

EXHIBIT 3D
LCRA 10/25/22

Space Above Line Reserved for Recorder's Use

1. **Title of Document:** Land Use Restriction Agreement
2. **Date of Document:** As of November 1, 2022
3. **Grantor(s):** PG/PGN, LP
4. **Grantee(s):** Land Clearance for Redevelopment Authority of Kansas City, Missouri
UMB Bank, as Trustee
5. **Statutory Mailing Address(es):**

Grantors: PG/PGN, LP 3619 E. 35th Street Kansas City, MO 64110	Grantees: Land Clearance for Redevelopment Authority of Kansas City, Missouri 300 Wyandotte Street, Unit 400 Kansas City, MO 64105 UMB Bank, as Trustee 928 Grand, 12th Floor Kansas City, Missouri 64106 Attention: Corporate Trust Department
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6. **Legal description:** See Exhibit A annexed to the document.
7. **Reference(s) to Book(s) and Page(s):** Not Applicable

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LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (this “Agreement”) is made and entered into as of November 1, 2022, by and among **LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF KANSAS CITY, MISSOURI** (the “Issuer”), a public body corporate and politic duly organized and existing under the laws of the State of Missouri and the ordinances of the City of Kansas City, Missouri, **PG/PGN, LP**, a limited partnership organized and existing under the laws of the State of Missouri, and its successors and assigns (the “Borrower”), and **UMB BANK, N.A.**, a national banking corporation, as trustee with respect to the Bonds described below (the “Trustee”).

The meaning of capitalized terms can be determined by reference to Section 1 of this Agreement.

RECITALS:

1. The Issuer is a public body corporate and politic created by the Land Clearance for Redevelopment Authority Law, Section 99.300, *et seq.*, R.S.Mo, as amended (“LCRA Law”), and is transacting business and exercising the powers granted by the LCRA Law by virtue of Committee Substitute for Ordinance No. 16120, duly passed by the City Council (“City Council”) of the City of Kansas City, Missouri (“City”) on November 21, 1952.

2. The Issuer has agreed to assist in the financing of the acquisition, construction and renovation of two existing buildings consisting of Palestine Gardens North Apartments located at 3220 Montgall Avenue and the Palestine Gardens Apartments located at 2627 E. 33rd Street, Kansas City, Missouri, for the preservation and rehabilitation of 118 units reserved for very low-income residents aged 62 and over and other related improvements. (the “Project”), for the Borrower. The Project is located within the 33rd & Montgall Urban Renewal Area.

3. The Borrower has requested that the Issuer finance a portion of the costs of the Project by the issuance of its Multifamily Housing Revenue Bonds (Palestine Gardens Project) Series 2022 in the aggregate principal amount of not to exceed \$11,000,000 (the “Bonds”). The Bonds are being issued under the Trust Indenture dated as of November 1, 2022 (the “Indenture”), between the Issuer and the Trustee.

4. The interest on the Bonds is excludable from gross income for federal income tax purposes if, among other things, the Project continuously complies during the Qualified Project Period (as hereinafter defined) with Sections 142(a) and 142(d) of the Code (as hereinafter defined) and the Regulations (as hereinafter defined).

5. Compliance of the Project with Sections 142(a) and 142(d) of the Code is in large part within the control of the Borrower and in no part within the control of the Issuer or the Trustee.

6. The Issuer is unwilling to provide proceeds of the Bonds to finance the Project unless the Borrower shall agree to abide by the provisions of this Agreement in order to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes and

to assure that housing accommodations are being provided for persons of low and moderate income in accordance with the Act.

7. The Issuer, the Trustee and the Borrower have determined to enter into this Agreement in order to set forth certain terms and conditions relating to the financing and operation of the Project.

8. The Bonds have been purchased by Legacy Bank, Springfield, Missouri, together with any surviving, resulting or transferee corporation of Sterling Bank and any transferee Owner of 100% of the principal amount of the Bonds then Outstanding, as shown on the Bond Register (within the meaning of the Indenture) (the “Sole Bondowner”).

AGREEMENT:

Section 1. Definitions. The following terms shall have the respective meanings assigned to them in this Section 1 (unless the context in which they are used clearly requires otherwise). Capitalized terms used in this Agreement and not defined in the Recitals shall have the meanings assigned to them in Article I of the Indenture.

“*Area*” means the Kansas City Metropolitan Statistical Area.

“*Available Units*” means units in the Project that are (a) actually occupied or (b) available for occupancy and have been leased at least once after becoming available for occupancy.

“*Calendar Quarter*” means each three-month period commencing on January 1, April 1, July 1 and October 1.

“*Certificate of Continuing Program Compliance*” means an annual certification by the Borrower, as set forth on IRS Form 8703 or any successor form provided by the Internal Revenue Service, as to whether the Project continues to meet the requirements of Section 142(d) of the Code.

“*City*” means Kansas City, Missouri.

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

“*County*” means Jackson County, Missouri.

“*Income Certification*” means the Tenant Income Certification attached hereto as **Exhibit B** (or, in lieu thereof, an income certification completed in connection with the Section 8 program or the tax credit program administered under Section 42 of the Code in a form substantially similar to **Exhibit B**).

“*Issue Date*” means November 1, 2022, the date of the issuance and the delivery of the first installment of at least 5% of the expected principal amount of the Bonds to be issued.

“*Median Income for the Area*” means the median gross income for the Area as most recently determined by the Secretary of Housing and Urban Development under Section 8 (or, if the Section 8 program is terminated, median gross income for the Area determined under the method used by the Secretary immediately prior to such termination).

