

DECLARATION OF LAND USE RESTRICTION COVENANTS
FOR LOW-INCOME HOUSING TAX CREDITS

THIS DECLARATION OF LAND USE RESTRICTION COVENANTS (this "Agreement"), dated as of the 9th day of June, 20 00, by Pyramid Four Limited Partnership, and their grantees, successors and assigns (the "Taxpayer") is hereby granted and declared as a condition precedent to the allocation of Low-Income Housing Tax Credits ("Tax Credits") by the MISSOURI HOUSING DEVELOPMENT COMMISSION, a body corporate & politic of the State of Missouri or any successor to its rights, duties and obligations (hereinafter sometimes referred to as the "Commission" or as "MHDC").

WITNESSETH:

WHEREAS, the Taxpayer is the owner in fee simple of a 47 unit rental housing development located on lands in the City of Independence, County of Jackson, State of Missouri, which lands and improvements are more particularly described in Schedule I, attached hereto, and commonly known as Sterling Creek Apartments the "Development"); and

WHEREAS, the Development may now or hereafter be financed by mortgage loans (the "Mortgage Loan" whether one or more), the indebtedness of which shall be evidenced by mortgage note(s), secured by mortgage(s) or other security instruments (which shall be mortgage liens on the Development) (said note(s), mortgage(s), or security instruments are collectively hereafter referred to as the "Loan Documents" whether one or more); and

WHEREAS, the Commission has been designated by the Governor of the State of Missouri as the allocating agency for the State of Missouri low income housing tax credits; and

WHEREAS, the Minimum Federal Set-Aside Election for the purpose of Section 42(g) (1) of the code, the Owner elects that at least forty percent (40%) of the residential rental units in the Project shall be both rent-restricted (as hereinafter defined) and occupied by individuals or families whose income is sixty percent (60%) or less of area median gross income. The Total Set-Aside, and more specifically, the actual number of units set aside by income category is reflected in Section 4(a) of this agreement.

WHEREAS, the Taxpayer has represented to the Commission in Taxpayer's application that it will elect to extend the low-income use and rental restrictions beyond the close of the mandatory fifteen (15) year compliance period ("Mandatory Compliance Period") and the Taxpayer agrees to waive the right to early termination at the end of the Mandatory Compliance Period until the end of the extended compliance period, said period being 15 additional years beyond the first 15 years; and this period of 15 additional years shall hereinafter be referred to as the extended compliance period ("Extended Compliance Period"), which shall not be confused with the extended low income use period ("Extended Low Income Use Period"), which shall be for a period of 0 years beyond the Mandatory Compliance Period and Extended Compliance period; and which is defined in Section 6(a) of this document.

WHEREAS, the Taxpayer (has not) represented to the Commission in Taxpayer's application that it will limit occupancy to persons 55 years of age and older, or persons with a physical or mental disability; and

WHEREAS, this Development did not receive an allocation from the Non-Profit Set Aside as mandated by Section 42 (h) (5) of the IRS Code; and

WHEREAS, the Code has required as a condition precedent to the final allocation of the Credit (as evidenced by issuance of IRS form 8609) that the Taxpayer execute, deliver and record this Agreement in the official land deed records of the city or county in which the Development is located, in order to create certain covenants running with the land for the purpose of enforcing the requirements of Section 42 of the IRS Code (the "Code"), and the occupancy restrictions imposed by MHDC through statutes, regulations and policies ("MHDC Occupancy Restrictions") found in Section 5 hereof by regulating and restricting the rents, use, occupancy and transfer of the Development as set forth herein; and

WHEREAS, the Taxpayer, under this Agreement, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the rents, use, occupancy and transfer of the Development shall be and are covenants running with the land for the term stated herein and binding upon all subsequent Taxpayers of the Development for such term, and are not merely personal covenants of the Taxpayer.

NOW, THEREFORE, in consideration of the mutual premises and covenants hereinafter set forth, and of other valuable consideration, the Taxpayer and the Commission agree as follows:

SECTION 1 - DEFINITIONS.

All words and phrases defined in Section 42 of the Code shall have the same meanings in this Land Use Restriction Agreement.

