

WHEN RECORDED RETURN TO:

Teresa Davidson Vavalides
JOHNSTON MAYNARD GRANT & PARKER
2300 Great American Tower
3200 North Central Avenue
Phoenix, Arizona 85012

Rev. 2/10/92

LAND USE RESTRICTION AGREEMENT

BY AND BETWEEN

RESOLUTION TRUST CORPORATION, as
Receiver for FRONTIER SAVINGS ASSOCIATION

AND

SUNSET SPRINGS ASSOCIATES, LTD, a
Utah limited partnership

(Multifamily Properties)

00419737 Bk0692 Pg0120

RUSSELL SHIRTS * WASHINGTON CO RECORDER
1992 NOV 17 10:02 AM FEE \$39.00 BY GKM
FOR: AFFILIATED TITLE CO INC

NOTE: THIS DOCUMENT MUST BE REFERENCED IN THE DEED, AND MUST BE
RECORDED AND TIME STAMPED IMMEDIATELY AFTER TO THE DEED

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LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this "Agreement") is made and entered into as of this ____ day of November, 1992, by and between Resolution Trust Corporation, established pursuant to Section 501(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, acting in its capacity as receiver for Frontier Savings Association, Las Vegas, Nevada ("Seller"), and Sunset Springs Associates, LTD, a Utah limited partnership ("Owner").

Recitals

Owner has purchased from Seller certain land described on Exhibit A attached hereto and incorporated herein by reference, together with the improvements located thereon, including a one hundred twenty four (124) unit rental housing project commonly known as Sunset Springs Apartments (said land and improvements are hereinafter collectively referred to as the "Property"), which constitute an "eligible multifamily housing property" as defined in Section 21A(c)(9)(D) of the Federal Home Loan Bank Act (12 U.S.C. § 1441a(c)(9)(D)), as amended.

Pursuant to Section 21A(c) of the Federal Home Loan Bank Act (12 U.S.C. § 1441a(c)), as amended, Owner must agree to comply with certain occupancy and rent restrictions for the remaining useful life of the Property, and the parties hereto have entered into this Agreement to evidence Owner's agreement to comply with such restrictions.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows.

ARTICLE I

Definitions

Section 1.1. General. Capitalized terms used in this Agreement shall have, unless the context clearly requires otherwise, the meanings specified in this Article I. Certain additional terms may be defined elsewhere in this Agreement.

(a) "Act" means Section 21A of the Federal Home Loan Bank Act (12 U.S.C. § 1441a), as amended, or any corresponding provision or provisions of succeeding law as it or they may be amended from time to time.

(b) "Agency" means the State Housing Finance Agency or any agency, corporation or authority of the United States government

that normally engages in activities related to the preservation of affordable housing and which is a successor to or assignee of RTC with respect to its powers and responsibilities hereunder.

(c) "Agreement" means this Land Use Restriction Agreement, as it may from time to time be amended.

(d) "Annual Income" means "income" as defined in Section 3(b)(4) of the United States Housing Act of 1937 and as determined in accordance with the regulations thereunder promulgated by the Secretary.

(e) "Lower-Income Families" means families and individuals whose Annual Incomes do not exceed the applicable income limit for lower-income families in the area in which the Property is located, as established by the Secretary under Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. §1437a(b)(2)), with adjustment for family size.

(f) "Owner" means Sunset Springs Associates, Ltd., a Utah limited partnership, as set forth at the beginning of this Agreement, or any successor in title to any portion of the Property.

(g) "Qualified Tenant" means a family or individual tenant of a Qualifying Unit who satisfies the requirements of Section 2.2(a) of this Agreement with respect to such Qualifying Unit.

(h) "Qualifying Unit" means a Unit that (i) is rented to either a Lower-Income Family or Very Low Income Family and (ii) is used in complying with the lower-income occupancy requirements of Section 2.2(a). Any Unit rented to a Lower-Income Family or Very Low Income Family that is not needed to meet the lower income occupancy requirements of Section 2.2(a) will not be deemed a Qualifying Unit and will not be subject to the rent restrictions of Article IV.

(i) "RTC" means the Resolution Trust Corporation, established pursuant to Section 501(a) of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended.

(j) "Regulations" means the regulations promulgated pursuant to the Act of RTC or any successor, as amended from time to time.

(k) "Related Entity" means, with respect to any party which has been an Owner hereunder: (i) any spouse, parent, child, grandchild, brother or sister of Owner; or (ii) any person or entity (A) that directly or indirectly controls or is controlled by or is under common control with Owner, (B) that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, Owner or of which Owner is an officer, partner or

trustee, or with respect to which Owner serves in a similar capacity, or (c) that is the beneficial owner, directly or indirectly, of 10% or more of any class of equity securities of such Owner or of which such Owner is directly or indirectly the owner of 10% or more of any class of equity securities.

(l) "Secretary" means the Secretary of Housing and Urban Development.

(m) "State" means the state in which the Property is located.

(n) "State Housing Finance Agency" means the public agency, authority, corporation, or other instrumentality of the State that has the authority to provide residential mortgage loan financing throughout the State.

(o) "Term" means the period commencing on the date hereof and continuing until the earliest to occur of the following:

(1) the date upon which there is an involuntary loss of the Property by Owner caused by seizure, condemnation, foreclosure, deed in lieu of foreclosure or a change in federal law which prevents RTC or the Agency from enforcing this Agreement; provided, however, that in the event of loss of the property caused by foreclosure or deed in lieu of foreclosure, and if at any time thereafter, Owner or a Related Entity of Owner acquires an ownership interest in such property, then the covenants and restrictions set forth in this Agreement shall be revived and shall remain in force until the further occurrence of an event described in this subsection;

(2) the date upon which there is a total involuntary loss of the use of the Property for residential housing purposes by Owner caused by fire or other casualty;

(3) the date upon which there is a partial involuntary loss of the Property, or of the use thereof for residential housing purposes, caused by seizure or condemnation or by fire or other casualty, which partial loss shall not have been restored through repair or other restoration measure, in which event the covenants and restrictions hereof shall be modified to reflect the appropriate numbers of Units to be held available for Lower-Income Families and Very Low-Income Families, based upon the reduced number of Units in the Property and the percentages of Units for Lower-Income Families and Very Low-Income Families previously required to be maintained in the Property, which covenants and restrictions shall remain in effect for the remainder of the Term;

(4) the date upon which RTC or the Agency determines, in accordance with the Regulations, (i) that all or a portion of the particular Single Family Property is obsolete as to physical

condition, location or other factors, making it unusable for housing purposes, and (ii) that no reasonable program of modifications is financially feasible to return the Property to useful life; or

(5) the date which is the later of (i) forty (40) years from the date of this Agreement or (ii) fifty (50) years from the date the Property was initially occupied as a multifamily housing.