“*Project Site*” means the parcel or parcels of real property described in **Exhibit A**, and all rights and appurtenances thereunto appertaining.

“*Qualified Project Period*” means the period commencing on the later of (a) the first day on which 10% of the residential units in the Project are occupied or (b) the Issue Date, and ending on the latest of the following: (i) the date which is 15 years after the date on which 50% of the residential units in the Project are occupied; (ii) the first day on which no tax-exempt private activity bond (as defined in Section 141(a) of the Code) issued with respect to the Project is outstanding; or (iii) the date on which any assistance provided with respect to the Project under Section 8 terminates.

“*Quarterly Tenant Report*” means the Quarterly Tenant Report attached as **Exhibit C** (or such substitute form as shall be approved by the Issuer and the Trustee).

“*Qualified Tenants*” means individuals or families whose income does not exceed 60% of the Median Income for the Area, with adjustments for family size; provided that if all the occupants of a unit are students (as defined in Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the occupants of that unit shall not be deemed to be “Qualified Tenants.”

“*Redevelopment Contract*” means the Redevelopment Contract dated as the November 1, 2022, between the Issuer and the Borrower, as amended, modified, supplemented and restated from time to time.

“*Regulations*” means all regulations issued by the U.S. Treasury Department to implement the requirements of Code §§ 103 and 141 through 150 and applicable to the Bonds.

“*Section 8*” means Section 8 of the United States Housing Act of 1937, as amended, or any successor law thereto.

Section 2. Operation of the Project. The Borrower will not take or omit to take, as is applicable, any action if the action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Loan Agreement, the Tax Agreement or this Agreement.

Section 3. Qualified Residential Rental Project. The Borrower agrees that the Project will be owned, managed and operated as a “qualified residential rental project” (within the

meaning of Section 142(d) of the Code) at all times during the Qualified Project Period. To that end, the Borrower represents, covenants, warrants and agrees as follows:

(a) The Project is being acquired and rehabilitated for the purpose of providing a qualified residential rental project within the meaning of Section 142(d) of the Code.

(b) The Project consists solely and exclusively of a building or structure or several proximate buildings or structures containing similar residential units in quality and type of construction and amenities and which are located on two separate and non-contiguous tracts of land, and such buildings and land will be owned, for federal tax purposes, at all times by the same person, and may include facilities functionally related and subordinate thereto. Each building or structure will be a discrete edifice or other man-made construction consisting of independent (i) foundation, (ii) outer walls, and (iii) roof.

(c) Any functionally related and subordinate facilities (e.g., parking areas, swimming pool, playground, etc.) which are to be included as part of the Project will be made available to all tenants on an equal basis. Fees will only be charged with respect to the use thereof if the charging of fees is customary for the use of such facilities at similar residential rental properties in surrounding areas. In any event, any fees charged with respect to the use thereof will not be discriminatory or exclusionary as to the Qualified Tenants.

(d) No part of the Project will at any time be owned or used by a cooperative housing corporation (as defined in Section 216(b)(1) of the Code).

(e) If the Borrower or a person related to the Borrower occupies a unit in a building, the building will include no fewer than four units not occupied by the Borrower or a person related to the Borrower.

(f) Each unit in the Project will contain separate complete living, sleeping, eating, cooking, and sanitation facilities for a single person or a family.

(g) None of the units in the Project will at any time be utilized on a transient basis, or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital nursing home, sanitarium, rest home, retirement home or trailer park. Prior to commencing occupancy in any unit in the Project, a tenant shall execute a written lease which shall be effective for a term of at least six months.

(h) All of the units in the Project will be leased, rented or available for lease or rental on a continuous basis to members of the general public (other than units for a resident manager, maintenance personnel and/or security personnel).

(i) The leasing of one or more units in the Project to a person other than a person who will occupy the unit (a "Corporate Tenant"), in connection with an arrangement whereby the unit will be held for residential use by such person's own employees or for sublease to any other person (a "Corporate Lease"), will occur only under the following conditions: (i) the term of the Corporate Lease must be at least as long as the minimum lease term for units rented directly to individual tenants who will occupy the unit, (ii) no single

Corporate Tenant may lease more than 5% of the total residential units in the Project at one time, (iii) no more than 10% of the total residential units in the Project may be subject to Corporate Leases at one time, (iv) any sublease, assignment agreement, or similar arrangement where the premises are provided by the Corporate Tenant to an individual occupant must provide that the individual will occupy the unit for a period of at least 30 days, and (v) under the terms of the Corporate Lease the Corporate Tenant must provide the Borrower the identity of each occupant in the unit and the expected term of the occupancy prior to the date the occupant takes up residence in the unit.

Section 4. Occupancy Restrictions.

(a) Pursuant to Section 142(d)(1) of the Code, the Issuer elects at the direction of the Borrower, and the Borrower agrees, that the 40-60 Test of Section 142(d)(1)(B) of the Code shall apply to the Project. The Borrower represents, warrants and covenants that at all times during the Qualified Project Period, at least 40% of the Available Units in the Project shall be occupied (or treated as occupied as provided herein) by Qualified Tenants. If a Qualified Tenant vacates a unit, that unit will be treated as occupied by a Qualified Tenant until reoccupied (other than for a temporary period not in excess of 31 days), at which time a re-determination of whether the unit is occupied by a Qualified Tenant shall be made.