SECTION 2 - RECORDING AND FILING; COVENANTS TO RUN WITH THE LAND

- (a) Upon execution and delivery by the Taxpayer, the Taxpayer shall cause this Agreement and all amendments hereto to be recorded and filed in the official public land deed records of the city or county in which the Development is located, and shall pay all fees and charges incurred in connection therewith.
- (b) The Taxpayer covenants, declares and warrants, on its behalf, and all subsequent Taxpayers and operators of the Development during the term of this Agreement, that this Agreement and the covenants and restrictions set forth herein regulating and restricting the rents, use, occupancy and transfer of the Development (i) shall be and are covenants running with the land and improvements, encumbering the Development for the term of this Agreement, and binding the Taxpayer, its grantees, successors or assigns and any subsequent grantee, successor or assigns, and, (ii) are not merely personal covenants of the Taxpayer, and (iii) shall bind the Taxpayer (and the benefits shall inure to MHDC and any past, present or prospective tenant of the Development) and its respective successors and assigns during the term of this Agreement. The Taxpayer hereby agrees that any and all requirements of the laws of the State of Missouri to be satisfied in order for the provisions of this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full, and that any requirements or privileges of estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to insure that these restrictions run with the land. For the term of this Agreement, each and every contract, deed or other

4/19/00

instrument hereafter executed conveying or transferring the Development or any portion thereof shall expressly provide that such conveyance is subject to this Agreement, provided, however the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying or transferring the Development or any portion thereof provides that such conveyance is subject to this Agreement.

- (c) The Taxpayer covenants to obtain the consent of any recorded lienholder of the Development to this Agreement and such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609 constituting final allocation of the Credit.

SECTION 3 - REPRESENTATIONS, COVENANTS AND WARRANTIES OF THE TAXPAYER.

The Taxpayer hereby represents, warrants and covenants that:

- (a) The Taxpayer (i) is a Limited Partnership duly organized under the laws of the State of Missouri, and is qualified to transact business under the laws of the State, (ii) has the power and the authority to own its properties and assets and to carry on its business as now being conducted (and as now contemplated) by this Agreement and the Loan Documents, and (iii) has the full legal right, power and authority to execute and deliver this Agreement and to perform all the undertakings of the Taxpayer hereunder.
- (b) The execution and performance of this Agreement and the Loan Documents by the Taxpayer (i) will not violate or, as applicable, have not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body State or Federal, and (ii) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Taxpayer is a party or by which it or its property is bound, and (iii) will not result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature.
- (c) The Taxpayer will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the Development free and clear of any lien or encumbrance, except the encumbrances created pursuant to this Agreement, the Loan Documents or other encumbrances authorized by MHDC ("Permitted Encumbrances").
- (d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Taxpayer, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on the business substantially as now conducted (and as now contemplated by this Agreement or the Loan Documents) or would materially adversely affect its financial condition.
- (e) The Development constitutes or will constitute a qualified low-income building or qualified low-income Development, as applicable, as defined in Section 42 of the Code and applicable regulations.
- (f) Each unit in the Development contains complete facilities for living, sleeping, eating, cooking and sanitation (unless the Development qualifies as a single-room occupancy Development or transitional housing for the homeless) which are to be used on other than a transient basis.

4/19/00

00000
03/25/2000

- (g) During the term of this Agreement, all units subject to Tax Credits shall be leased and rented or made available to members of the general public who qualify as low-income tenants.
- (h) The Taxpayer agrees to comply fully with the requirements of the Fair Housing Act 42 U.S.C. 3601 et seq., as it may from time to time be amended.
- (i) During the term of this Agreement, the Taxpayer covenants, agrees and warrants that each low-income unit is and will remain suitable for occupancy in accordance with local occupancy standards, local building codes and HUD Housing Quality Standards.
- (j) Subject to the requirements of Section 42 of the Code and this Agreement, the Taxpayer may sell, transfer or exchange the entire Development at any time, but the Taxpayer shall provide the buyer with written notice that the Development or any interest attendant to such acquisition is subject to the requirements of this Agreement, the requirements of Section 42 of the Code and the applicable regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Development or any low-income portion of the Development. The Taxpayer agrees that the Commission may void any sale, transfer or exchange of the Development if the buyer, successor or other person fails to assume in writing the requirements of this Agreement and the requirements of Section 42 of the Code.
- (k) The Taxpayer agrees to notify the Commission in writing of any sale, transfer or exchange of the entire Development or any portion of the low-income Development.
- (l) The Taxpayer shall not demolish any part of the Development or substantially subtract from any real or personal property of the Development or permit the use of any residential rental unit for any purpose other than rental housing during the term of this Agreement unless required by law.
- (m) The Taxpayer represents, warrants and agrees that if the Development, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Taxpayer will use its best efforts to repair and restore the Development to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Development in accordance with the terms of this Agreement.
- (n) The Taxpayer warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition of, the provisions hereof, and that in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede any other requirements in conflict herewith.
- (o) The Taxpayer shall not sell, transfer to or exchange with any person any portion of the development to which this Agreement applies unless all of the development to which this Agreement applies is disposed of to such person.
- (p) During the term of this Agreement the Taxpayer shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent of any such unit above the maximum allowed under the Code and as may be approved by the Commission from time to time with respect to any such low-income unit.

