable income limit shall be made at least annually on the basis of the current income of such resident. If the income of a resident of a Residential Unit in the Project did not exceed the applicable income limit upon commencement of such resident's occupancy of such unit (or as of the date of any prior determination under subsection (i) above), the income of such resident shall be treated as continuing to not exceed the applicable income limit; provided, however, the preceding sentence shall cease to apply to any resident whose income as of the most recent annual determination under subsection (i) above exceeds 140% of the applicable limit if after such determination, but before the next determination, any Residential Unit of comparable or smaller size in the Project is occupied by any resident whose income exceeds the applicable income limit. If credit is allowed under section 42 of the Code with respect to the Project, the proviso in the immediately preceding sentence shall be applied by substituting "building" (within the meaning of section 42) for "Project."

(ii) A Residential Unit which was occupied by a Low Income Tenant shall be treated as occupied by a Low Income Tenant until reoccupied, other than for a temporary period of not to exceed 31 days, at which time the character of the Residential Unit shall be redetermined.

(b) If necessary, the Borrower shall refrain from renting Residential Units in the Project to persons other than Low Income Tenants in order to avoid violating the covenant set forth in Section 3(a) above.

(c) The Borrower shall obtain and maintain on file a sworn income certification in the form attached as Appendix "III" hereto with respect to the occupants of a sufficient number of Residential Units in the Project to satisfy the covenant set forth in Section 3(a) above; and each such certification shall be in such form, signed by such person or persons, and obtained at such time or times, as is required hereby and by the applicable Treasury Regulations under Section 142(d) of the Code and shall promptly deliver to the Governmental Lender or the Fiscal Agent, upon request, a copy of each such certification together with such additional certifications as the Governmental Lender or the Fiscal Agent may reasonably require with respect thereto. The Borrower shall verify that the income provided by an applicant is accurate by taking the following steps as a part of the verification process: (1) obtain a federal income tax return for the most recent tax year, (2) obtain a written verification of income and employment from the applicant's current employer, or (3) if an applicant is unemployed or did not file a tax return for the previous calendar year, obtain other verification of such applicant's income satisfactory to the Governmental Lender.

(d) The Borrower shall submit or cause to be submitted to the Secretary of Treasury (at such time and in such manner as the Secretary shall prescribe) the annual certification required by Section 142(d)(7) of the Code

(currently IRS form 8703) as to whether the Project continues to meet the requirements of Section 142(d). Any failure to comply with the provisions of the preceding sentence may subject the Borrower to penalties under the Code. The Borrower shall deliver a copy of all annual certifications submitted to the Secretary of Treasury, together with proof of mailing, to the Governmental Lender within 30 days of submission to the Secretary of Treasury.

(e) The Borrower shall prepare and submit or cause to be prepared and submitted to the Governmental Lender on or before the first day of each January 1 and July 1 during the Qualified Project Period beginning on the first day of January or July following the initial occupancy of any Residential Unit in the Project, a Certificate of Continuing Program Compliance attached hereto as Appendix "II" or as amended by the Governmental Lender, duly executed by an authorized representative of the Borrower. In the event the Borrower is unable to deliver any Certificate of Continuing Program Compliance on a timely basis, the Borrower shall furnish to the Governmental Lender, in writing, a detailed explanation of the reasons for such failure or inability to provide such Certificate of Continuing Program Compliance.

Section 4. Moderate Income Tenants. At all times during the Qualified Project Period, each Remaining Residential Unit, if any, shall be occupied solely by individuals or a family whose total combined Income on the date of their initial occupancy is less than 140% of the Area Median Gross Income. The Borrower shall maintain records evidencing compliance with such requirement. The Governmental Lender and the Fiscal Agent may inspect all records of the Borrower with respect to the Project upon reasonable written notice.

Section 5. Covenants Run with the Land. The Borrower hereby declares its express intent that the covenants, restrictions, charges and easements set forth herein shall be covenants running with the land and shall pass to and be binding upon the Borrower's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of the Borrower and any purchaser, grantee, developer or lessee of any portion of the Project and any other person or entity having any right, title or interest therein. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein shall contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument shall conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument. No breach of this Regulatory Agreement shall defeat, impair, render invalid, or otherwise affect the lien of a deed of trust, mortgage or similar encumbrance upon the Project given in good faith and for value.

Section 6. Uniformity; Common Plan. The provisions hereof shall apply uniformly to the entire Project to establish and carry out a common plan for the use, development and improvement of the Project Site.