(b) The income of individuals and the Median Income for the Area shall be determined as required by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 (or, if such program is terminated, under such program as in effect immediately before such termination). Determinations under the preceding sentence shall include adjustments for family size, i.e., a family of four generally having an income of 60% or less of the Median Income for the Area generally will qualify as a Qualified Tenant; a family of three having an income of 54% or less of the Median Income for the Area generally will qualify as a Qualified Tenant; a family of two having an income of 48% or less of the Median Income for the Area generally will qualify as a Qualified Tenant; and a single individual having an income of 42% or less of the Median Income for the Area generally will qualify as a Qualified Tenant. The Borrower acknowledges that the actual income limits may differ based on the figures actually published for the Section 8 program, and that such figures will change periodically, generally on an annual basis.

(c) The determination of whether a resident meets the income requirements shall be made by the Borrower at least annually on the basis of the current income of the resident. Each lease (whether or not such tenant is intended to be a Qualified Tenant) entered into or renewed after the date of issuance of the Bonds shall require the tenant to certify the income of the residents annually and at any time as the Borrower may reasonably request in the manner set forth in **Section 4(d)**.

(d) As a condition of occupancy, each person who is intended to be a Qualified Tenant shall be required to sign and deliver to the Borrower an Income Certification in which the prospective tenant certifies as to his or her gross income or the gross income of his or her family. In addition, such person shall be required to provide whatever other information, documents or certifications are deemed necessary by the Borrower, the Issuer or the Trustee to substantiate the Income Certification.

(e) If the income of a resident of a unit in the Project did not exceed the applicable income limit upon commencement of that resident's occupancy of such unit (or as of any prior determination under **Section 4(c)**), the income of such resident shall be treated as continuing to not exceed the applicable income limit. The preceding sentence shall cease to apply to any resident whose income as of the most recent determination under **Section 4(c)** exceeds 140% of the applicable income limit (either as a result of an increase in income or a decrease in family size) if after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the applicable income limit.

(f) The form of lease to be used by the Borrower in renting any unit in the Project to any Qualified Tenant shall provide for termination of the lease and consent by such person to immediate eviction for failure to qualify as a Qualified Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification.

Section 5. Rental Restrictions. The Borrower represents, covenants and warrants that, once available for occupancy, each unit in the Project will be rented or available for rental on a continuous basis at all times during the Qualified Project Period.

Section 6. Records and Reports.

(a) The Borrower will maintain complete and accurate records pertaining to the occupancy of the Project and will permit any duly authorized representative of the Issuer, the Trustee, the Sole Bondowner, the Department of the Treasury or the Internal Revenue Service to inspect any books and records of the Borrower relating the Project or the incomes of Qualified Tenants. All Income Certifications for Qualified Tenants will be maintained on file at the Project with respect to each Qualified Tenant who resides in a unit or resided therein during the immediately preceding calendar year. The Borrower will file a copy of each initial Income Certification for a Qualified Tenant and the Sole Bondowner in connection with the Quarterly Tenant Report required by **Section 6(b)**.

(b) Not later than the 20th day of each Calendar Quarter, commencing with the Calendar Quarter immediately following the first day of the Qualified Project Period, the Borrower shall submit to the Issuer (at its written request), the Trustee and the Sole Bondowner a Quarterly Tenant Report executed by the Borrower stating the number and percentage of units in the Project that were occupied by Qualified Tenants or treated as occupied at all times by Qualified Tenants during the preceding Calendar Quarter.

(c) The Borrower shall submit to the Secretary of the Department of the Treasury (on or before March 31 of each year during the Qualified Project Period and in such manner as the Secretary shall prescribe) a Certificate of Continuing Program Compliance. The Borrower shall simultaneously send a copy of each Certificate of Continuing Program Compliance to the Issuer, the Trustee and the Sole Bondowner. The Borrower acknowledges that failure to file a Certificate of Continuing Program Compliance shall subject the Borrower to penalty as provided in Section 6652(j) of the Code.

(d) The Borrower will provide prompt written notice to the Issuer, the Trustee and the Sole Bondowner of the dates on which (i) the first unit in the Project is occupied, (ii) 10% of the units in the Project are first occupied, and (iii) 50% of the units in the Project are first occupied.

(e) In addition to the information provided for in this Agreement, the Borrower shall submit any other information, documents or certifications requested by the Issuer, the Trustee or the Sole Bondowner that any one of them deems reasonably necessary to substantiate the Borrower's continuing compliance with the provisions of this Agreement, Section 142(d) of the Code and the Regulations.

Section 7. Tax-Exempt Status of Bonds. The Borrower makes the following representations, warranties, covenants and agreements for the benefit of the Issuer, the Trustee, the Sole Bondowner and the other holders of the Bonds from time to time:

(i) The Borrower will not knowingly take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(ii) The Borrower will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Sole Bondowner, with a copy to the Borrower, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code.

(iii) The Borrower will file of record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Sole Bondowner, with a copy to the Borrower, in order to assure that the requirements and restrictions of this Agreement will be binding upon all owners of the Project, including, but not limited to, the execution and recordation of this Agreement in the real property records of the County.

(iv) Subject to **Section 11**, the Borrower will include the requirements and restrictions contained in this Agreement in any documents transferring any interest in the Project to another person such that such transferee has notice of, and is bound by, such restrictions, and to obtain the agreement from any transferee to abide to all requirements and restrictions of this Agreement.

(b) Each of the Issuer and the Trustee makes the following representations, warranties, covenants and agreements for itself for the benefit of the other and the holders of the Bonds from time to time:

(i) The Issuer and the Trustee, respectively, will not knowingly take, or omit to take, any action that would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(ii) The Issuer and the Trustee, respectively, will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Issuer and the

Trustee, with a copy to the Borrower and the Sole Bondowner, to comply fully with all applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service pertaining to obligations issued under Section 142(d) of the Code.