- 3030
06/25/2008
- (q) For the purpose of later determining the "adjusted investor equity" in the Development, Commission acknowledges receipt of Taxpayer's claim of investment of an initial cash equity in the sum of \$ 2,822,384 at the time of this agreement. Commission will consider additional cash contributions made throughout the compliance period if certified by an independent Certified Public Accountant in accordance with IRS regulations.
- (r) The Taxpayer will provide to the Commission each year an audited annual financial statement for each Development of twelve (12) units or more. For Developments of less than twelve (12) units, the Commission will accept an audited annual financial statement or an annual certified compilation.

SECTION 4 - INCOME RESTRICTIONS, RENTAL RESTRICTIONS.

The Taxpayer represents, warrants and covenants throughout the term of this Agreement and in order to satisfy the requirements of Section 42 of the Code ("Section 42 Occupancy Restrictions") that Taxpayer:

- (a) Agrees to the following Total Set-Aside: Notwithstanding the election described in the minimum Federal Set-Aside Election above, the Taxpayer covenants and agrees that, commencing not later than the last day of the first year of the Credit Period and continuing throughout the term of this Agreement, at least One Hundred percent (100%) of the residential rental units shall be both rent-restricted and occupied by individuals or families whose income is sixty percent (60%) or less of area median gross income. All of the foregoing residential rental units are collectively referred to herein as the "Low-Income Units", and, with respect to all of such Low Income Units, "median gross income" shall be determined in accordance with the Code. The Owner further agrees that additional units in the Project shall be both rent-restricted and occupied by low-income individuals or families whose incomes meet the requirements of this subsection (a) to the extent necessary to maintain the "applicable fraction," as defined in Section 42 (c)(1)(B) of the Code. A unit is "rent-restricted" if the gross rent with respect to such unit does not exceed thirty percent (30%) of the imputed income limitation applicable to such unit, all as determined in accordance with Section 42 (g) of the Code.
- (1) If HOME money has created the 50% restriction and said HOME dollars are repaid by Taxpayer, then those restrictions applied pursuant to HOME will be considered waived and of no effect. It being understood that the minimum affordability period mandated by HUD regulations for projects financed with HOME funds are adhered to.
- (2) Taxpayer shall be deemed to be in compliance with the tenant income limitations of subsection (a) of this Section 4 as long as (I) tenant income meets the applicable limitation at the time that any unit is initially leased to such tenant, and (ii) thereafter Taxpayer meets the requirements of Section 42(g)(2)(D) of the Code.
- (b) The determination of whether a unit meets the low-income rental requirements shall be made by the Taxpayer at least annually on the basis of the current rental information of such low-income unit. The Taxpayer shall prepare and keep on file with the Taxpayer's records, for later review by MHDC or the Internal Revenue Service ("IRS"), the income certification for each low-income tenant on the form shown as Exhibit C to the MHDC Low Income Housing Tax Credit Program Compliance Manual (the "Compliance Manual"), or on a form substantially similar to Exhibit C as may be approved, from time to time, by MHDC.

- FORM 95/25/2008
- (c) The determination of whether a unit meets the low-income rental requirements shall be made by the Taxpayer at least annually on the basis of the current rental information of such low-income unit. The Taxpayer shall prepare and keep on file with the Taxpayer's records for later review by MHDC or the IRS, the unit certification for each low-income tenant on the form shown as Exhibit D to the Compliance Manual, or on a form substantially similar to Exhibit D as may be approved, from time to time, by MHDC.

