

(l) That the Owner will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, state or local program or on the basis that they have a minor child or children living with them.

(m) That the Owner will not knowingly take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting the Owner of the Project to noncompliance with Section 42 of the Code and the Regulations.

(n) ~~Except as forth in Section 7 of this Agreement, That~~ the Owner ~~may sell, transfer or exchange the entire Project at any time but may~~ (i) will not ~~make a disposition dispose~~ to any person ~~or for entity~~ any portion of the Project to which this Agreement applies, unless all of the Project ~~to which this Agreement applies~~ is disposed of to such person. ~~In all cases or entity and~~ (ii) may sell, transfer or exchange the entire Project at any time, provided the Owner shall ~~notify in writing and obtain the prior written consent of the Authority as set forth in Section 14 hereof prior to such sale, transfer or other disposition of the Project and shall~~ obtain the agreement of any buyer or successor or other person acquiring the Project or any interest therein that such acquisition is subject to the requirements of this Agreement. The Owner shall promptly notify the Authority of such transfer. This provision shall not act to waive any other restriction on such sale, transfer or exchange of the Project.

(o) That the Owner (or its ~~Property Manager~~ property manager with respect to the Project) shall attend in each year of the Qualified Project Affordability Period at least one ~~(1)~~ of the property management/compliance monitoring sessions sponsored by the Authority.

(p) For each year of the Qualified Project Affordability Period, the Owner will submit to the Authority a copy of the Project's filed IRS Form 1065.

Section 4. Occupancy Restrictions. For the purpose of satisfying the requirements of Section ~~42~~ of the Code, ~~at least and the requirements of the Authority,~~ for the Qualified Project duration of the Affordability Period, the Owner hereby represents, covenants and agrees as follows:

(a) ~~Throughout the Qualified Project Period (excluding Dwelling Units not previously occupied), at~~ At least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project (excluding Dwelling Units not previously occupied) shall be both ~~a~~ Rent Restricted Unit ~~Units~~ and occupied solely by Qualified Tenants, prior to the satisfaction of which no additional units shall be rented or leased to any other tenants after initial rental occupancy of Dwelling Units by Qualified Tenants, as required by Section ~~42~~ of the Code. For purposes of satisfying the requirement that not less than the Applicable Set-Aside Percentage of the Dwelling Units be occupied by Qualified Tenants, no Qualified Tenant shall be denied continued occupancy because, after admission, the Qualified Tenant's family income exceeds the applicable qualifying income level set forth in the definition of "Qualified Tenant" herein. The Owner shall at all times during the Qualified Project Affordability Period maintain the percentage requirements of this Agreement by providing the next available unit of comparable or smaller size to Qualified

Tenants as needed to achieve compliance with the foregoing requirements. If necessary, the Owner shall refrain from renting Dwelling Units in the Project to persons other than Qualified Tenants in order to avoid violating the requirement that at all times during the Qualified Project Affordability Period at least the Applicable Set-Aside Percentage of the completed Dwelling Units in the Project shall be both a Rent Restricted Unit and occupied by Qualified Tenants.

(b) To obtain and maintain on file for each Qualified Tenant residing at the Project (which shall be obtained and updated each year during occupancy by such tenant), a copy of such tenant's executed Certification of Tenant Eligibility and Income Verification (~~attached hereto as Exhibit B or~~ in such ~~other~~ form and manner as may be required by the applicable rules, regulations or policies now or hereafter promulgated by the Authority, the Department of the Treasury or the Internal Revenue Service (the "IRS")), as well as supporting documentation, which is subject to independent investigation and verification by the Authority and which shall be submitted to the Authority as set forth in (c) below.

(c) The Owner will immediately notify the Authority if at any time any of the Dwelling Qualified Units in the Project are not occupied or available for occupancy as provided above, ~~and~~. In addition, the Owner will prepare and submit to the Authority, no later than January ~~15~~ of each year following the first year of the Qualified Project Affordability Period, (i) a Certificate of Continuing Program Compliance (the form of which is ~~attached hereto as Exhibit C~~ and published on the website of the Authority or otherwise available from the Authority) and (ii) an Annual Tax Credit Summary Report (the form of which is ~~attached hereto as Exhibit D~~ published on the website of the Authority or otherwise available from the Authority), both executed by the Owner stating the number of Dwelling Units in the Project which, as of the first date of each previous calendar year, were occupied by Qualified Tenants (or were deemed to be occupied by Qualified Tenants as provided in subparagraph ~~(a)~~ above for all or part of such period), together with copies of annual Certifications of Tenant Eligibility and Income Verification (and supporting documentation) collected by the Owner.