(p) "Unit" means a residential accommodation constituting a part of the Property and containing separate and complete living facilities.

(q) "Very Low-Income Families" means families and individuals whose Annual Incomes do not exceed 50 percent of area median income families in the area in which the Property is located, as determined by the Secretary under Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. §1437a(b)(2)), with adjustment for family size.

Section 1.2. Generic Terms. Unless the context clearly indicates otherwise, where appropriate the singular shall include the plural and the masculine shall include the feminine or neuter, and vice versa, to the extent necessary to give the terms defined in this Article I and/or the terms otherwise used in this Agreement their proper meanings.

ARTICLE II

Use and Occupancy of the Property

Section 2.1. Use of the Property. During the Term, Owner will maintain the Property as multifamily rental housing and will rent or hold available for rental each Unit on a continuous basis; provided, however, that Owner may convert a portion of the Property to a use other than multifamily rental housing if Owner shall continue to observe and perform the covenants and restrictions contained in Sections 2.2 and 3.1 hereof.

Section 2.2. Occupancy Requirements.

(a) Subject to subsections (c) and (d), during the Term, Owner will make continuously available for occupancy by Lower-Income Families as Qualifying Units (including compliance with Article III hereof) not less than forty-three (43) Units, of which not less than twenty-five (25) Units shall be made available for occupancy by Very Low-Income Families. Owner shall use its best efforts, subject to current market conditions, (i) to distribute Units reserved for Lower-Income Families and Very Low-Income Families among unit sizes in proportion to the distribution of unit

sizes in the Property and (ii) to avoid concentration of Lower-Income Families or Very Low-Income Families in any area or areas of the Property.

(b) (i) The determination of whether the Annual Income of a family or individual occupying or seeking to occupy a Qualifying Unit exceeds the applicable income limit shall be made prior to admission of such family or individual to occupancy in a Qualifying Unit (or to designation of a Unit occupied by such family or individual as a Qualifying Unit), except that with respect to families or individuals occupying Units on the date hereof, such determination shall be made within 60 days prior to the designation of any such Unit as Qualifying Unit. Thereafter such determinations shall be made at least annually on the basis of an examination or reexamination of the current income of the family or individual.

(ii) If the Annual Income of a qualified Tenant which is a Very Low-Income Family shall be determined upon reexamination to exceed the applicable income limit for Very Low-Income Families, but not the applicable income limit for Lower-Income Families, the Unit shall be counted as occupied by a Qualified Tenant which is a Lower-Income Family other than a Very Low-Income Family during such family's or individual's continuing occupancy of such Unit in accordance with clause (iii) below and Owner shall be required to make the next available Qualifying Unit available for occupancy in accordance with clause (iv) below.

(iii) If the Annual Income of a Qualified Tenant shall be determined upon reexamination to exceed the applicable income limit for Lower-Income Families, the Unit occupied by such family or individual shall be counted as occupied by a Qualified Tenant (and such family shall be considered, for purposes of subsection (a) and Article III, a Qualified Tenant which is a Lower-Income Family other than a Very Low-Income Family) so long as (A) the Annual Income of such family or individual shall not be determined to exceed 140 percent of the applicable income limit for Lower-Income Families, or (B) if the Annual Income of such family or individual shall be determined to exceed 140 percent of the applicable income limit for Lower-Income Families, so long as each Unit of comparable or similar size in the Property which is or becomes available is occupied or held available for occupancy by a new resident whose Annual Income does not exceed the applicable income limit for Lower-Income Families (or a Unit other than a Qualifying Unit occupied by a family or individual whose Annual Income is determined to not exceed the applicable income limit for Lower-Income Families is designated a Qualified Unit) until the occupancy requirements of subsection (a) are met without counting such over-income family or individual.

(iv) If the required occupancy by Very Low-Income Families is not met at any time but the required occupancy by Lower-Income Families is met, Owner shall not be required to make the next available Unit in the Property available to a Very Low-Income Family but shall be required to make each Qualifying Unit vacated by a Lower-Income Family available for occupancy by a Very Low-Income Family until the required occupancy by Very Low-Income Families is achieved.

(v) If neither the required occupancy by Very Low-Income Families nor the required occupancy by Lower-Income Families (including families or individuals counted as Lower-Income Families in accordance with clause (iii)) is met at any time, preference (as between potential tenants on a waiting list or simultaneous applicants) must be given to Very Low-Income Families in the renting of each Unit in the Property which becomes available until the required occupancy by Lower-Income Families is met, after which the rule of clause (iv) will apply, if necessary.

(vi) A Unit that was occupied by a Qualified Tenant and becomes vacant shall be counted as occupied by a Qualified Tenant until it is reoccupied for a period in excess of thirty-one (31) days, at which time the Unit shall be considered to be occupied by a Qualified Tenant only if the family or individual then occupying the unit satisfies the definition of a Qualified Tenant.

(c) Anything to the contrary in the foregoing notwithstanding, Owner will not terminate the occupancy of any tenants in occupancy on the date hereof that are no Lower-Income Families or Very Low-Income Families for purposes of meeting the requirements of this Section. In the event that Owner is unable to comply with the occupancy requirements of this Section because of the occupancy at the date hereof of any Units by tenants who are not Lower-Income Families or Very Low Income Families, or who have not been determined to be Qualified Tenants, Owner will be in compliance with this Section if each Unit which thereafter becomes vacant is occupied or held available for occupancy by Lower-Income Families or Very Low-Income Families, as the case may be, in accordance with the requirements of subsection (b) until the lower-income occupancy requirements of such subsection are met.