SECTION 5 - MHDC OCCUPANCY RESTRICTIONS.

- (a) This Section is intended to make enforceable those extended use covenants, if any, and base rents which the Taxpayer represented to the Commission during the application process ("Base Rents"). Attached hereto and made a part hereof as Schedule II are the agreed-upon provisions for the mandatory Base Rents.
- (b) The Taxpayer elects to extend the low-income use and rental restrictions for 15 years beyond the close of the mandatory 15 year compliance period by adding 15 years to the "Mandatory Compliance Period", the additional 15 years hereinafter referred to as the "Extended Compliance Period", and hereby waives Taxpayer's right to early termination at the end of the mandatory 15 year Compliance Period, if a number of additional years is reflected in this paragraph.
- (c) The Taxpayer represents, warrants and covenants that the base rents for the low-income units which were represented to MHDC and set forth in Schedule II will remain in effect for one year after the date a qualified low-income building in the Development is placed in service, and may be increased only upon application to and receipt of written approval from MHDC. The base rent is considered to be the total monthly amount paid by the Tenant to the Taxpayer, or any amount paid to the Taxpayer on behalf of the tenant in the form of rental assistance. The Taxpayer further agrees to limit any increases to those approved by MHDC upon an annual written request.
- (1) It being understood that MHDC will consider the audited operating statement from the prior year and the proposed operating budget for the next year in approving the proposed annual rent increase. For all MHDC-financed developments with MHDC Regulatory Agreements in place, and all other Low Income Housing Tax Credit developments, the Taxpayer will be permitted to reflect a line item in the proposed operating budget to allow for a surplus cash distribution to the Taxpayer of an amount equal to the Net Operating Income (NOI) reflected on the form 2013 attached to the MHDC loan or tax credit commitment. The proposed operating budget would therefore reflect the operating expenses contained in Section I of the MHDC commitment 2013 as justified by the audit and budget with the addition of a line item for NOI. The NOI-budgeted amount would reflect the NOI as stated in the MHDC commitment 2013. If this NOI has been unavailable to the Taxpayer in prior years, the unfunded balance may be carried forward and accumulated from prior years. The (2013) NOI becomes, in fact, the allowable annual distribution to the Taxpayer. The annual distribution in no case may exceed 8% of the Taxpayer's equity in the project.
- (2) SPECIAL RENT INCREASES
MHDC shall approve rental increases sufficient for Taxpayer to compensate for any net increases in taxes (other than income taxes) over which Taxpayer has no effective control, and to make all payments required under project financing, so as to maintain at least a 1.2 debt service coverage.

4/19/00

JCRND

06/26/2000

- (3) Further, because MHDC will not approve any rent increase which will inflict an undo burden on existing tenants, MHDC will not consider an increase greater than 7% of the prior approved rent for an existing tenant, with the following exception:

tenants of USDA/Rural Development-funded developments for which MHDC and USDA/Rural Development have executed a Memorandum of Understanding or Memorandum of Agreement regarding annual rent increases.

- (d) MHDC occupancy restrictions, as established and as amended from time to time during the term of this Agreement, shall also commence with and remain in place for the term of this Agreement.
- (e) Taxpayer will not refuse to rent a unit to a tenant because the tenant receives Section 8 rental assistance, or other type of rental assistance.
- (f) Under no circumstances shall the proposed rents exceed the maximum allowed under the code with respect to such low-income units.

SECTION 6 - TERM OF AGREEMENT.