Section 8. Modification of Tax Covenants.

(a) To the extent any amendments to the Regulations or the Code impose requirements upon the ownership or operation of the Project more restrictive than those imposed by this Agreement in order to maintain the tax-exempt status of the Bonds, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Sole Bondowner, with a copy to the Borrower, this Agreement shall be deemed to be automatically amended, without the consent or approval of any other person, to impose such additional or more restrictive requirements. The parties agree to execute such amendment hereto as shall be necessary to document the automatic amendment of this Agreement.

(b) To the extent any amendments to the Regulations or the Code impose requirements upon the ownership or operation of the Project less restrictive than imposed by this Agreement, in the written opinion of Bond Counsel filed with the Issuer, the Trustee and the Sole Bondowner, with a copy to the Borrower, this Agreement may be amended or modified to provide such less restrictive requirements but only by written amendment signed by the Issuer, the Trustee and the Borrower, approved by the written opinion of Bond Counsel, to the effect that such amendment will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Issuer is under no obligation to agree to any such amendment.

(c) The Borrower, the Issuer and, if applicable, the Trustee will execute, deliver and, if applicable, file of record any and all documents and instruments necessary to effect the intent of this **Section 8**, and each of the Borrower and the Issuer hereby appoints the Trustee as its true and lawful attorney-in-fact to execute, deliver and, if applicable, file of record on behalf of the Borrower or the Issuer, as is applicable, any such document or instrument (in such form as may be approved in writing by Bond Counsel) if either the Borrower or the Issuer defaults in the performance of its obligations under this **Section 8(c)**; *provided, however*, that the Trustee shall take no action under this **Section 8(c)** without first notifying the Borrower or the Issuer, or all of them, as is applicable, unless directed in writing by the Issuer or the Borrower and without first providing the Borrower or the Issuer, or all of them, as is applicable, an opportunity to comply with the requirements of this **Section 8**. Nothing in this **Section 8(c)** will be construed to allow the Trustee to execute an amendment to this Agreement on behalf of the Borrower or the Issuer. The Trustee shall give notice of any amendment made pursuant to this Section to the Sole Bondowner.

(d) The Trustee may assume that the Borrower is in compliance with this Agreement unless the Issuer, the Borrower or the Sole Bondowner notifies the Trustee in writing of any non-compliance. Further, notwithstanding anything to the contrary in this Agreement, the Trustee has no obligation to monitor the Issuer's or Borrowers' compliance with this **Section 8**, and the Trustee shall be deemed to have complied with its obligations

under this **Section 8** by following the written direction provided in an Opinion of Bond Counsel.

Section 9. Reliance. The Borrower recognizes and agrees that the representations, warranties, covenants and agreements set forth in this Agreement may be relied upon by all persons interested in the legality and validity of the Bonds and in the exclusion of interest on the Bonds from gross income for federal income tax purposes. In performing their duties and obligations, the Issuer and the Trustee may rely upon statements and certificates of the Borrower and the Qualified Tenants, and upon audits of the books and records of the Borrower pertaining to the Project. In addition, the Issuer and the Trustee may consult with counsel, and the opinion of counsel will be full and complete authorization and protection in respect of any action taken by the Issuer or the Trustee under this Agreement in good faith and in conformity with the opinion. In determining whether any default or lack of compliance by the Borrower exists under this Agreement, neither the Issuer nor the Trustee is required to conduct any investigation into, or review of, the operations or records of the Borrower and may rely solely on any notice or certificate delivered by the Borrower with respect to the occurrence or absence of a default.

Section 10. Sale or Transfer of the Project.

(a) The Borrower covenants and agrees that it will cause or require as a condition precedent to any conveyance, transfer, assignment or any other disposition of the Project prior to the termination of the occupancy restrictions provided in this Agreement (other than leases to tenants in the ordinary course of business) (the “Transfer”) that the transferee of the Project pursuant to the Transfer assumes in writing, in a form acceptable to the Issuer, all duties and obligations of the Borrower under this Agreement, including this **Section 10**, in the event of a subsequent Transfer by the transferee prior to expiration of the occupancy restrictions provided herein (the “Assumption Agreement”). The Borrower shall deliver the Assumption Agreement to the Issuer and the Trustee prior to the Transfer. Such restrictions on transfer shall be in addition to, and not in lieu of, compliance with any other provisions of the Redevelopment Contract, the Indenture, the Loan Agreement or the Tax Agreement and shall not apply to any transfer after foreclosure of the Loan and shall not apply to foreclosure, deed in lieu of foreclosure, exercise of the power of sale, or other similar involuntary transfer.

(b) Nothing contained in this **Section 10** shall affect any provision of the Deed of Trust or any other document or instrument between the Borrower and the Sole Bondowner or any other party that requires the Borrower to obtain the consent of the holder of the Note, the Sole Bondowner, the Issuer or such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer which complies with this Agreement, and upon indemnification of each Indemnified Party (as defined in **Section 17**) by the Borrower for acts or omissions occurring during such period as the Borrower owned the Project, the Borrower shall be fully released from its/their obligations hereunder, to the extent such obligations have been assumed by the transferee of the Project, without the necessity of further documentation.

Section 11. Term. (a) This Agreement is effective upon its execution and delivery. Except as otherwise provided in this **Section 11**, this Agreement will remain in full force and effect

for the Qualified Project Period. The provisions of this Agreement are intended to survive the retirement of the Bonds and the expiration or termination of the Indenture, the Note and the Security Documents.