(d) Notwithstanding the foregoing, the Secretary or the State Housing Finance Agency may upon application by Owner, temporarily reduce the lower-income occupancy requirements set forth in subsection (a) if the Secretary or the State Housing Finance Agency determines that Owner's compliance with such requirements is no longer financially feasible. Owner will make a good faith effort to return the lower-income occupancy to the level required by subsection (a), and the Secretary or the State Housing Finance Agency, as appropriate, will review the reduction annually to determine whether financial infeasibility continues to exist.

ARTICLE III

Rent

Section 3.1. Rent Limitations for Qualified Tenants.

(a) (i) The rent charged by Owner for a Qualifying Units occupied by Very Low-Income Families shall not exceed the maximum rent for Qualified Tenants who are Very Low-Income Families for units of the applicable size in the area, as established by RTC or the Agency or the Secretary. Such maximum rent shall be not greater than 30% of the adjusted income of a family whose income equals 50% of area median income, with adjustment for family size based upon unit type.

(ii) The rent charged by Owner for Qualified Units occupied by Lower-Income Families other than Very Low-Income Families for units of the applicable size in the area, as established by RTC or the Agency or the Secretary. Such maximum rent shall be not greater than 30% of the adjusted income of a family whose income equals 65% of area median income, with adjustment for the size of family size based upon unit type.

(iii) For purposes of calculating maximum rents under this section, (x) the adjustment for family size based upon unit type shall be calculated on the basis of the number of bedrooms in such unit as set forth at Exhibit B hereto and (y) the adjusted income of a family shall be calculated by subtracting from the annual income of a family at the applicable maximum income level the specific adjustments set forth as Exhibit B hereto.

(b) Owner may make a written request to RTC for the schedule of maximum rents applicable to the Property as of the date hereof, and RTC shall provide such schedule within thirty days after (i) the date hereof or (ii) the date RTC receives such request, whichever is later. Such rents shall be subject to annual adjustment upon publication by the U.S. Department of Housing and Urban Development of revised income limits for area lower-income and very low-income families, which adjustment shall be based upon changes in the applicable area median income limits.

(c) If a Qualified Tenant ceases to be considered a Qualified Tenant in accordance with Section 2.2(b), Owner shall, subject to the terms of the lease, be free to condition such family's or individual's continued occupancy in the Property upon its payment of a rental charge net subject to the limitations of this Article III.

ARTICLE IV

Administration

Section 4.1. Lease Provisions. All tenant leases entered into with Qualified Tenants during the Term shall contain provisions wherein each individual lessee (i) certified the accuracy of the information provided in connection with the examination or reexamination of Annual Income of the household of such lessee, and (ii) agrees that the Annual Income and other eligibility requirements shall be deemed substantial and material obligations of his or her tenancy, that he or she will comply promptly with all requests for information with respect thereto from Owner or RTC or the Agency, and that his or her failure to provide accurate information regarding such requirements (regardless of whether such inaccuracy is intentional or unintentional) or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his or her tenancy and constitute cause for immediate termination thereof.

Section 4.2. Examination and Reexamination of Incomes.

(a) Owner shall be responsible for determination of the Annual Income and family composition of Qualified Single Family Tenants, and for reexamination of annual Income and family composition of such tenants at least annually, in accordance with procedures prescribed by RTC or the Agency.

(b) As a condition of admission to occupancy of a Qualifying Unit, Owner shall require the household head and other such household members as it designates to execute an RTC or Agency approved release and consent authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to Owner and to RTC or the Agency such information as Owner or RTC or the Agency determines to be necessary. Owner shall also require the household to submit directly documentation determined to be necessary. Information or documentation shall be determined to be necessary if it is required for purposes of determining or auditing a household's eligibility as a Qualified Single Family Tenant, or for verifying related information. The use or disclosure of information obtained from a household or from another source pursuant to this release and consent shall be limited to purposes directly connected with administration of this Agreement.

(c) Owner shall not be deemed to be in violation of Article II of this Agreement if, in determining Annual Income and family composition of a Qualified Single Family Tenant, (i) Owner has relied in good faith upon information which is supplied to Owner by the tenant, (ii) Owner has no reason to believe such information is

false, and (iii) Owner shall have complied with all requirements of RTC or the Agency with respect to verification of household income and family composition.

Section 4.3. Certification by Owner. During the Term, on each anniversary of the date upon which this Agreement was first recorded in the land records of the jurisdiction in which the Property is located, or upon such other annual date as RTC or the Agency, in its discretion, upon reasonable notice to the Owner, shall establish, Owner shall submit to RTC or the Agency a certification, in a form prescribed by RTC or the Agency, as to Owner's compliance with all of the terms and provisions of this Agreement.

Section 4.4. Maintenance of Documents. All tenant lists, applications, leases, waiting lists, income examinations and reexaminations relating to the Property shall at all times be kept separate and identifiable from any other business of Owner which is unrelated to the Property, and shall be maintained, as required by RTC or the Agency, in a reasonable condition for proper audit and subject to examination and photocopying during business hours by representatives of RTC or the Agency.

Section 4.5. Compliance Review. RTC or the Agency periodically will monitor Owner's compliance with the requirements of this Agreement. In conducting its compliance review, RTC or the Agency will rely primarily on information obtained from Owner's records and reports, findings from on-site monitoring, and audit reports. RTC or the Agency may also consider relevant information gained from other sources, including litigation and citizen complaints.

Section 4.6. Administrative Fee.

(a) In order to compensate RTC or the Agency for the review performed pursuant to Section 4.5, Owner shall pay to RTC (in its corporate capacity and not as receiver for the savings institution identified on the first page of this Agreement) or the Agency, as applicable, an annual administrative fee for the first twelve month period of this Agreement in the amount of \$50 per Qualifying United required to be held available under Section 2.2(a) hereof, but in no event less than \$250.