Section 7. Remedies; Enforceability. In the event of a violation or attempted violation of any of the provisions hereof, the Governmental Lender or any governmental entity succeeding to the Governmental Lender's functions, the Fiscal Agent, and the owner of the Governmental Note may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation, to recover monetary damages caused by such violation or attempted violation, subject to the limitations set forth in Section 4.06 of the Project Loan Agreement. The provisions hereof are imposed upon and made applicable to the Project and shall run with the land and shall be enforceable against the Borrower and each purchaser, grantee, developer or lessee of the Project or any portion thereof of interest therein, at any time and from time to time, and the respective heirs, legal representatives, successors and assigns. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation or any similar breach or violation thereof at any later time or times. The Borrower hereby agrees to pay, indemnify and hold the Governmental Lender and the Fiscal Agent and their officers, agents, directors and employees, and the successors and assigns of each of them, harmless from any and all liabilities, costs, expenses and fees, including all reasonable attorneys' fees and expenses, which may be incurred by the Governmental Lender or the Fiscal Agent in enforcing or attempting to enforce this Regulatory Agreement following any default on the part of the Borrower hereunder, whether the same shall be enforced by suit or otherwise; together with all costs, fees and expenses which may be incurred in connection with any amendment to this Regulatory Agreement or otherwise by the Governmental Lender at the request of the Borrower (including the reasonable fees and expenses of Bond Counsel in connection with any opinion to be rendered hereunder).

Section 8. Amendment; Term; Termination. The Borrower shall cause this Regulatory Agreement to be duly recorded in the office of public records in the county where the Project is located as an encumbrance upon the Project Site and the Borrower shall deliver to the Fiscal Agent and the Governmental Lender a copy of a title insurance policy or other evidence of such recording and an opinion of counsel in form and substance satisfactory to the Governmental Lender to the effect that this Regulatory Agreement is a legal, valid and binding agreement enforceable in accordance with its terms against the Borrower. Prior to the effective date of any transfer of title to the Project, the Borrower shall deliver to the Fiscal Agent and the Governmental Lender an opinion of counsel in form and substance satisfactory to the Governmental Lender to the effect that this Regulatory Agreement is a legal, valid and binding agreement of all persons acquiring any right, title or interest in or to the Project or any part thereof.

Except as otherwise set forth herein, this Regulatory Agreement and the covenants made by the Borrower herein shall remain in full force and effect until the expiration of the Qualified Project Period and the provisions hereof may not be amended or revised prior to such stated term, except by an instrument in writing duly executed by

the Governmental Lender, the Fiscal Agent (so long as the Governmental Note has not been paid in full) and the Borrower and duly recorded. The Governmental Lender's and Fiscal Agent's agreement to execute any such amendment or revision shall be given only upon receipt of an opinion of Bond Counsel that such amendment or revision will not adversely affect the exclusion from gross income of interest on the Governmental Note for federal income tax purposes and the Fiscal Agent is entitled to execute such amendment without liability, upon its receipt of such opinion.

This Agreement shall terminate upon receipt of evidence satisfactory to the Governmental Lender that there has occurred an involuntary noncompliance caused by fire, seizure, requisition, change in federal law or action of a federal agency after the Delivery Date which prevents the Governmental Lender from enforcing this Regulatory Agreement or condemnation, foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, but only if within a reasonable period thereafter the Governmental Note is paid in full and canceled; provided, however, that the preceding provisions of this sentence shall cease to apply and the restrictions contained herein shall be reinstated if, at any time during the Qualified Project Period subsequent to the termination of such provisions as the result of the foreclosure of the lien of the Deed of Trust or the delivery of a deed in lieu of foreclosure or a similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an interest in the Project which constitutes an ownership interest therein for federal income tax purposes.

Upon expiration or sooner termination of this Regulatory Agreement and upon written request of the Borrower or any lender, the Governmental Lender shall take such actions as shall be necessary upon the advice of its legal counsel to remove this Regulatory Agreement from the public records relating to the Project Site.

Notwithstanding any other provisions hereof, the parties hereto agree to amend this Regulatory Agreement upon receipt of written notice from the Governmental Lender to conform to any amended Treasury Regulations (proposed or final), or any legislative enactment or final decision by a court of competent jurisdiction if necessary to maintain the tax-exempt status of the interest on the Governmental Note when the same becomes applicable.

Section 9. Sale or Transfer of the Project. The Borrower intends to hold the Project for its own account, has no current plans to sell, transfer or otherwise dispose of the Project, and hereby covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof without having first delivered to the Governmental Lender and the Fiscal Agent (i) reasonable evidence satisfactory to the Governmental Lender that the Borrower's purchaser or transferee has assumed in writing and in full, the Borrower's duties and obligations under this Regulatory Agreement, the Deed of Trust and the Project Loan Agreement, acknowledgment of which shall be provided to the Borrower at its request, (ii) an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Regulatory Agreement, the Deed of Trust and the Project Loan Agreement and that such obligations and this Regulatory Agreement, the Deed of Trust and the Project Loan Agreement are legal, valid, binding and enforceable on the transferee, (iii) evidence acceptable to the