- (a) Except as hereinafter provided, this Agreement regulating the low-income use and rental restrictions, and the MHDC Occupancy Restrictions specified herein, shall commence on the first day any building which is part of the Development is placed in service and continue throughout the Mandatory Compliance Period, the Extended Compliance Period and Extended Low Income Use Period. If the Taxpayer has elected to extend the Compliance Period, MHDC will reflect the three above stated periods: Mandatory Compliance Period, Extended Compliance Period and Extended Low Income Use Period. If the balance of the "Extended Low Income Use Period", as defined in Section 42 (h) (6) (D) of the Code, is not achieved by the first of the two Compliance Periods referenced above, then the final years will be reflected as the Extended Low Income Use Period.
- (b) Notwithstanding subsection (a), above, this Agreement, with respect to any building which is part of this Development, shall terminate:
- (1) On the date the building is acquired by foreclosure or an instrument in lieu of foreclosure unless the Secretary (as defined in the Code) determines that such acquisition is part of an arrangement with the taxpayer, the purpose of which is to terminate such period; or
- (2) On the last day of the one year period beginning on the date:
- (i) after the 14th year of the Mandatory Compliance Period, if such period is not extended as an Extended Compliance Period in Section 5, above; or
- (ii) after the 29th year of the Mandatory/Extended Compliance Periods, if the Mandatory Compliance Period has been extended as set forth in Section 5, above;

always provided, however, that the Taxpayer has properly requested the Commission to assist Taxpayer in procuring a "Qualified Contract" for the acquisition of the low-income portion of any building or buildings which are a part of the Development, and further provided the Commission is unable to present a Qualified

4/19/00

Contract within said one year period described in Section (2) (i) or (2) (ii) herein.

- 3070
06/25/2008
- (c) The Mandatory Compliance Period is 15 years; the Extended Compliance Period is 15 years. And the balance of 0 years is the Extended Low Income Use Period.
 - (d) Notwithstanding subsection (b) above, the low-income use and rental restrictions and MHDC Occupancy Restrictions shall continue for a period of three years following the termination of the Mandatory Compliance Period and the Extended Compliance Period, if applicable, pursuant to the procedures specified in subsection (b) above. During such three year period, the Taxpayer shall not evict or terminate the tenancy of an existing tenant of any low-income unit other than for good cause and shall not increase the gross rent above the maximum allowed under the Code with respect to such low-income unit, in accordance with IRS Section 42(h) (6) E II ii.

SECTION 7 - ENFORCEMENT OF MHDC OCCUPANCY RESTRICTIONS.

- (a) The Taxpayer shall permit, during normal business hours and upon reasonable notice, any duly authorized representative of the Commission, or the IRS, to inspect any books and records of the Taxpayer regarding the Development with respect to the incomes of Low-Income Tenants which pertain to compliance with the MHDC Occupancy Restrictions specified in this Agreement.
- (b) The Taxpayer shall submit a copy of the Annual Development Certification of Continuing Compliance shown as Exhibit B in the Compliance Manual together with the Occupancy Report shown as Exhibit B2 in the Compliance Manual, at least annually, or as requested by the Commission in order to monitor compliance with the provisions specified in this Agreement and IRS Section 42 as amended.
- (c) The Taxpayer shall submit any other information, documents or certifications requested by the Commission which the Commission shall deem reasonably necessary to substantiate the Taxpayer's continuing compliance with the provisions of the MHDC Occupancy Restrictions specified in this Agreement.

SECTION 8 - ENFORCEMENT OF SECTION 42 OCCUPANCY RESTRICTIONS.

- (a) Taxpayer acknowledges receipt of and familiarity with MHDC's new requirements and procedures for monitoring compliance with low-income housing credits under Section 42(m) (1) (B) (iii) of the Code and under new Section 1.42-5 et seq. of the IRS monitoring compliance regulations, and Taxpayer agrees to comply with the requirements of MHDC, as now or hereafter issued from time to time, for monitoring compliance of the Development with the requirements of Section 42 of the Code.
- (b) The Taxpayer covenants that it will not knowingly take or permit any action or forego taking any action that would result in a violation of the requirements of Section 42 of the Code and any applicable regulations thereunder or herein contained. Moreover, Taxpayer covenants to take any lawful action (including amendment of this Agreement as may be necessary, in the opinion of MHDC) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury, or the IRS, or the Department of Housing and Urban Development or MHDC from time to time pertaining to Taxpayer's obligations under Section 42 of the Code and affecting the Development.

4/19/00

JCR:K
05/26/2000

- (c) The Taxpayer acknowledges that the primary purpose for requiring compliance by the Taxpayer with the restrictions provided in this Agreement is to assure compliance of the Development and the Taxpayer with Section 42 of the Code and the applicable regulations.