(b) If RTC or the Agency shall find the Property not to be in compliance with the terms hereof (including the requirements of this Article IV), Owner shall pay to RTC or the Agency, as applicable, an additional administrative fee in an amount prescribed from time to time by RTC or the Agency, which amount for the first twelve month period of this Agreement, shall be \$50 per Qualifying Unit required to be held available under Section 2.2(a) hereof, for additional monitoring and enforcement activities

undertaken with respect to the Property. The annual fee payable in the event of noncompliance shall be in addition to, and distinct from, the amount due pursuant to Section 4.6(a), as well as any reimbursements of costs and legal fees to which RTC or the Agency may be entitled as a result of judicial enforcement action, and such fee shall be payable without respect to whether RTC or the Agency undertakes or succeeds in judicial enforcement action. RTC or the Agency shall be entitled to undertake additional monitoring and enforcement activities, and to be compensated therefor, for a period of up to three years following its most recent finding of noncompliance with respect to the Property.

(c) For each twelve month period after the first twelve month period of this Agreement, the administrative fees payable hereunder shall be the amounts set forth in subsections (a) and (b) of this Section 4.6, as applicable, multiplied by the increase in the consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics of the United States Department of Labor (or any generally recognized successor to such Index) between the date hereof and the latest publication of such Index immediately preceding the applicable anniversary date of this Agreement.

Section 4.7. Releases.

(a) RTC shall --

(i) execute such document as may be required to evidence release of the Property from the covenants and restrictions set forth in this Agreement based upon the expiration of the Term as provided in Section 1.1(o) hereof (subject, in the event of foreclosure or deed-in-lieu of foreclosure, to revival as set forth in Section 1.1(o)(1)), upon receipt from Owner of a certification as to the occurrence of the event giving rise to such expiration and such other evidence as RTC or the Agency may reasonably require; and

(ii) execute an appropriate modification to this Agreement to reflect reduced requirements for occupancy by Qualified Tenants in the event of a partial loss of the Property as provided in Section 1.1(o)(3) hereof.

(b) If RTC shall have contracted with the Agency for the performance of its responsibilities hereunder, the Agency shall execute the appropriate release and/or modification to this Agreement in the name of RTC in accordance with the terms of subsection (a) of this Section 4.7, and shall provide appropriate evidence to Owner of its authorization so to act in the name of RTC.

ARTICLE V

Representations and Warranties of Owner

Section 5.1. Representations and Warranties. Owner represents and warrants to RTC that:

(a) Valid Execution. Owner has validly executed this Agreement and the same constitutes the binding obligation of the Owner. Owner has full power, authority and capacity (i) to enter into this Agreement, and (ii) to carry out Owner's obligations as described in this Agreement and (iii) to assume responsibility for compliance with all applicable federal rules and regulations, including, without limitation, the Regulations.

(b) No Conflict or Contractual Violation. To the best of Owner's knowledge, the making of this Agreement and Owner's obligations hereunder:

(i) will not violate any contractual covenants or restrictions (A) between Owner or any third party or (B) affecting the Property;

(ii) will not conflict with any of the instruments that create or establish Owner's authority;

(iii) will not conflict with any applicable public or private restrictions;

(iv) do not require any consent or approval of any public or private authority which has not already been obtained; and

(v) are not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against (A) Owner, without regard to capacity, (B) any person with whom Owner may be jointly or severally liable, or (C) the Property or any part thereof.

(c) No Litigation. No litigation or proceedings are pending or, to the best of Owner's knowledge, threatened against Owner which if adversely determined could individually or in the aggregate have an adverse effect on title to or the use and enjoyment or value of the Property, or any portion thereof, or which could in any way interfere with the consummation of this Agreement.

(d) No Bankruptcy. There is not pending or to Owner's best knowledge, threatened against Owner any case or proceeding or other action in bankruptcy, whether voluntary or otherwise, any assignment for the benefit of creditors, or any petition seeking

reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for Owner under any federal, state or other statute, law, regulation relating to bankruptcy, insolvency or relief for debtors.

Section 5.2. Indemnification. Owner agrees to indemnify and hold harmless RTC or the Agency from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by RTC or the Agency as a result of any inaccuracy in any of the representations and warranties contained in Section 5.1.

ARTICLE VI

Enforcement and Remedies

Section 6.1. Remedies of RTC or the Agency.

(a) If Owner defaults in the performance of any of its obligations under this Agreement or breaches any covenant, agreement or restriction set forth herein, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by RTC or the Agency (or for an extended period approved in writing by RTC or the Agency if such default stated in such notice can be corrected, but not within such 60-day period, unless Owner does not commence such correction or commences such correction within such 60-day period but thereafter does not diligently pursue the same to completion within such extended period), RTC or the Agency shall be entitled to apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Agreement, or for such other relief as may be appropriate, it being acknowledged that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of Owner's default. RTC or the Agency shall be entitled to reasonable attorneys' fee in any such judicial action in which RTC or the Agency shall prevail.

(b) Each right, power and remedy of RTC or the Agency provided for in this Agreement now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by RTC or the Agency of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by

RTC or the Agency of any or all such other rights, powers or remedies.

Section 6.2. Remedies of Other Parties. The occupancy requirements set forth in Section 2.2 of this Agreement also shall inure to, and may be judicially enforced against Owner by, affected Lower-Income Families and Very Low-Income Families. Any such party that prevails in any such judicial action shall be entitled to reasonable attorneys' fees.

Section 6.3. Reliance Upon Information. In carrying out its obligations hereunder, Owner shall be entitled to rely upon information provided by RTC or the Agency with respect to (i) income limits applicable to Lower-Income Families and Very Low-Income Families, (ii) the method for calculating the incomes of such families and (iii) the maximum rents which may be charged to such families pursuant to Section 3.1 hereof.