Governmental Lender that either (A) the purchaser or assignee has experience in the ownership, operation and management of rental housing projects such as the Project without any record of material violations of discrimination restrictions or other state or federal laws or regulations applicable to such projects, or (B) the purchaser or assignee has retained a property management firm with the experience and record described in subparagraph (A) above, (iv) evidence acceptable to the Governmental Lender that no event of default exists under this Regulatory Agreement, the Project Loan Agreement, or the Deed of Trust and payment of all fees and expenses of the Governmental Lender and the Fiscal Agent are current, and (v) an opinion of Bond Counsel to the effect that such sale will not adversely affect the exclusion of interest on the Governmental Note from the gross income of the recipients thereof for federal income tax purposes, except with respect to interest on the Governmental Note during any period such Governmental Note is held by a "substantial user" or a "related person" within the meaning of Section 147(a) of the Code. A voluntary sale by the Borrower shall not include a transfer by deed in-lieu of foreclosure or comparable conversion of the Project Loan. It is hereby expressly stipulated and agreed that any voluntary sale, transfer or other disposition of the Project in violation of the provisions of this Section 9 shall be null, void and without effect, shall cause a reversion of title to the Borrower, and shall be ineffective to relieve the Borrower of its obligations under this Regulatory Agreement. Not less than 30 days prior to consummating any voluntary sale, transfer or disposition of any interest in the Project, the Borrower shall deliver to the Governmental Lender and the Fiscal Agent a notice in writing explaining the nature of the proposed transfer.

Section 10. No Conflict with Other Documents. The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.

Section 11. Severability. The invalidity of any clause, part or provision of this Regulatory Agreement shall not affect the validity of the remaining portions thereof.

Section 12. Notices. All notices to be given pursuant to this Regulatory Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

If to the Fiscal Agent:

U.S. Bank National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101
Attention: Global Corporate Trust
Telephone: (801) 534-6051
Facsimile: (801) 534-6029

If to the Borrower:

Downtown SLC B LLC
11 Park Place, Suite 1705
New York, New York 10007
Attention: Matthew Schwartz

with a copy to

GSG LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Group
200 West Street
New York, New York 10282
Attention: Urban Investment Group Portfolio Manager
Email: gs-uig-portfolio-manager@gs.com

with a copy to:

GSG LIHTC Investor LLC
Urban Investment Group
c/o Goldman Sachs Bank USA
200 West Street
New York, NY 10282
Attention: Michael Lohr
Email: michael.lohr@gs.com

with a copy to:

gs-uig-docs@gs.com

If to the Governmental Lender:

Utah Housing Corporation
2479 S. Lake Park Boulevard
West Valley City, Utah 84120
Attention: President.

Section 13. Governing Law. This Regulatory Agreement shall be governed by the laws of the State of Utah.

Section 14. Appendices. The appendices attached hereto are hereby incorporated and made a part hereof.

Section 15. Counterparts. This Regulatory Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 16. The Fiscal Agent and Termination of Fiscal Agent's Duties. After the date on which the Governmental Note has been paid in full and retired as provided in the Funding Loan Agreement, the Fiscal Agent shall no longer have any duties or responsibilities under this Regulatory Agreement and all references to the Fiscal Agent in this Regulatory Agreement shall be deemed references to the Governmental Lender. The Fiscal Agent is executing this Regulatory Agreement solely in its capacity as Fiscal Agent under the Funding Loan Agreement and shall be afforded hereunder all of the rights, protections, immunities and indemnities accorded to it under the Funding Loan Agreement and the Project Loan Agreement.


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

DOWNTOWN SLC B LLC, a New York limited liability company

By: Downtown SLC B Residential LLC, its manager

By: Downtown SLC B Managing Member LLC, its managing member

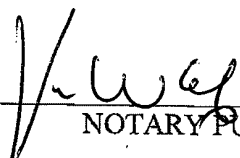
By: _____


Name: Matthew Schwartz
Title: Authorized Signatory

STATE OF LOUISIANA)
 : ss.
PARISH OF ORLEANS)

On this 17th day of May, 2019, before me, the undersigned Notary Public, personally appeared Matthew Schwartz, who acknowledged himself to be an authorized signatory of Downtown SLC B Managing Member LLC, a New York limited liability company, the managing member of Downtown SLC B Residential LLC, a New York limited liability company, the manager of Downtown SLC B LLC, a New York limited liability company, and that he executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such officer.

IN WITNESS WHEREOF I hereunto set my hand and official seal.



NOTARY PUBLIC

Vanessa W. Graf
Attorney/Notary Public
State of Louisiana
LSBA No. 36860

(Signature Page to Tax Regulatory Agreement – Exchange B)

UTAH HOUSING CORPORATION

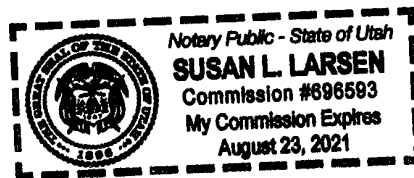
By: 
Grant S. Whitaker, President

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On this 14th day of October 2018, before me, the undersigned Notary Public, personally appeared Grant S. Whitaker, who acknowledged himself to be the President of Utah Housing Corporation and that he is an officer authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the Governmental Lender by himself as such officer.