(d) The Owner shall collect and keep records for each qualified low-income building in the Project, and submit to the Authority as required by this Section 4, which show for each year during the Qualified Project Affordability Period the following information for each building in the Project and shall retain such records for at least six (6) years after the due date (with extensions) for filing the federal tax return for that year (provided, however, that the records for the first (1st) year of the Qualified Project Affordability Period must be retained for at least six (6) years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building):

- (i) the total number of Dwelling Units in each building (including the number of bedrooms and the size in square feet of each residential rental unit);
- (ii) the percentage of Dwelling Units in each building that are Qualified Units;

(iii) the rent charged for each Dwelling Unit in the building, including any utility allowances;

(iv) the Supportive Services and Amenities, as set forth in the Application and on the Summary Page, including any amendments thereto agreed to by the Authority and the Owner. The Owner shall specify the ongoing monthly cost of each Supportive Service and Amenity, per Dwelling Unit, and, for any Supportive Services and Amenities which are not fully paid by the Owner, as applicable, the monthly cost to Qualified Tenants of each Supportive Service and Amenity available if a Qualified Tenant elects to pay for such Supportive Services or Amenities.

(iv)(v) the number of occupants in each Qualified Unit and any changes in the number of occupants in each Qualified Unit;

(v)(vi) the Qualified Unit vacancies in each building and information that indicates when and to whom the next available units were rented to;

(vi)(vii) the annual income certification of each Qualified Tenant per Qualified Unit;

(vii)(viii) documentation to support each Qualified Tenant's annual income certification (for example, a copy of the Qualified Tenant's federal income tax return, Forms-W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation). Tenant income is to be calculated in a manner consistent with the determination of annual income under Section-8 of the United-States Housing Act of 1937 ("Section-8"); and not in accordance with the determination of gross income for federal income tax liability. In the case of a tenant receiving housing assistance payments under Section-8, the documentation requirement of this subsection-4(d)(vii) is satisfied if the public housing authority provides a statement to the Owner declaring that the tenant's income does not exceed the applicable income limit under Code Section-42(g);

(viii)(ix) the eligible basis and the Qualified Basis of each building at the end of the first year of the Qualified Project Affordability Period; and

(ix)(x) the character and use of the ~~non-residential~~ nonresidential portion of each building included in the eligible basis of the building under Section-42(d) of the Code (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities; or facilities reasonably required by the Project);

(e) The-Throughout the Affordability Period, the Authority, or its designated agent, shall have the right to perform ~~on-site~~ inspections of the Project throughout (including each building in the Qualified Project Period and each unit in each building), in any manner determined by the Authority, including, but not limited to, onsite inspections and virtual inspections.

(f) The form of lease to be used by the Owner in renting any ~~units~~Dwelling Units in the Project to Qualified Tenants shall provide for termination of the lease and consent by such person to immediate eviction proceedings in accordance with state law for failure to ~~qualify as~~meet the requirements of a Qualified Tenant, as applicable, as a result of any material misrepresentation made by such person with respect to his or her income, the failure to provide supporting income verification or failure by such person to annually update the Certification of Tenant Eligibility and Income Verification.

(g) To permit any duly authorized representative of the Authority, the Department of the Treasury or the IRS to inspect the books and records of the Owner pertaining to the incomes of the Qualified Tenants residing in the Project, including, but not limited to, each tenant file.

(h) Throughout the ~~Qualified Project~~Affordability Period, to target rents, to comply with targeted rent levels, and to comply all other conditions of targeting as set forth on the Summary Page hereof.

Section 5. Term of Restrictions.