ARTICLE VII

Miscellaneous

Section 7.1. Amendments. This Agreement may not be amended or modified except by written instrument signed by each party hereto.

Section 7.2. Notices. All notices required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following addresses:

If to RTC: Resolution Trust Corporation
801 17th Street, N.W.
Washington, D.C. 20434-0001
Attention: Director, Affordable Housing
Disposition Program

with copies to: Resolution Trust Corporation
802 17th Street, N.W.
Washington, D.C. 20434-0001
Attention: Deputy Executive Director,
Assets/Real Estate

Resolution Trust Corporation
802 17th Street, N.W.
Washington, D.C. 20434-0001
Attention: General Counsel

Resolution Trust Corporation
2910 North 44th Street
Phoenix, Arizona 85018
Attention: Affordable Housing Disposition
Specialist

If to the Owner: Sunset Springs Associates, Ltd.
c/o Mr. Richard Brock
534 Willow Avenue
P.O. Box 350
Cedarhurst, New York 11516-350

Any party may change its address for notice purposes by giving notice to the other party in accordance with this Section 7.2.

Section 7.3. Entire Agreement. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof.

Section 7.4. Governing Law. This Agreement, as it may affect the rights, remedies and obligations of RTC or the Agency, shall be governed by and construed in accordance with federal law. Insofar as federal law does not apply, the provisions of this Agreement shall be governed by and construed in accordance with the laws of the State.

Section 7.5. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 7.6. Binding Effect; Covenants Running with the Land. During the Term, this Agreement and the covenants, reservations and restrictions contained herein shall be deemed covenants running with the land and shall pass to and be binding upon Owner's heirs, assigns and successors in title to the Property, or if the Property shall not include title to land, but shall include a leasehold interest in land, this Agreement and the covenants, reservations, et. al, shall bind the leasehold interest as well as the Property and shall pass to and be binding upon all heirs, assigns and successors to such interests; provided, however, that upon expiration of the Term in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall conclusively be held to have been executed, delivered and accepted

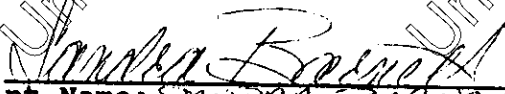
subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Property are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Property. Owner, at its cost and expense, shall cause this Agreement to be duly recorded or filed and re-recorded or refiled in such places, and shall pay or cause to be paid all recording, filing, or other taxes, fees and charges, and shall comply with all such statutes and regulations as may be required by law, in the opinion of qualified counsel, in order to establish, preserve and protect the ability of RTC or the Agency to enforce this Agreement.

Section 7.7. Counterparts. This Agreement and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 7.8. Section Titles. Section titles and the table of contents are for descriptive purposes only and shall not control or limit the meaning of this Agreement as set forth in the text.

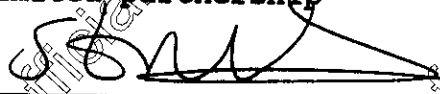
IN WITNESS WHEREOF, the undersigned have hereunto affixed their signatures and seals as of the date first above written.

BEST ASSET MANAGEMENT SERVICES, INC.,
IN ITS CAPACITY AS ASSET MANAGEMENT
CONTRACTOR FOR RESOLUTION TRUST
CORPORATION in its capacity as
Receiver for Frontier Savings
Association, Las Vegas, Nevada

By: 
Print Name: SANDRA BENNETT
Title: Deputy of Operations

OWNER:

SUNSET SPRINGS ASSOCIATES, LTD, a
Utah limited partnership

By: 
~~Richard Brock~~ STEVEN L. MAHOY
Its: General Partner

STATE OF Nevada)
COUNTY OF Clark) ss.

The foregoing instrument was acknowledged before me on this 11 day of November, 1992, by LAURIE MELZER, as Director of Operations of Best Asset Management Services, Inc., in its capacity as asset management contractor for the RESOLUTION TRUST CORPORATION, as Receiver for Frontier Savings Association, Las Vegas, Nevada on behalf of the association.

Laurie Melzer
Notary Public

My Commission Expires:
8-1-96



STATE OF UTAH)
COUNTY OF SALT LAKE) ss.

The foregoing instrument was acknowledged before me on this 13th day of November, 1992, by Richard Brook, as General Partner of Sunset Springs Associates, Ltd., a Utah limited partnership, on behalf of the partnership.

Steven L. Maloy
Notary Public
6200 Highland Drive
Salt Lake City, Utah
My Commission Expires
April 7, 1994
State of Utah

My Commission Expires:
4-7-94

EXHIBIT "A"

LEGAL DESCRIPTION

A Parcel of land located in the North 1/2 of Section 23, and the South 1/2 of Section 14, Township 42 South, Range 16 West, Salt Lake Base and Meridian and being further described as follows:

Beginning at a point North 89° 27' 50" East 1152.366 feet along the Section line and South 00° 00' 00" East 165.785 feet from the Southwest corner of Section 14, and the Northwest corner of Section 23, Township 42 South, Range 16 West, Salt Lake Base and Meridian and running thence North 00° 00' 00" East 292.00 feet; thence North 60° 15' 00" East 206.42 feet; thence North 90° 00' 00" East 175.93 feet; thence South 00° 00' 00" East 908.74 feet to the Northerly Right of Way line of Sunset Boulevard; thence North 88° 40' 30" West 166.71 feet along said Sunset Boulevard; thence North 00° 43' 50" West 200.13 feet; thence North 88° 40' 30" West 530.24 feet; thence North 32° 00' 00" East 70.00 feet; thence North 60° 00' 00" East 147.00 feet; thence North 40° 04' 23" East 215.40 feet; thence North 89° 27' 50" East 41.10 feet to the point of beginning.