IN WITNESS WHEREOF I hereunto set my hand and official seal.


NOTARY PUBLIC



(Signature Page to Tax Regulatory Agreement – Exchange Place B)

APPENDIX I

DESCRIPTION OF PROJECT SITE

Real Property located in Salt Lake County, Utah, to wit:

The land referred to herein is situated in Salt Lake County, State of Utah, and is described as follows, to-wit:

Residential

Real property in the City of Salt Lake City, County of Salt Lake, State of Utah, described as follows:

PARCEL 1:

UNITS 100, 201, 301, AND 401, THE EXCHANGE B CONDOMINIUMS, AS THE SAME IS IDENTIFIED IN THE EXCHANGE B CONDOMINIUMS PLAT RECORDED IN SALT LAKE COUNTY, UTAH, ON June 13, 2019 AS ENTRY NO. 13008781 IN BOOK 2019P, PAGE 186 OF OFFICIAL RECORDS, AND IN THE DECLARATION OF CONDOMINIUM OF THE EXCHANGE B CONDOMINIUMS RECORDED IN SALT LAKE COUNTY, UTAH ON June 13, 2019 AS ENTRY NO. 13008782 IN BOOK 10791 AT PAGE 6126-6186 OF OFFICIAL RECORDS.

PARCEL 2:

A NON-EXCLUSIVE EASEMENT FOR ACCESS OVER A PORTION OF LOT 6 OF BLOCK 35, PLAT 3 OF THE OFFICIAL SALT LAKE CITY SURVEY "PLAT B", AND ALSO SITUATE IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 1 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH. THE BOUNDARIES OF WHICH ARE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF 400 SOUTH STREET SAID POINT IS 724.00 FEET N.00°02'38"W. ALONG THE MONUMENT LINE OF 300 EAST STREET AND 346.95 FEET N.89°46'07"E. FROM THE SALT LAKE CITY MONUMENT LOCATED THE INTERSECTION OF 300 EAST STREET AND 500 SOUTH STREET (NOTE: BASIS OF BEARING IS N.00°02'38"W. ALONG THE MONUMENT LINE BETWEEN MONUMENTS AT THE INTERSECTIONS OF 400 SOUTH 300 EAST AND 500 SOUTH 300 EAST); AND RUNNING THENCE ALONG SAID SOUTHERLY RIGHT OF WAY LINE N.89°46'07"E. 40.00 FEET; THENCE S.00°14'05"E. 330.13 FEET TO THE SOUTHERLY LINE OF SAID LOT 6; THENCE ALONG SAID SOUTHERLY LOT LINE S.89°45'54"W. 40.00 FEET; THENCE N.00°14'05"W. 330.13 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

A NON-EXCLUSIVE EASEMENT FOR ACCESS OVER PEOPLE'S WAY (PRIVATE STREET) AS SET FORTH ON THE SALT LAKE CITY PUBLIC SAFETY BUILDING SUBDIVISION AMENDED & EXTENDED PLAT RECORDED MARCH 5, 2019 AS ENTRY NO. 12944879 IN BOOK 2019P AT PAGE 80 OF OFFICIAL RECORDS, SALT LAKE COUNTY RECORDER.

PARCEL 4:

A NON-EXCLUSIVE EASEMENT FOR ACCESS OVER THE SOUTH HALF OF BLAIR STREET (PRIVATE STREET) AS SET FORTH ON THE SALT LAKE CITY PUBLIC SAFETY BUILDING SUBDIVISION AMENDED & EXTENDED PLAT RECORDED MARCH 5, 2019 AS ENTRY NO. 12944879 IN BOOK 2019P AT PAGE 80 OF OFFICIAL RECORDS, SALT LAKE COUNTY RECORDER.

PARCEL 5:

LOT 3B, SALT LAKE CITY PUBLIC SAFETY BUILDING SUBDIVISION AMENDED & EXTENDED, ACCORDING TO THE OFFICIAL PLAT ON FILE IN THE OFFICE OF THE SALT LAKE COUNTY RECORDER.