(b) Notwithstanding the provisions of **Section 11(a)** and **Section 12**, this Agreement will terminate in the event of (i) a foreclosure or delivery of a deed in lieu of foreclosure whereby a third party shall take possession of the Project or (ii) involuntary noncompliance with the provisions of this Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the date hereof which prevents the Issuer or the Trustee from enforcing the provisions hereof, or condemnation or a similar event, provided that (A) the Bonds are retired at the first available call date, or (B) within a reasonable time period any insurance proceeds or condemnation award or other amounts received as a result of loss or destruction of the Project are used to finance a project which meets the requirements of Sections 142(a) and 142(d) of the Code and applicable Regulations. However, the preceding sentence of this paragraph will cease to apply and the restrictions contained in this Agreement will be reinstated automatically if, in the event of a foreclosure or the delivery of a deed in lieu of foreclosure or a similar event, at any time subsequent to the termination of the provisions of this Agreement, the Borrower or any related person to it (within the meaning of Section 147 of the Code) obtains an ownership interest in the Project for federal income tax purposes.

(c) Upon termination or expiration of this Agreement, at the request and expense of the Borrower, the Issuer and the Trustee shall execute and deliver to the Borrower, in recordable form, a document (which shall be prepared at the expense of the Borrower) confirming the termination or expiration and releasing the Project from the terms of this Agreement. The Issuer and the Trustee shall also, at the request and expense of the Borrower, release portions of the real estate from the terms of this Agreement in the event that, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower and the Sole Bondowner, the release of such real estate from this Agreement will not adversely affect the tax-exempt status of the Bonds.

(d) The provisions of **Section 17** will, in the case of the Trustee, survive the term of this Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of this Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of this Agreement, but only as to claims arising from events occurring during the term of this Agreement.

(e) This Agreement may be terminated upon agreement by the Issuer, the Trustee and the Borrower upon receipt by the Issuer, the Trustee and the Borrower of a written opinion of Bond Counsel (a copy of which shall be sent to the Sole Bondowner) to the effect that such termination will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income purposes.

Section 12. Covenants to Run with the Land. The Borrower subjects the Project (including the Project Site) to the covenants, reservations and restrictions set forth in this Agreement. The Issuer, the Trustee and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project;

provided, however, that on the termination of this Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project 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.

Section 13. Recording and Filing. The Borrower shall cause this Agreement, and all amendments and supplements hereto, to be recorded and filed in the real property records of the County and in such other places as the Issuer or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

Section 14. Default; Enforcement. The Borrower covenants and agrees to inform the Issuer, the Trustee and the Sole Bondowner by written notice of any violation of the Borrower's obligations hereunder within five days of first discovering any such violation, and the Issuer and the Trustee each covenants and agrees to inform the Trustee or the Issuer, as applicable, the Borrower and the Sole Bondowner by written notice of any violation of the Borrower's obligations hereunder within five days of first discovering such violation. If any such violation is not corrected to the satisfaction of the Issuer and the Trustee within 30 days after the date any notice to or by the Borrower is mailed (or within such longer period approved by the Issuer and the Trustee as may be necessary to correct the violation, if a written opinion of Bond Counsel is filed with the Issuer and the Trustee, with a copy to the Borrower and the Sole Bondowner to the effect that the additional time necessary to correct the violation will not result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Bonds, and so long as such additional period of time does not exceed any limitations set by applicable regulations), then the Trustee, acting on its own behalf or on behalf of the Issuer, without further notice, shall declare an "Event of Default" to have occurred hereunder and shall take any one or more of the following steps:

- (i) by mandamus or other suit, action or proceeding at law or in equity, require the Borrower to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee hereunder, or cause the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement;
- (ii) inspect, examine and make copies of all of the books and records of the Borrower relating to the Project or the incomes of the tenants therein; or
- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower under this Agreement.

(b) Notwithstanding anything contained in this Agreement or the Indenture to the contrary, the occurrence of an Event of Default under this Agreement shall not be deemed, under any circumstances whatsoever, to be a default under the Indenture, the Loan Agreement or the Security Documents (except as specified in those documents), and will not impact, defeat or render invalid the lien of the Deed of Trust.

(c) The Trustee has the right, in accordance with this **Section 14** and the provisions of the Indenture, without the consent, approval or knowledge of the Issuer, to exercise any or all of the rights or remedies of the Issuer under this Agreement, provided that prior to taking any such act the Trustee shall give the Issuer written notice of its intended action.

(d) The Borrower agrees to pay on demand all reasonable fees, costs and expenses of the Issuer, the Trustee and the Sole Bondowner incurred in connection with any actions taken pursuant to this Agreement, including but not limited to legal fees and any amounts incurred in connection with the inspection of the books and records of the Borrower relating to the Project or the incomes of the tenants in the Project in order to determine whether the Borrower is in compliance with the terms of this Agreement, enforcing compliance by the Borrower with the provisions of this Agreement, and exercising any or all of the Issuer's rights and remedies under this Agreement.

(e) The Borrower, the Issuer and the Trustee each acknowledge that the primary purpose for requiring compliance by the Borrower with the restrictions provided in this Agreement is to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds to the holders of the Bonds. The Trustee, on behalf of the Issuer and the holders of the Bonds, who are hereby declared to be third party beneficiaries of this Agreement, shall be entitled for any breach of the provisions hereof, to all remedies both at law and in equity if there is an Event of Default hereunder, and the Trustee covenants to use its best efforts to enforce each of the covenants contained herein.