EXHIBIT B

Family Size and Income Adjustments

A. Family Size Adjustments.

For purposes of Section 3.1(a)(iii)(x), rents for units will be calculated on the basis of the size of household anticipated to occupy a unit with the particular number of bedrooms as follows:

Unit Size

0-Bedroom	1-BR	2-BR	3-BR	4-BR	5-BR
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Household Size

1 Person	2 Pers.	3 Pers.	5 Pers.	7 Pers.	8 Pers.
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Thus, for example, rent for a 3-bedroom unit occupied by a very low-income family will be based upon the HUD-determined income for a household at 50% of area median income which has 5 members. The rent for a 2-bedroom unit occupied by a lower-income household will be based upon the HUD figure for a household at 65% of median income which has 3 members.

B. Income Adjustments.

Prior to the rent calculation, the applicable income limit must be reduced by an adjustment based upon unit size as follows:

Unit Size

0-Bedroom	1-BR	2-BR	3-BR	4-BR	5-BR
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Income Adjustment

\$800	\$800	\$880	\$1,560	\$1,560	\$2,040
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The applicable amount must be subtracted from the applicable income limit before multiplying by 30% in order to determine maximum rent.

(5) **FACT SHEET: Multifamily Properties -
Income and Rent Limits**

Revised
November 16, 1990

RTC AFFORDABLE HOUSING PROGRAM

Fact Sheet: Multifamily Projects - Income and Rent Limits

A. Income Limits and Eligibility.

1. Minimum Set-Aside.

Under FIRREA at least 35% of the units in a multifamily property (or a group of multifamily properties purchased by a single purchaser) must be reserved for "lower-income" families. Out of that 35%, 20% (of units in the property) must be held for "very low-income families." This requirement is often referred to as the "minimum set-aside." In certain instances, primarily where the purchaser of a property has agreed, as a condition of purchase, to provide a higher proportion of units to very low- or lower-income families, the minimum set-aside will be higher.

2. Income Limits.

"Lower-income" and "very low-income" income limits are published by HUD annually for each metropolitan statistical area in the nation and for all counties in each state. The very low-income limit for a family of four is set at 50% of the area median income, with adjustments for larger and smaller families (and some rounding). The lower-income limit for a family of four is set at 80% of the area median income, although in certain instances HUD will adjust that figure, also with adjustments for family size. HUD normally releases new income limits near the beginning of each calendar year.

3. Income Eligibility.

In order to be considered to be a qualifying tenant, a household must have a gross income, determined at the later of the household's initial occupancy of a unit or (for tenants in occupancy at the time a property is purchased from RTC) the time of the owner's first income certification for that tenant, which does not exceed the applicable very low- or lower-income limit. Incomes are to be determined in accordance with HUD's definition of "Annual Income" which generally includes: (i) wages, salaries, overtime pay, commissions, tips and other similar compensation; (ii) net business income; (iii) interest, dividends and investment income; (iv) social security benefits, annuities, pension and retirement payments, disability and death benefits; (v) unemployment and disability compensation, worker's compensation and severance pay; (vi) welfare assistance; (vii) alimony and child support, and other regular contributions or

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payments received from persons who do not reside in the unit; (viii) armed forces pay and allowances; and (ix) earned income tax credits to the extent they exceed income tax liability.

4. Over-Income Tenants.

Incomes are to be recertified annually. Once a very low-income tenant exceeds the applicable income limit, that tenant becomes a lower-income tenant and must pay rent accordingly. As long as a lower-income tenant does not exceed the applicable limit by more than 40% (80% of median x 140% = 112% of median), that tenant continues to be considered a lower-income tenant. Tenants who exceed the applicable income limits upon an owner's acquisition of the property or lower-income tenants whose incomes grow to exceed the applicable limits (including the permitted 40% excess) are not to be evicted in order to bring a property back into compliance with the minimum set-aside. Instead, each unit which becomes available in that property must be rented to a qualifying tenant until the applicable thresholds are met.

B. Rent Restrictions.

1. Basic Rules.

Very low-income tenants (including those within the 40% permissible excess) may not pay more than 30% of the "adjusted income" of a family at 50% of area median income, adjusted for family size. Lower-income tenants may not pay more than 30% of the adjusted income of a family at 65% of area median income, adjusted for family size. The 65%-of-median income limit is calculated by multiplying the very low-income limit by 130%.^{1/} (Note: Tenants who fall within the applicable income limits, but who are not relied upon by the property owner in order to meet the minimum set-aside, that is the required percentages of very low- and lower-income families, are not subject to the rent restrictions.)

2. Family Size Adjustments.

Family size adjustments are based on the number of bedrooms in a particular unit. Specifically, a studio apartment will be assumed to be occupied by a one-person household, a 1-BR unit will be assumed to be occupied by two persons, 2-BR units by three persons, 3-BR units by five persons 4-BR units by seven

^{1/} HUD will provide the 65%-of-median figure in its annual publications, and the HUD numbers will likely be rounded to the nearest \$50.

persons and 5-BR units by eight persons. Thus, the rent which may be charged for a two-bedroom unit will be based upon the income limit for a three-person household regardless of the size of the family actually occupying that unit. This approach enables purchasers and mortgage lenders to estimate project income with greater certainty. It must be emphasized that income limits will depend upon actual incomes and family size, but rent limits will depend upon imputed incomes based upon unit size. Note, too, that the family size adjustments used for the affordable housing program are based on HUD standards, and are slightly different from those used in the low-income housing tax credit program under Section 42 of the Internal Revenue Code.

3. Adjustments to Income.

FIRREA requires that rents be based upon "adjusted income." For this purpose, RTC assumes that a lower-income or very low-income family occupying a 0- or 1-bedroom unit will be entitled to an \$800 deduction from income as an adjustment. A family occupying a 2-bedroom unit receives an \$880 income adjustment. For 3- and 4-bedroom units, the deduction is \$1,560 and for a 5-bedroom unit the deduction is \$2,040. Thus, depending upon unit size, the appropriate amount must be deducted from the applicable income limit before multiplying by 30% and dividing by 12 in order to get the appropriate monthly rent. At this point it is important to emphasize that the rent which may be charged for any unit is not dependent upon the actual income of the tenant household, but rather upon the applicable income standard (50% or 65% of median) with the appropriate adjustments and deductions.