ALSO:

A PORTION OF LOT 7 OF BLOCK 35, OF THE OFFICIAL SALT LAKE CITY SURVEY "PLAT B", AND ALSO SITUATE IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 1 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH. THE BOUNDARIES OF WHICH ARE DESCRIBED AS FOLLOWS:

BEGINNING ON THE SOUTHERLY RIGHT OF WAY LINE OF 400 SOUTH STREET, SAID POINT BEING NORTH 89°46'06" EAST 376.00 FEET FROM THE NORTHWEST CORNER OF LOT 5, BLOCK 35, PLAT "B", SALT LAKE CITY SURVEY, SAID POINT ALSO BEING SOUTH 89°46'06" WEST 284.44 FEET FROM THE NORTHEAST CORNER OF LOT 8 OF SAID BLOCK 35, SAID POINT ALSO BEING 724.00 FEET NORTH 00°02'38" WEST ALONG THE MONUMENT LINE AND 443.49 FEET NORTH 89°46'06" EAST FROM THE MONUMENT IN THE INTERSECTION OF 300 EAST STREET AND 500 SOUTH STREET, AND RUNNING THENCE NORTH 89°46'06" EAST 8.49 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO THE WEST FACE OF A BACK OF EXISTING CURB AND CURB LINE; THENCE SOUTH 00°01'59" WEST 165.06 FEET ALONG SAID WEST FACE OF A BACK OF EXISTING CURB AND WEST FACE CURB LINE EXTENDED SOUTHERLY; THENCE SOUTH 89°45'54" WEST 7.72 FEET TO A POINT ON THE WESTERLY LINE OF THAT CERTAIN SPECIAL WARRANTY DEED RECORDED APRIL 25, 2012 AS ENTRY NO. 11377798 IN BOOK 10011 AT PAGE 6179, AT THE OFFICE OF THE SALT LAKE COUNTY RECORDER; THENCE NORTH 00°14'07" WEST 165.06 FEET (DEED =NORTH 00°14'24" WEST 165.00 FEET) ALONG SAID WESTERLY LINE TO THE POINT OF BEGINNING.

TAX PARCEL NUMBERS: (16-06-405-021-0000 & 16-06-405-022-0000)

PARCEL 6:

UNDERGROUND UTILITY EASEMENT DATED June 11, 2019 MADE BY SALT LAKE CITY CORPORATION TO DOWNTOWN SLC B LLC, A NEW YORK LIMITED LIABILITY COMPANY, RECORDED JUNE 14, 2019 AS ENTRY NO. 13009423 IN BOOK 10791 AT PAGE 9525 OF OFFICIAL RECORDS, SALT LAKE COUNTY RECORDER.

PARCEL 7:

STORM SEWER EASEMENT AND CONNECTION AGREEMENT DATED JUNE 13, 2019 BETWEEN SALT LAKE CITY CORPORATION, A UTAH MUNICIPAL CORPORATION AND DOWNTOWN SLC B LLC, A NEW YORK LIMITED LIABILITY COMPANY, AND DOWNTOWN SLC B RETAIL CONDO LLC, A NEW YORK LIMITED LIABILITY COMPANY, RECORDED JUNE 14, 2019 AS ENTRY NO. 13009369 IN BOOK 10791 AT PAGE 9128 OF OFFICIAL RECORDS, SALT LAKE COUNTY RECORDER.

APPENDIX II

CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE

The undersigned hereby certifies as follows:

The undersigned has read and is familiar with the provisions of the following:

(a) Project Loan Agreement (the "Project Loan Agreement") dated as of June 1, 2019, by and among Downtown SLC B LLC (the "Borrower"), U.S. Bank National Association and Utah Housing Corporation (the "Governmental Lender"); and

(b) Tax Regulatory Agreement dated as of June 1, 2019, by and among the Borrower, U.S. Bank National Association, and the Governmental Lender.

At least 20% of all Completed Units in the Project have been occupied by Low Income Tenants at all times since the later of (i) the first date on which at least 10% of all of the Residential Units in the Project are first occupied or, if later, the issue date of the Governmental Note; or (ii) the dated date of the last Certificate of Continuing Program Compliance delivered to the Governmental Lender pursuant to the Regulatory Agreement.

Having certified that at least 20% of all Completed Units in the Project have been rented to Low Income Tenants, each Remaining Residential Unit in the Project have been occupied by individuals whose income does not exceed 140% of Area Median Gross Income at all times since the dated date of the last Certificate of Continuing Program Compliance delivered to the Governmental Lender.

Attached hereto is a copy of the annual certification with respect to the Project required to be filed with the Secretary of Treasury for the preceding year, together with proof of mailing thereof.

The Borrower is not in default under any of the agreements referred to in paragraph 1 above.

Words and phrases used in this certificate shall have the same meanings herein as in the Project Loan Agreement and Regulatory Agreement.

DATED: _____.

DOWNTOWN SLC B LLC, a New York limited liability company

By: Downtown SLC B Residential LLC, its manager

By: Downtown SLC B Managing Member LLC, its managing member

By: _____
Name: Matthew Schwartz
Title: Authorized Signatory

APPENDIX III

INCOME VERIFICATION

RE: [address of Project]

DATE: _____

I/We, the undersigned, being first duly sworn, state that I/we have read and answered fully, and truthfully each of the following questions for all persons who are to occupy the unit in the above apartment project for which application is made, all of whom are listed below:

1. Name of Members of the Household	2. Relationship to Head of Household	3. Age	4. Social Security Number, if any	5. Place of Employment
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

6. The Total Anticipated Income of all the above persons (including anticipated income of a family head or spouse of family head who is temporarily absent) during the 12-month period beginning on the date (earlier of the date of initial occupancy or date of lease execution or anniversary thereof) set forth above is \$ _____. (See reverse for definition of income and worksheet. Total to include amounts set forth in 7.2 below.)