(f) The Issuer and the Trustee may conclusively rely on the information set forth in the Quarterly Tenant Reports and the execution of the Quarterly Tenant Reports by the Borrower, without independent investigation of the matters set forth therein.

Section 15. Amendments.

(a) Except as provided in **Section 8(a)**, this Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title and duly recorded in the real property records of the County, and only upon receipt by the Issuer, the Trustee, the Borrower of a written opinion of Bond Counsel (a copy of which shall be sent to the Sole Bondowner) to the effect that such amendment will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes and is not contrary to the provisions of the Act.

(b) The Issuer, the Trustee and the Borrower agree to amend this Agreement to the extent required, in the written opinion of Bond Counsel filed with the Issuer and the Trustee, with a copy to the Borrower and the Sole Bondowner, in order that interest on the Bonds remains excludable from gross income for federal income tax purposes.

(c) The party or parties requesting an amendment shall notify the other parties to this Agreement of the proposed amendment and send a copy of the requested amendment to Bond Counsel with a request that Bond Counsel render to the Issuer and the Trustee a written opinion as to the effect of the proposed amendment upon the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 16. Notices. All notices, requests, certificates or other communications under this Agreement shall be in writing (except as otherwise expressly provided herein) and shall be deemed to have been properly given when delivered by hand delivery, confirmed facsimile, electronic mail, registered or certified mail, return receipt requested, or reputable private carrier such as Federal Express, DHL or similar overnight delivery service, to the addresses set forth below. Notices shall be deemed given (a) the date of receipt of a hand delivery, (b) three days after mailing by registered or certified mail, (c) the date of transmission of a confirmed facsimile or electronic mail, and (d) the next Business Day after delivery to a private carrier for overnight delivery service. Unless otherwise specified by the respective parties, all notices, certificates and communications hereunder shall be addressed as follows:

To the Issuer: Land Clearance for Redevelopment Authority
of Kansas City, Missouri
300 Wyandotte Street, Suite 400
Kansas City, MO 64105
Attention: Executive Director

with a copy to: Hardwick Law Firm, LLC
2405 Grand, Suite 800
Kansas City, Missouri 64108
Attention: Jean Matzeder

with a copy to: Rouse Frets White Goss Gentile Rhodes, P.C.
Attention: Brian Engel
4510 Belleview, Suite 300
Kansas City, Missouri 64111

To the Trustee: UMB Bank, N.A.
928 Grand, 12th Floor
Kansas City, Missouri 64106
Attention: Corporate Trust Department

To the Borrower: PG/PGN, LP
Attention: Brian Collins
c/o Dromara Development, LLC
3619 E. 35th Street
Kansas City, Missouri 64128

with a copy to: Rosenblum Goldenhersh
Attention: Tom Duda
7733 Forsyth Boulevard, 4th Floor
St. Louis, Missouri 63105

To the Sole Bondowner: Legacy Bank & Trust Company
3250 E Sunshine Street
Springfield, MO 65804

Attention: Kylee Brown, SVP, and Cassie Galloway,
VP Affordable

The above parties, by notice given under this Agreement, may designate any different addresses to which subsequent notices, certificates, requests, demands or other communications shall be sent, but no notice directed to any one such entity shall be required to be sent to more than three addresses. All approvals required under this Agreement shall be given in writing.

Section 17. Indemnification. The Borrower will indemnify and hold harmless the Issuer, the Trustee and the Sole Bondowner and the respective officers, members, directors, officials, attorneys and employees and each of them (each an “Indemnified Party”) against all loss, costs, damages, expenses, suits, judgments, actions and liabilities of whatever nature (including, without limitation, reasonable attorneys’ fees, litigation and court costs, amounts paid in settlement, and amounts paid to discharge judgments) directly or indirectly resulting from, or arising out of or related to, the following attributable to it: (i) the operation, leasing, use, occupancy, maintenance or ownership of the Project (including compliance with laws, ordinances and rules and regulations of public authorities relating thereto), or (ii) any breach of representations or warranties with respect to the Borrower, the Project or the Bonds made or given to the Issuer, the Trustee or the Sole Bondowner, including, but not limited to, statements or representations of facts, financial information or company affairs. The Borrower also shall pay and discharge and shall indemnify and hold harmless the Issuer, the Trustee and the Sole Bondowner from (1) any lien or charge upon payments by the Borrower to the Issuer, the Trustee and the Sole Bondowner hereunder, and (2) any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges in respect of any portion of the Project. If any such claim for indemnification described in this Section is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, is sought to be imposed, the Issuer, the Trustee or the Sole Bondowner shall give prompt notice to the Borrower and the Borrower shall have the sole right and duty to assume, and will assume, the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, provided that the Issuer, the Trustee and the Sole Bondowner shall have the right to review and approve or disapprove any such compromise or settlement.