(a) The term of the occupancy restriction set forth in Section ~~4~~ of this Agreement shall (i) ~~commence on the Occupancy Date and (ii) end on the date which is the Required Number of Years after the Occupancy Date~~ (the "Affordability Period"). During the ~~Required Number of Years~~Affordability Period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Dwelling Unit other than for good cause and shall not increase the gross rent above the maximum allowed under Section ~~42~~ of the Code with respect to ~~such Dwelling any~~Qualified Unit.

(b) ~~Notwithstanding subsection (a) above~~For the duration of the Affordability Period, the Owner shall comply with the requirements of Section ~~42~~(h) of the Code relating to ~~a 15-year~~an extended use period (30a minimum of 15 years or such greater number of years as set forth on the Summary Page hereof) for a total; Required Number of Years as set forth on the Summary Page; provided, however, that, with respect to any building that is part of the Project, this Agreement shall terminate:

(i) on the date such building is acquired by foreclosure or instrument in lieu of foreclosure (including a deed of trust); if the foreclosure or instrument in lieu of foreclosure is determined to be in compliance with Section 42(h)(6) of the Code; or

(ii) after the expiration of the Qualified Contract Required Number of Years, but only if the Owner has properly requested, in accordance with Section 42(h)(6) of the Code, that the Authority assist in procuring a qualified contract for the acquisition of the non-low income portion of the building for fair market value and the low income portion of such building for an amount not less than the price specified in Section 42(h)(6) of the Code, and the Authority is unable to present a qualified contract within one (1) year after the date the written request submitted to the Authority, and the request has been reviewed by the Authority and

determined to be in compliance with the requirements of the Authority and Section 42(h)(6) of the Code. [If the option to request a Qualified Contract has been waived pursuant to the Application, delete (ii) above.]

In the event foreclosure proceedings are initiated, the Owner Authority shall provide to the Authority written receive notice of such foreclosure from the Owner no less than 1530 days prior to such foreclosure.

(c) Notwithstanding the foregoing in subsections (a) and (b) above, the Code Section 42 rent requirements set forth in Section 42 of the Code shall continue with respect to the Qualified Units for a period of three (3) years following the termination or expiration of this Agreement. During such three-year period, the Owner shall not evict or terminate the tenancy of an existing tenant of any Dwelling Qualified Unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code Section 42 of the Code with respect to such Dwelling Qualified Unit (the “Vacancy Decontrol Rule”). regardless of whether the tenant is an existing tenant or a new tenant occupying the Qualified Unit subsequent to the termination of this Agreement. In addition, during such three-year period, the Owner shall accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the United States Housing Act of 1937 or a successor federal program or similar state or local voucher or certificate program, and, in connection therewith, the Owner will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(d) If the Project experiences financial trouble the Owner may request a waiver from the Authority of the applicable rent restrictions stated on the Summary Page of this Agreement. The right to grant a rent restriction waiver is vested in the Executive Director of the Authority. A waiver will be based on written evidence submitted to the Authority by the Owner which must be evaluated and certified by an independent third-party CPA. The Authority may waive or adjust the rent restrictions stated on the Summary Page for a period not to exceed 36 months. After 30 months, a review by the Authority of the current evidence will be conducted to determine if the waiver should be extended.

Conditions justifying a waiver of the rent restrictions includes include, but is are not limited to the following:

- (i) Extraordinary changes in the operating expenses of the Project;
- (ii) Capital requirements that are necessary to maintain a safe and sanitary Dwelling Units Unit, suitable for occupancy; or
- (iii) A Project lender originates changes to the financial conditions and debt arrangement that substantially impact impacts the debt service coverage ratio requirements of the Project.

Any dispute of a waiver decision by the Executive Director of the Authority can be appealed by the Owner of the Project and settled by arbitration. Absent agreement to a

different forum or arbitration panel, such arbitration proceeding shall be conducted under the Commercial Rules of the American Arbitration Association. Regardless of the forum, the prevailing party (if there is a prevailing party as determined by the arbitration panel) shall be entitled to reimbursement of its filing fees and arbitrator's fees from the non-prevailing party, to be assessed as part of the arbitration award. The arbitration board/panel shall consist of the following mutually acceptable representatives:

~~(A)~~ (A) A representative selected by the Executive Director of the Authority; which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management);

~~(B)~~ (B) A representative selected by the Owner of the Project, which representative shall not have any interest, direct or indirect, in the Project but shall have expertise in the area related to the dispute (e.g., finance, construction management or property management); and

~~(C)~~ (C) A representative from the American Arbitration Association or other agreed upon, certified mediator or arbitrator (moderator or voting member).