7. If any of the members of the household has savings, stocks, bonds, equity in real property or other form of capital investment whose total value exceeds \$5,000, provide:

7.1. the total value of all such assets owned by the members of the household less reasonable costs that would be incurred in disposing of such assets: \$ _____, and

7.2. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ _____.

8.1 Will all of the persons listed in column 1 above (other than preschool age children) be or have they been full-time students during five calendar months of this 12-month period at an educational institution (other than a correspondence school) with regular faculty and students?

Yes _____ No _____

8.2 (Complete only if the answer to Question 8.1 is "Yes").

(a) Are all of the occupants full-time students who are married and entitled to file a joint return?

Yes ___ No ___

(b) Is the household comprised entirely of a single parent full-time student and child(ren) none of whom are dependants of another individual?

Yes ___ No ___

(c) Is the household comprised entirely of full-time students receiving assistance under title IV of the Social Security Act (including AFDC/TANF) or full-time students previously under foster care (that is, under the care and placement responsibility of the State agency responsible for administering a plan under Part B or part E of title IV of the Social Security Act or students enrolled in a job training program receiving assistance under the Job Training Partnership Act, or under similar Federal, State, or local programs?

Yes ___ No ___

We acknowledge that all of the above information is relevant to the status under federal income tax law of the interest on the Governmental Note issued to provide permanent financing for the Project and declare under penalty of perjury that the foregoing is true and correct. We consent to the disclosure of such information to the issuer of such Governmental Note, the holder of such Governmental Note, any trustee acting on their behalf and any authorized agent of the Treasury Department or Internal Revenue Service. We acknowledge that it is a criminal offense to make a willfully false statement or misrepresentation to any department or Governmental Lender of the United States.

Date: _____

Head of Household

Spouse

[Backside]

a. anticipated income includes:

Wages, salary, overtime pay (before payroll deductions).....	\$ _____
Commissions, Fees	_____
Tips, Bonuses, All Other Personal Compensation	_____
All Net Income from Business or Real or Personal Property or a Profession (only straight line depreciation is allowed)	_____
Withdrawals of Cash or Assets from Business, Profession or Investment (no deduction for business expansion expenditures or for amortization of capital indebtedness is allowed:	_____
Interest, dividends and other net income from real or personal property	_____
Periodic Payments (Social Security, Annuities, Insurance Policies, Retirement Funds, Pensions, Disability or Death Benefits, Etc.).....	_____
Payments in lieu of Earnings (Unemployment and Disability Compensation, Workers Compensation and Severance Pay).....	_____
Welfare Assistance.....	_____
Periodic Allowances (Alimony, Child Support).....	_____
Regular Contributions or Gifts	_____
Regular Pay, Special Pay (Except for Hostile Fire) and Allowances for Members of Armed Forces	_____
 Total Anticipated Income for the Household	\$ _____

b. anticipated income does not include:

- (i) temporary, nonrecurring or sporadic income (including gifts);
- (ii) amounts that are specifically for or in reimbursement of medical expenses;
- (iii) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;
- (iv) amounts of student financial assistance paid directly to the student or the educational institution;
- (v) income from employment of children (including foster children) under the age of 18 years;
- (vi) special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aid, as defined in 24 CFR §5.608;
- (ix) amounts received under training programs funded by HUD;
- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self Sufficiency;
- (xi) amounts received by a participant in any other public assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care etc.) and which are made solely to allow participation in a specific program;
- (xii) earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (xiii) adoption assistance payments in excess of \$480 per adopted child;
- (xiv) deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts; or
- (xv) other amounts specifically excluded in 24 CFR §5.609(c).

FOR COMPLETION BY PROJECT SPONSOR ONLY:

1. Calculation of Income:

- a Enter amount entered for entire household in 6 above: \$ _____
- b If the amount entered in 7.1 above is greater than \$5,000, enter:
 - (i) the product of the amount entered in 7.1 above as multiplied by the current passbook savings rate as determined by HUD: \$ _____
 - (ii) the amount entered in 7.2 above: \$ _____
 - (iii) line (i) minus line (ii) (if less than \$0, enter \$0) \$ _____
- c TOTAL INCOME (Line 1.a plus line 1.b(iii)): \$ _____

2 Qualification as Low Income Tenants:

- a Is the amount entered in line 1.c equal to or less than 50% of Area Median Gross Income adjusted for family size?
Yes _____ No _____
- b (i) If line 2.a is "Yes", and 8.1. above is "No", then the household qualifies as Low Income Tenants.
(ii) If line 2.a. is "Yes", 8.1. above is "Yes" and 8.2(a), (b) or (c) above is "Yes", then the household qualifies as Low Income Tenants.