AND BY REASON THEREOF, THE TAXPAYER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING CREDITS FOR THIS DEVELOPMENT HEREBY AGREES AND CONSENTS THAT MHDC AND, TO THE EXTENT PERMITTED IN SECTION 42(h)(6)(B)(ii)(1990) OF THE CODE, ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 OF THE CODE (WHETHER PROSPECTIVE, PRESENT OR FORMER OCCUPANT) SHALL BE ENTITLED, FOR ANY BREACH OF THE PROVISIONS HEREOF, AND IN ADDITION TO ALL OTHER REMEDIES PROVIDED BY LAW OR IN EQUITY, TO ENFORCE BY SPECIFIC PERFORMANCE ALL OF THE TAXPAYER OBLIGATIONS UNDER THIS AGREEMENT IN A STATE COURT OF COMPETENT JURISDICTION.

The Taxpayer hereby further specifically acknowledges that the beneficiaries of the Taxpayer's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder.

- (d) The Taxpayer hereby agrees that the representations and covenants set forth herein may be relied upon by the Commission and all persons interested in Development compliance under Section 42 of the Code and the applicable regulations.
- (e) The Taxpayer agrees that if at any point following execution of this Agreement, Section 42 of the Code or regulations implementing said Section requires the Commission to monitor the Section 42 Occupancy Restrictions, or, alternatively, the Commission chooses to monitor Section 42 Occupancy Restrictions or MHDC Occupancy Restrictions, the Taxpayer will take any and all actions reasonably necessary and required by the Commission to substantiate the Taxpayer's compliance with the Section 42 Occupancy Restrictions or MHDC Occupancy Restrictions and will pay a reasonable fee to the Commission for such monitoring activities performed by the Commission.

SECTION 9 - MISCELLANEOUS.

- (a) Successors Bound. This Agreement and the covenants and conditions contained herein shall run with the land and shall bind, and the benefits shall inure to, respectively, the Taxpayer and its successors and assigns and all subsequent Taxpayers of the Development or any interest therein, the Commission and its successors and assigns, for the period specified in Section 6(a) hereof unless terminated sooner pursuant to Section 6(b) hereof.
- (b) Interpretation. Any terms not defined in this Agreement shall have the same meaning as terms defined in Section 42 of the Code and the Treasury Regulations promulgated thereunder.
- (c) Amendment. The Taxpayer and MHDC agree that they will take all actions necessary to effect amendment of this Agreement as may be necessary to comply with the Code and any and all applicable rules, regulations, policies, procedures, rulings or other official statements pertaining to the Credit.
- (d) Severability. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

4/19/00

1000

85/25/2000

- (e) Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed 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.

To the Commission:

Missouri Housing Development Commission
4625 Lindell, Suite 500
St. Louis, Missouri 63108

ATTENTION: Low-Income Housing Credit Program

To the Taxpayer:

Pyramid Four Limited Partnership
C/o Philips Development Corporation
1501 North University, Suite 740
Little Rock, AR 72207

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

- (f) Governing Law. This Agreement shall be governed by the laws of the State of Missouri and, where applicable, the laws of the United States of America.
- (g) Development Decertification. Notwithstanding anything in this entire agreement to the contrary, failure of the Taxpayer to comply fully with the Code, the covenants and agreements contained herein or with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the United States Department of the Treasury or the Internal Revenue Service or Commission.
- FROM TIME TO TIME PERTAINING TO THE OBLIGATIONS OF THE TAXPAYER AS SET FORTH THEREIN OR HEREIN, COMMISSION MAY, AND IN ADDITION TO ALL OF THE REMEDIES PROVIDED BY LAW OR IN EQUITY, REQUEST THE IRS TO DECERTIFY THE DEVELOPMENT FOR LOW-INCOME HOUSING TAX CREDITS AND TO IMMEDIATELY COMMENCE RECAPTURE OF THE TAX CREDIT DOLLARS HERETOFORE ALLOCATED TO THE DEVELOPMENT.
- (h) Survival of Obligations. The obligations of the Taxpayer as set forth herein and in the Application shall survive the allocation of Tax Credit Dollars and shall not be deemed to terminate or merge with the awarding of the allocation, or the execution, delivery, or recording of this Agreement.
- (i) Subordination of Agreement. This Agreement and the restrictions hereunder are subordinate to the loan and loan documents, if any, on the Development except insofar as Section 42 requires otherwise.