4. Sample Calculation.

Assume that the median income for an area is \$33,000, that a four-person household is occupying a two-bedroom unit and that the household's income is \$16,000 per year. Assume further, that the very low-income limit for a four-person household is \$16,500 (50% of \$33,000) and that the limit for a three-person household is \$14,850 (from the HUD publication).

The family qualifies as a very low-income tenant since it is a four-person family and its income is below the four-person limit. Since, however, the family is occupying a two-bedroom unit, the rent limit which applies is 30% of the limit for a three-person household. The rent would be calculated as follows: \$14,850 less \$880 (2 BR income adjustment) = \$13,970 x 30% ÷ by 12 months = \$349.25 per month maximum gross rent.

Assume, now, that the family's income is \$24,000 per year. That family is a lower-income family since it falls below

the four-person limit of \$26,400. The rent calculation is as follows: $\$14,850 \times 130\%$ (adjustment to 65% of median) = $\$19,300$ (rounded) - $\$880$ (income adjustment) = $\$18,420 \times 30\%$ + by 12 = $\$460.50$. Additional examples may be seen on the attached sheets.

RTC AFFORDABLE MULTIFAMILY PROJECTS - INCOME AND RENT LIMITS

SAMPLE INCOME LIMITS

Median Income: \$36,900

HOUSEHOLD SIZE

	1 Pers.	2 Pers.	3 Pers.	4 Pers.	5 Pers.	6 Pers.	7 Pers.	8 Pers.
30% of Median (Very Low-Income)	12,900	14,750	16,600	18,450	19,950	21,400	22,900	24,350
65% of Median (Lower-Income)	16,750	19,150	21,600	24,000	25,950	27,500	29,750	31,250
80% of Median (Lower-Income)	20,650	23,600	26,350	29,360	31,350	33,200	35,050	36,900

Rounded to the nearest \$50, as HUD does with the Very Low- and Lower-Income Limits.

INCOME AND FAMILY SIZE ADJUSTMENTS - FOR COMPUTING RENTS

	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Family Size Adjustment						
Assumed Size	1 Pers.	2 Pers.	3 Pers.	5 Pers.	7 Pers.	8 Pers.
Imputed Income						
Very-Low Income	12,900	14,750	16,600	19,950	22,900	24,350
Lower-Income(65%)	16,750	19,150	21,600	25,950	29,750	31,600
Income Adjustment						
Reduce Income	\$00.00	300.00	880.00	1560.00	1760.00	2040.00
Adjusted Income						
Very-Low Income	12,100	13,950	15,720	18,390	21,340	22,310
Lower-Income(65%)	15,950	18,350	20,720	24,390	28,190	29,640

NOTE: RENTS ARE BASED UPON ADJUSTED INCOMES AND ASSUMED FAMILY SIZES. INCOME ELIGIBILITY AND CLASSIFICATION (VERY LOW-INCOME, LOWER-INCOME) ARE BASED UPON TOTAL (UNADJUSTED) INCOME AND ACTUAL NUMBER OF PERSONS IN FAMILY.

RENTS - BASED ON UNIT SIZE & ADJUSTED INCOME

	Studio	1 BR	2 BR	3 BR	4 BR	5 BR
Very Low-Income Tenants - Based on 50% of Median						
Maximum Rent	302.50	348.75	393.00	452.25	503.50	557.75
Lower-Income Tenants - Based on 65% of Median (Tenants at 80% of Median)						
Maximum Rent	398.75	458.75	518.00	609.75	704.75	710.25

AFFORDABLE HOUSING RENTS - SAN ANTONIO MSA

1990 Median Income: \$3,000

INCOME LIMITS

	1 Pers.	2 Pers.	3 Pers.	4 Pers.	5 Pers.	6 Pers.	7 Pers.
Very-Low-Inc. - 50% Median	11,550	13,200	14,850	16,500	17,800	19,150	20,450
Lower-Income - 80% Median	18,500	21,100	23,750	26,400	28,050	29,700	31,400

SAMPLE RENT CALCULATION - 2 BEDROOM UNIT

2 BR unit assumes 3 person household for purposes of income and income adjustment:

Very-Low Income Amount	14,850	Adjust:	(880)	Adj	13,970
Lower-Inc=Very-Low x 130%	19,300	(2 BR)	(880)	Inc.	18,420
Maximum Gross Rent (30% of Inc./12 mos.)	349.25 (Very-Low)		460.50 (Lower)		

RENTS BASED ON UNIT SIZE

	Studio	1 BR	2 BR	3 BR	4 BR
Imputed Income*					
Gross Income - 50% Median	11,550	13,200	14,850	17,800	20,450
Gross Income - 80% Median	18,500	21,100	23,750	26,400	29,100
Less: Income Adjustment	800.00	800.00	880.00	1560.00	1560.00
Adj. Income - 50% Median	10,750	12,400	13,970	16,240	18,890
Adj. Income - 80% Median	14,200	16,300	18,420	21,590	25,000
Rents - Very Low Income					
Maximum Gross Rent	268.75	310.00	349.25	401.00	472.25
Rents - Lower Income					
Maximum Gross Rent	365.00	408.75	460.50	539.75	626.00

*Imputed incomes are based upon unit size under HUD HOVAG assumptions. Incomes are rounded to nearest \$50.

(6) **FACT SHEET: Multifamily Properties -
Enforcement and Monitoring of
Restrictions**

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Revised
November 19, 1990

RTC AFFORDABLE HOUSING PROGRAM

Fact Sheet: Multifamily Properties - Enforcement and Monitoring of Restrictions

Introduction. FIRREA requires that purchasers of qualifying multifamily properties set aside at least 35% of the units in a property for lower-income households, of which 20% must be held for very low-income households (together, these requirements are sometimes referred to as the "minimum set-aside"), and that rents to such tenants be restricted. These requirements are to apply to a property for its "remaining useful life," and are normally contained in a Land Use Restriction Agreement (sometimes called "Deed Restrictions") which are recorded with the deed. It will be the responsibility of RTC and agencies with which it contracts (such agencies are collectively referred to herein as the "Agency") to ensure that purchasers of multifamily properties comply with these requirements.