3 Number of apartment unit assigned: _____

4 Monthly rent: _____

5 (Check One)

_____ The household does not qualify as Low Income Tenants.

_____ The household qualifies as Low Income Tenants.

SPONSOR

By: _____

Its _____

FREDDIE MAC RIDER

This Freddie Mac Rider (the "Rider") is attached to and forms a part of the Tax Regulatory Agreement (the "Tax Regulatory Agreement"), dated as June 1, 2019, by and among Utah Housing Corporation (the "Governmental Lender"), U.S. Bank National Association, as fiscal agent (together with any successor in such capacity, the "Fiscal Agent"), Downtown SLC B LLC (together with any successor to its rights, duties and obligations hereunder and as owner of the Project identified herein, the "Borrower") and Downtown SLC B Master Tenant LLC, a New York limited liability company (the "Master Tenant").

1. Definitions. Terms used in this Rider as defined terms shall have the meanings given those terms in the Tax Regulatory Agreement and the Funding Loan Agreement. In addition, the following terms shall have the following meanings:

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States.

"Funding Lender" means the holder of the Governmental Note, initially GSUIG Real Estate Member LLC and from the Freddie Mac Purchase Date, Freddie Mac, and any successors or assigns thereof.

"Funding Loan Agreement" means the Funding Loan Agreement dated as of June 1, 2019 by and among the Governmental Lender, the Initial Funding Lender set forth therein and the Fiscal Agent, as such Funding Loan Agreement may from time to time be amended or supplemented.

"Governmental Note" means the Multifamily Note dated June 13, 2019 delivered by the Governmental Lender pursuant to the Funding Loan Agreement.

"Project Loan" means the loan to the Borrower pursuant to the Project Loan Documents, which Project Loan is to be assigned to the Fiscal Agent.

"Project Loan Agreement" means the Project Loan Agreement dated as of June 1, 2019, among the Borrower, the Governmental Lender and the Fiscal Agent, as such Project Loan Agreement may from time to time be amended or supplemented.

"Project Loan Documents" means the Project Note, the Security Instrument, the Project Loan Agreement, the Tax Regulatory Agreement, the Continuing Covenant Agreement, the Assignment and any and all other instruments documenting, evidencing, securing or otherwise relating to the Project Loan.

"Project Note" means the Project Note, including applicable addenda, to be executed by the Borrower in favor of the Governmental Lender, evidencing the Borrower's financial obligations under the Project Loan, and to be endorsed by the Governmental Lender, without recourse, to the order of the Fiscal Agent, as the same may be amended, modified, supplemented or restated from time to time.

“**Security Instrument**” means the Construction Deed of Trust, With Absolute Assignment of Leases and Rents, Security Agreement, and Fixture Filing, together with all riders thereto, securing the Project Note, to be executed by the Borrower with respect to the Project, as it may be amended, modified, supplemented or restated from time to time.

“**Servicer**” means Jones Lang LaSalle Multifamily, LLC, or any successor Servicer selected by Freddie Mac.

2. Applicability. The provisions of this Rider shall amend and supplement the provisions of, and in the event of a conflict shall supersede the conflicting provisions of, the Tax Regulatory Agreement.

3. Indemnification. Inasmuch as the covenants, reservations and restrictions of the Tax Regulatory Agreement run with the land, the indemnification obligations of the Borrower contained in the Tax Regulatory Agreement will be deemed applicable to any successor in interest to the Borrower, but, it is acknowledged and agreed, notwithstanding any other provision of the Tax Regulatory Agreement to the contrary, that neither the Funding Lender nor any successor in interest to the Funding Lender will assume or take subject to any liability for the indemnification obligations of the Borrower for acts or omissions of the Borrower prior to any transfer of title to Freddie Mac, whether by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan. The Borrower shall remain liable under the indemnification provisions for its acts and omissions prior to any transfer of title to the Funding Lender. The Funding Lender shall indemnify the Governmental Lender following acquisition of the Project by the Funding Lender, by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan, during, and only during, any ensuing period that the Funding Lender owns and operates the Project, provided that the Funding Lender’s liability shall be strictly limited to acts and omissions of the Funding Lender occurring during the period of ownership and operation of the Project by the Funding Lender. The Funding Lender shall have no indemnification obligations with respect to the Governmental Note or the Project Loan Documents. The Borrower shall remain liable under the Tax Regulatory Agreement for its actions and omissions prior to any transfer of title to the Funding Lender.