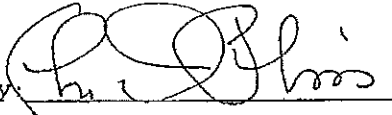
4/19/00

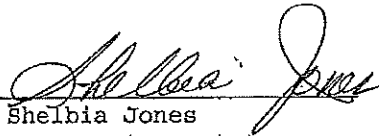
30300
05/26/2002

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

"TAXPAYER"
PYRAMID FOUR LIMITED PARTNERSHIP

"COMMISSION"
MISSOURI HOUSING DEVELOPMENT COMMISSION

By: 
CHAIRMAN OF G. P.
Printed Name
CHESTER D. PHILLIPS

By: 
Shelbia Jones
Tax Credit Administrator

ACKNOWLEDGMENT

STATE OF Arkansas
MISSOURI)
COUNTY OF Pulaski) ss.

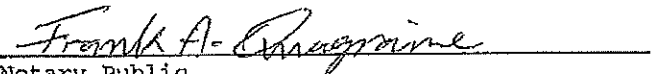
ON this 9th day of June, 2000, before me personally appeared Chester D. Phillips, to me known to be the person described in and who executed the foregoing instrument as the Chairman of General Partners and acknowledged that (s)he executed the same as the free act and deed of _____ and that the said _____ is acting for and on behalf of _____.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

My Commission Expires: 
Notary Public

Leigh W. Edwards, Notary Public
Pulaski County, Arkansas
My Commission Expires 6/14/2006
STATE OF MISSOURI)
COUNTY OF JACKSON)

ON this 9th day of June, 2000, before me appeared Shelbia Jones, known to me personally and known to me to be the duly appointed Tax Credit Administrator and the person who executed the aforesaid instrument by virtue of the authority vested in her by Chapter 215, R.S.Mo., 1986, as amended, and acknowledged that she executed the aforesaid instrument for and on behalf of the Missouri Housing Development Commission for the purposes therein expressed.

GIVEN under my hand and seal of office this 9th day of June 2000.
My Commission Expires: 
Notary Public

4/19/00
FRANK A. QUAGRINE
Notary Public - Notary Seal
STATE OF MISSOURI
Clay County
My Commission Expires: June 21, 2003

SCHEDULE I

LEGAL DESCRIPTION

ALL OF LOTS 18, 19, 20 AND 21, COUNTRY CLUB ACRES, A SUBDIVISION IN INDEPENDENCE, JACKSON COUNTY, MISSOURI, EXCEPT THAT PART IN STERLING AVENUE, ACCORDING TO THE RECORDED PLAT THEROF.

JCRNO 26/26/2002

<u>Building</u>	<u>Address</u>	<u>BIN #</u>
1	3302 S. Sterling Ave., Independence, MO 64052	MO-98-00080
2	3312 S. Sterling Ave., Independence, MO 64052	MO-98-00081
3	3310 S. Sterling Ave., Independence, MO 64052	MO-98-00082
4	3308 S. Sterling Ave., Independence, MO 64052	MO-98-00083
5	3306 S. Sterling Ave., Independence, MO 64052	MO-98-00084
6	3304 S. Sterling Ave., Independence, MO 64052	MO-98-00085
7	_____	_____
8	_____	_____
9	_____	_____
10	_____	_____
11	_____	_____
12	_____	_____

SCHEDULE II

INITIAL BASE RENT PROVISIONS

The following base rents for the low-income units which were represented to Missouri Housing Development Commission will remain in effect for one year after the date a qualified building in the Development is placed in service, and may be increased only upon application to and receipt of written approval from Missouri Housing Development Commission.

Studio _____
Size A _____
Size B _____

1 Bedroom _____
Size A _____
Size B _____

2 Bedroom \$427.00
Size A _____
Size B _____

3 Bedroom \$510.00
Size A _____
Size B _____

4 Bedroom \$ _____
Size A _____
Size B _____

5 Bedroom _____
Size A _____
Size B _____

6 Bedroom _____
Size A _____
Size B _____

RETURN RECORDED DOCUMENT TO:

MISSOURI HOUSING DEVELOPMENT COMMISSION
ATTENTION: SHELBY JONES
3435 BROADWAY
KANSAS CITY, MISSOURI 64111