Under no circumstances shall the waiver process provide an opportunity for the Project to deviate from the rent restrictions stated on the Summary Page because of improved market conditions or for any reason other than an increase in the Project's county area median income, without the prior approval of the Executive Director of the Authority.

Section 6. Compliance With CROWN Program. The Owner hereby acknowledges that a material inducement for the Authority to enter into this Agreement was to provide a program to assist Qualified Tenants in moving from rented residences into home ownership by providing, among other things, educational, supportive and counseling services (the "CROWN Program") as more fully described on [Exhibit D] to the Property Management Agreement. The Owner hereby covenants and agrees to ensure the provision of all such educational, supportive and counseling services (collectively, the "Supportive Services"). The Owner also hereby covenants and agrees to:

(a) Operate and ensure the operation of the Dwelling Units in a manner consistent with the CROWN Program.

(b) In the event the Property Manager resigns or is otherwise replaced, (i) hire a property manager satisfactory to the Authority, (ii) use a management agreement substantially in the form of the Property Management Agreement only and acceptable to the Authority, (iii) while a replacement property manager is being hired, deposit the Home Ownership Assistance Fee into the Home Ownership Assistance Fund, (iv) while a replacement property manager is being hired, provide or pay for the provision of the Supportive Services and (v) use reasonable efforts to ensure the assignment of the Property Manager's rights to disburse funds from the Home Ownership Assistance Fund to the new property manager.

If at the time a Qualified Unit is sold to a Qualified Tenant (the “Initial Sale”) the fair market value of the Qualified Unit at the time the Initial Sale exceeds the sale price to the Qualified Tenant (such difference, the “CROWN Equity”), the deed transferring title to such unit shall contain a restriction limiting the proportion of the CROWN Equity allocated to such Qualified Tenant in the event the Qualified Tenant resells the Qualified Unit to a third party before such Qualified Tenant has occupied the Qualified Unit continuously for ten (10) years. The amount of CROWN Equity allocated to a Qualified Tenant at the resale by such Qualified Tenant of a Qualified Unit (the “Subsequent Sale”) shall be determined in accordance with the following formula (to be set forth in the deed at the Initial Sale):

$$\text{(Fair Market Value of Qualified Unit at time of Initial Sale - Purchase price of Qualified Unit at time of Initial Sale) X (Total number of years of occupancy by Qualified Tenant/10) = Amount of CROWN Equity allocated to Qualified Tenant at time of Subsequent Sale.}$$

The remaining CROWN Equity after allocation to the Qualified Tenant in accordance with the above formula shall be funded to the Authority, which shall apply such funds toward home ownership programs in [CITY], Nebraska. The Qualified Tenant, however, shall receive any amounts in excess of the CROWN Equity attributable to the appreciation in the value of the Qualified Unit from the time of the Initial Sale to the time of the Subsequent Sale (the “Appreciation Equity”).

The fair market value of a Qualified Unit is its appraised value based on an appraisal made by a licensed appraiser, selected by the Authority, who is a member of the Master Appraiser Institute and who has experience in the geographic area in which the Project is located.

The following scenarios outlining the allocation of CROWN Equity and is provided for purposes of illustration only and not limitation:

Scenario I¹

	Year 15	Year 18
Event	Initial Sale	Subsequent Sale
Qualified Tenant’s Number of Years of Occupancy	6	9
Initial Sale Fair Market Value	\$80,000	\$80,000
Initial Sale Price	\$50,000	\$50,000
Subsequent Sale Price	N/A	\$90,000
CROWN Equity	\$80,000-\$50,000= \$30,000	\$30,000
Appreciation Equity	\$0	\$90,000-\$80,000 =

¹Assume for each scenario that the Qualified Tenant at the Initial Sale purchases the Qualified Unit with 100% debt and that at the Subsequent Sale no portion of the principal of this debt has been amortized.