(b) Promptly after receipt by any party entitled to indemnification under this Section of notice of the commencement of any suit, action or proceeding, such Indemnified Party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any Indemnified Party otherwise than under this Section or from any liability under this Section. In case any such action is brought against any Indemnified Party, and it notifies the indemnifying party, the indemnifying party shall be entitled to participate in, and to the extent that it may elect by written notice delivered to the Indemnified Party promptly after receiving the aforesaid notice from such Indemnified Party (but shall not be required), to assume, the defense thereof, with counsel reasonably satisfactory to such Indemnified Party; provided, however, if the defendants in any such action include both the Indemnified Party and the indemnifying party and the Indemnified Party shall have reasonably concluded that there are legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the indemnifying party, the Indemnified Party or Parties shall have the right to select separate counsel to assert such

legal defenses and otherwise to participate in the defense of such action on behalf of such Indemnified Party or Parties. Upon receipt of notice from the indemnifying party to such Indemnified Party of the indemnifying party's election to assume the defense of such action and approval by the Indemnified Party of counsel, the indemnifying party shall not be liable to such Indemnified Party under this Section for any attorneys' fees or expenses subsequently incurred by such Indemnified Party in connection with defense thereof unless (i) the Indemnified Party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence, or (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel to represent the Indemnified Party at the expense of the indemnifying party, or (iv) counsel selected by the indemnifying party should fail to actively and competently pursue a defense. Notwithstanding the foregoing, the Sole Bondowner shall not be indemnified for income tax, franchise tax or similar tax liability.

Section 18. Performance of Duties. After the date on which no Bonds remain outstanding, as provided in the Indenture, the Trustee shall not be deemed a party to this Agreement and shall no longer have any duties or responsibilities under the Agreement and all references to the Trustee in the Agreement shall be deemed references to the Issuer.

(b) During the portion of the Qualified Project Period remaining after the discharge of the Indenture, the Borrower will pay to the Issuer:

(i) the fees and expenses (including attorneys' fees and expenses) incurred by the Issuer at any time related to the Project, including, without limitation, fees and expenses incurred in connection with the interpretation, performance, enforcement or amendment of this Agreement or in connection with any federal or state tax audit, or any questions or other matters arising under this Agreement, promptly upon receipt of an invoice; and

(ii) such payments as are required (A) as payment for or reimbursement of any and all reasonable fees, expenses and liabilities (including attorneys' fees and expenses) incurred by the Issuer in satisfaction of any obligations of the Borrower hereunder that the Borrower does not perform, or incurred in the defense of any action or proceeding with respect to this Agreement or the Bonds, or (B) as reimbursement for expenses paid, or as prepayment of expenses to be paid, by the Trustee and that are incurred as a result of a request by the Borrower or a requirement of this Agreement or the Indenture and that the Borrower is not otherwise required to pay under this Agreement.

(c) The obligations of the Borrower to make such payments shall be absolute and unconditional, and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment or counterclaim which the Borrower may have or assert against the Sole Bondowner or any other person.

(d) If the Borrower fails to make timely payment of any amount due under this **Section 18** within 30 days following the due date, in addition to all other remedies permitted under this Agreement, the Issuer may take whatever other action at law or in equity, including causing the

appointment of a receiver or receivers for the Borrower or its respective assets, taking all actions necessary and appropriate to exercise or to cause the exercise the rights and powers set forth in this Agreement as may appear necessary or desirable to collect the amounts payable pursuant to this Agreement then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement.

(e) The provisions governing the rights, immunities and protections of the Trustee under the Indenture and the Loan Agreements are herein granted to the Trustee and incorporated by reference into this Agreement as though fully set forth herein.

Section 19. Extent of Covenants of the Issuer; No Personal or Pecuniary Liability.

All covenants, obligations and agreements of the Issuer contained in this Agreement and the Indenture shall be effective to the extent authorized and permitted by applicable law. No such covenant, obligation or agreement shall be deemed to be a covenant, obligation or agreement of any present or future director, officer, agent or employee of the Issuer in other than his or her official capacity, and no official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof or by reason of the covenants, obligations or agreements of the Issuer contained in this Agreement. No provision, covenant or agreement contained in this Agreement, any other Bond Document to which the Issuer is a party or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, or any action taken by the Issuer or failure to take any action, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge. In acting under this Agreement, or any obligation herein or therein imposed upon the Issuer, or in refraining from acting under any of the aforesaid agreements or instruments, the Issuer may conclusively rely on the advice of its counsel.

(a) It is expressly understood and agreed by the Borrower and the Trustee that:

(i) the Issuer may rely exclusively on the truth and accuracy of any certificate, opinion, notice or other instrument furnished to the Issuer by the Trustee, the Borrower or the Sole Bondowner as to the existence of any fact or state of affairs required under this Agreement;

(ii) the Issuer shall not be under any obligation to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or caused to be performed by the Trustee, the Borrower or the Sole Bondowner; and

(iii) none of the provisions of this Agreement shall require the Issuer to expend or risk its own funds (other than the proceeds of the Bonds) or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under this Agreement unless the Issuer has first been adequately indemnified to its satisfaction against the costs, expenses and liability which may be incurred thereby.

Section 20. Severability. If any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.

Section 21. Counterparts. This Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument and each of which shall be deemed to be an original.

Section 22. Governing Law. This Agreement shall be governed by the laws of the State of Missouri, without regard to the conflict of laws principles thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives, all on the date first written hereinabove.

PG/PGN, LP, a Missouri limited partnership

By: PG/PGN OWNER, LLC, a Missouri limited liability company, general partner

By: PG/PGN Managing Member, LLC, a Missouri limited liability company, its managing member

By: PALESTINE VILLAGE COMMUNITY DEVELOPMENT CORPORATION, a Missouri nonprofit corporation, its manager

By: _____
Melvin A. Gross, President

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS
COUNTY OF JACKSON)

On this _____ day of _____, 2022, before me appeared Melvin Grose, to me personally known, who, being by me duly sworn, did say that he is the President of PG/PGN OWNER, LLC, a Missouri limited liability company and the general partner of PG/PGN LP, a Missouri limited partnership, and that said instrument on behalf of said partnership and company, and such person duly acknowledged the execution of the same to be the free act and deed of said partnership and company.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

LAND CLEARANCE FOR REDEVELOPMENT
AUTHORITY OF KANSAS CITY, MISSOURI

By: _____
Name: Dan Moye
Title: Executive Director

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF JACKSON) SS.