4. Sale or Transfer. Restrictions on sale or transfer of the Project or of any interest in the Borrower, Governmental Lender and/or Fiscal Agent consents, transferee agreements, transferee criteria and requirements, opinion requirements, assumption fees, transfer fees, penalties and the like shall not apply to any transfer of title to the Project to the Funding Lender or to a third party by foreclosure, deed in lieu of foreclosure or comparable conversion of the Project Loan or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan. No transfer of the Project shall operate to release the Borrower from its obligations under the Tax Regulatory Agreement. Nothing contained in the Tax Regulatory Agreement shall affect any provision of the Security Instrument or any of the other Project Loan Documents that requires the Borrower to obtain the consent of the Funding Lender as a precondition to sale, transfer or other disposition of, or any direct or indirect interest in, the Project or of any direct or indirect interest in the Borrower, excluding transfers permitted by the Security Instrument. No covenant obligating the Borrower to obtain an agreement from any transferee to abide by all requirements and restrictions of the Tax Regulatory Agreement shall have any applicability to a transfer to the Funding Lender upon

foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan by the Funding Lender, or to any subsequent transfer by the Funding Lender following foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

5. Enforcement. Notwithstanding anything contained in the Tax Regulatory Agreement to the contrary: (i) the occurrence of an event of default under the Tax Regulatory Agreement shall not, under any circumstances whatsoever, be deemed or constitute a default under the Project Loan Documents, except as may be otherwise specified in the Project Loan Documents; and (ii) the occurrence of an event of default under the Tax Regulatory Agreement shall not impair, defeat or render invalid the lien of the Security Instrument. No person other than the Funding Lender shall have the right to (a) declare the principal balance of the Project Note to be immediately due and payable or (b) commence foreclosure or other like action with respect to the Security Instrument. The Governmental Lender and the Fiscal Agent acknowledge and agree that the exercise of any rights and remedies under the Tax Regulatory Agreement is subject to the provisions of the Project Loan Documents.

6. Notice of Violations. Promptly upon determining that a violation of the Tax Regulatory Agreement has occurred, the Governmental Lender or the Fiscal Agent shall, by notice in writing to the Borrower, the Servicer and the Funding Lender, inform the Borrower, the Servicer and the Funding Lender that such violation has occurred, the nature of the violation and that the violation has been cured or has not been cured, but is curable within a reasonable period of time, or is incurable; notwithstanding the occurrence of such violation, neither the Governmental Lender nor the Fiscal Agent shall have, and each of them acknowledge that they shall not have, any right to cause or direct acceleration of the Project Loan, to enforce the Project Note or to foreclose on the Security Instrument.

7. Amendments. The Tax Regulatory Agreement shall not be amended without the prior written consent of the Funding Lender.

8. Fees; Penalties. The Funding Lender shall not be liable for the payment of any compensation or any accrued unpaid fees, costs, expenses or penalties otherwise owed by the Borrower or any subsequent owner of the Project prior to the date of acquisition of the Project by the Funding Lender, whether such acquisition is by foreclosure, deed-in-lieu of foreclosure or comparable conversion of the Project Loan.

9. Subordination. The terms, covenants and restrictions of the Tax Regulatory Agreement, other than those set forth in Sections 3, 4 and 9, are and shall at all times remain subject and subordinate, in all respects, to the liens, rights and interests created under the Project Loan Documents.

10. Third-Party Beneficiary. The parties to the Tax Regulatory Agreement recognize and agree that the terms of the Tax Regulatory Agreement and the enforcement of those terms are essential to the security of the Funding Lender and are entered into for the benefit of various parties, including the Funding Lender. The Funding Lender shall accordingly have contractual rights in the Tax Regulatory Agreement and shall be entitled (but not obligated) to enforce, separately or jointly with the Governmental Lender and/or the Fiscal Agent, or to cause the Fiscal Agent to enforce, the terms of the Tax Regulatory Agreement. In addition, the Funding Lender is intended to be and shall be a third-party beneficiary of the Tax Regulatory Agreement.

11. Notices. Copies of all notices under the Tax Regulatory Agreement shall be sent to the Servicer at the address set forth below or to such other address as the Servicer may from time to time designate:

Jones Lang LaSalle Multifamily, LLC
625 West College Street
Grapevine, Texas 76051
Attn: Tim Leonard

Any notice to be given to Freddie Mac shall be sent to Freddie Mac at the address set forth below or to such other address as Freddie Mac may from time to time designate:

Federal Home Loan Mortgage Corporation
8100 Jones Branch Drive, MS B4P
McLean, Virginia 22102
Attention: Multifamily Operations - Loan Accounting
Email: mfla@freddiemac.com
Telephone: (703) 714-4177

with a copy to:

Federal Home Loan Mortgage Corporation
8200 Jones Branch Drive, MS 210
McLean, Virginia 22102
Attention: Managing Associate General Counsel –
Multifamily Legal Division
Email: joshua_schonfeld@freddiemac.com
Telephone: (703) 903-2000