A. Compliance Upon Acquisition.

Basic information must be provided to, and obtained from, purchasers of multifamily property at the time the property is sold or shortly thereafter. This includes the following:

1. Income Limits. Owners must be advised of the applicable income limits for very low-income families and lower-income families based upon the most recently published HUD figures for the area. Owners must also be advised of, and the Land Use Restriction Agreement must be completed to reflect, the appropriate numbers of very low-income and lower-income tenants for the project.

2. Rent Limits. Owners should be advised by the Agency of applicable rent limits for very low-income and lower-income tenants in the property, by unit size, based upon the most recently published HUD figures for the appropriate area. Rent calculations must take into account the appropriate income adjustment.

3. Units Surveyed. Upon acquisition of a property, owners must advise RTC or the Agency of the number of vacant units and the number of occupied units in the project. Owners are not required to survey existing tenants for income and rent compliance, but to the extent that they elect to do so, they will be required to advise RTC or the Agency as to those units which are rent restricted and occupied by qualifying tenants.

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4. Initial Compliance. To the extent that a project is not in compliance upon acquisition or upon a census performed immediately thereafter, owners must rent available units to qualifying lower-income and very low-income tenants, or must hold units available to such tenants. Owners should be advised that they will normally be expected to bring projects into compliance with the minimum set-asides and rent restrictions within 12 months of acquisition, although non-qualifying tenants or tenants who refuse to have their incomes certified may not be evicted solely to achieve compliance. Units may be rented to market rate tenants so long as the proper number of units is occupied by or held vacant and available to the appropriate number of lower-income and very low-income families.

5. Reporting. The Agency should require the owner to provide, within sixty days after acquiring a project, a unit-by-unit rent roll, identifying each qualifying very low-income or lower-income unit and each unit which will be held available for qualifying tenants. Thereafter, until the project is fully in compliance with the minimum set-aside, owners should be required to report monthly.

B. Ongoing Compliance and Monitoring.

1. Annual Recertifications. Owners must recertify tenant incomes annually. The Agency should require the owner regularly to report the results of annual recertifications and any actions taken as a consequence thereof.

2. Over-Income Tenants; Vacant Units. If upon an annual recertification, a very low-income tenant is found to exceed the very low-income limit, that tenant becomes a lower-income tenant. As a consequence, the next available lower- or very low-income unit must be rented to a very low-income tenant (if one is available). In such a circumstance, market rate units are not affected. If a qualifying tenant exceeds the applicable lower-income limit by 40%, available units must be rented to qualifying lower- and very low-income tenants until the required percentages are again met. Available units may be rented to market rate tenants during this period so long as other units are being held available to lower-income tenants.

3. Income Certification/Verification. As part of the initial certification of a tenant and as part of the recertification process, owners must obtain appropriate third party verification of income. Where owners cannot obtain written communications from third parties, owners may rely upon telephone conversations which are properly documented. Owners must maintain records for each tenant, setting forth the tenant's income, the basis upon which it was determined and the manner in

which it was verified. Such records should also indicate the current rent paid by the tenant.

4. Definition of Income. Tenant income certifications are required for purposes of determining initial and continuing eligibility. For these purposes, the tenant's income is determined in accordance with HUD's definition of "Annual Income" under the Section 8 program, found at 24 CFR Section 813.106. This definition generally includes (i) wages, salaries, overtime pay, commissions, tips and other similar compensation; (ii) net business income; (iii) interest, dividends and investment income; (iv) social security benefits, annuities, pension and retirement payments, disability and death benefits; (v) unemployment and disability compensation, worker's compensation and severance pay; (vi) welfare assistance; (vii) alimony and child support, and other regular contributions or payments received from persons who do not reside in the unit; (viii) armed forces pay and allowances; and (ix) earned income tax credits to the extent they exceed income tax liability.

5. Current Income Limits, Rent Restrictions and Income Adjustments. Owners shall be required to advise the Agency of all increases in rents charged for qualifying units and the basis for such rent increases. The Agency shall, upon request, advise owners as to changes in HUD limits and income adjustments.

6. Reporting. Owners shall be required to report all vacancies in lower-income or very low-income units and subsequent re-rentals to the Agency. Such reports shall include a complete current listing of qualifying units, the names and incomes of tenants occupying such units and the rents charged for such units.

7. Monitoring. The Agency shall visit each project's site at least once a year and verify from on-site records the accuracy of the owner's annual recertification reports and other periodic reports. Agencies should visit projects with a history of noncompliance or errors in compliance more frequently. Random unit visits should be made to ascertain that designated units are actually occupied by qualifying tenants.

c. Enforcement.

1. Administrative Enforcement. If the Agency finds noncompliance by an owner with the lower-income occupancy or rent restrictions, it shall act immediately to bring about compliance. To the extent that rents in excess of the permissible rent levels have been charged to a particular tenant, excess charges should be refunded. To the extent that units have been rented at restricted rent levels to non-qualifying tenants, units that

become available in the project should be rented to qualifying tenants. (Tenants should not be evicted, except as a consequence of misrepresentation of income.) To the extent that units have been rented to non-qualifying tenants at unrestricted rent levels, the Agency should seek to negotiate a disgorgement settlement under which lower-income housing benefits can be provided from the excess rents. To the extent that the Agency receives unsatisfactory responses from a project's management, it should attempt directly to contact all general partners or corporate officers of the owner and, to the extent known, limited partners.

2. Judicial Enforcement. FIRREA and the Land Use Restriction Agreement provide substantial powers to enforce the low-income occupancy restrictions. Among available remedies, agencies may seek specific performance of the provisions of the Land Use Restriction Agreement and may secure the appointment of a receiver to collect rents and manage a property. RTC and state housing finance agencies may bring actions in their own names, as may other U.S. Government agencies and affected lower-income families. If the Agency does not fall into the foregoing category, it shall request RTC to commence litigation.