On this _____ day of _____, 2022, before me personally appeared Daniel Moye to me personally known, who, being by me duly sworn, did say that he is the Executive Director of the Land Clearance for Redevelopment Authority of Kansas City, Missouri, a public body corporate and politic, and that said instrument was signed by the Executive Director on behalf of said redevelopment authority by authority of its Board of Commissioners; and said officer acknowledged said instrument to be the free act and deed of said redevelopment authority.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

Notary Public in and for said State
Commission Expires:

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

By: _____
Name: _____
Title: Vice President

[illegible]

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notary seal the day and year last above written.

PLEASE AFFIX SEAL FIRMLY AND CLEARLY IN THIS BOX

EXHIBIT A
PROJECT SITE

Tract 1:

3220 Montgall Avenue (28-930-16-26-00-0-00-000):

Lot 1, PALESTINE GARDENS NORTH, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

Tract 2:

2627 E. 33rd Street (28-930-17-30-00-0-00-000):

Lot 1, PALESTINE GARDENS, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof.

EXHIBIT B

TENANT INCOME CERTIFICATION

<input type="checkbox"/> Initial Certification <input type="checkbox"/> Recertification <input type="checkbox"/> Other				Effective Date: _____ Move-in Date: _____ (MM/DD/YYYY)			
(a) PART I - DEVELOPMENT DATA							
Property Name: _____				County: _____		BIN #: _____	
Address: _____				Unit Number: _____		# Bedrooms: _____	
PART II. HOUSEHOLD COMPOSITION							
HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Race/Ethnicity	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD				
2							
3							
4							
5							
6							
7							
PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)							
HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income			
TOTALS	\$	\$	\$	\$			
				Add totals from (A) through (D), above		TOTAL INCOME (E):	
						\$	
PART IV. INCOME FROM ASSETS							
HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset			
TOTALS:			\$	\$			
Enter Column (H) Total			Passbook Rate				
If over \$5000			\$	X	2.00%		= (J) Imputed Income
Enter the greater of the total of column I, or J: imputed income			TOTAL INCOME FROM ASSETS (K)		\$		
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$			

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full-time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature

(Date)

Signature

(Date)

Signature

(Date)

Signature

(Date)

PART V. DETERMINATION OF INCOME ELIGIBILITY

TOTAL ANNUAL HOUSEHOLD INCOME FROM
ALL SOURCES:
From item (L) on page 1

\$

Current Income Limit per Family Size:

\$

Household Income at Move-in:

\$

Household Meets
Income Restriction
at:

☐ 60% ☐ 50%
☐ 40% ☐ 30%
☐ _____ %

RECERTIFICATION ONLY:
Current Income Limit x 140%:

\$

Household Income exceeds 140% at
recertification:
☐ Yes ☐ No

Household Size at Move-in:

PART VI. RENT

Tenant Paid Rent
Utility Allowance

\$

\$

Rent Assistance:

\$

Other non-optional charges:

\$

GROSS RENT FOR UNIT:
(Tenant paid rent plus Utility Allowance & other
non-optional charges)

\$

Maximum Rent Limit for this unit:

\$

Unit Meets Rent Restriction at:

☐ 60% ☐ 50% ☐ 40% ☐ 30% ☐ _____ %

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ yes

☐ no

If yes, Enter student explanation*
(also attach documentation)

Enter
1-4

*Student Explanation:

- 1 TANF assistance
- 2 Job Training Program
- 3 Single parent/dependent child
- 4 Married/joint return

PART VIII. PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit ☐

See Part V above.

b. HOME ☐

Income Status

- ☐ ≤ 50% AMGI
☐ ≤ 60% AMGI
☐ ≤ 80% AMGI
☐ OI**

c. Tax Exempt ☐

Income Status

- ☐ 50% AMGI
☐ 60% AMGI
☐ 80% AMGI
☐ OI**

d. AHDP ☐

Income Status

- ☐ 50% AMGI
☐ 80% AMGI
☐ OI**

e. _____ ☐
(Name of Program)

Income Status

- ☐ _____
☐ _____
☐ OI** _____

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

INSTRUCTIONS FOR COMPLETING TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Check the appropriate box for Initial Certification (move-in), Recertification (annual recertification), or Other. If Other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual recertification, this effective date should be no later than one year from the effective date of the previous (re)certification.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the address of the building.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of Household	S	-	Spouse
A	-	Adult co-tenant	O	-	Other family member
C	-	Child	F	-	Foster child(ren)/adult(s)
L	-	Live-in caretaker	N	-	None of the above

Enter the date of birth, racial/ethnicity (1 = White; 2 = Black; 3 = Native American; 4 = Asian/Pacific Islander; 5 = Hispanic; 6 = Not Available), student status, and social security number or alien registration number for each occupant.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third-party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List the respective household member number from Part II.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third-party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. List the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
TOTALS	Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than \$5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 2% and enter the amount in (J), Imputed Income.

Row (K)	Enter the greater of the total in Column (I) or (J)
Row (L)	Total Annual Household Income From all Sources Add (E) and (K) and enter the total

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older must sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Income Limit per Family Size	Enter the Current Move-in Income Limit for the household size.
Household income at move-in Household size at move-in	For recertifications, only. Enter the household income from the move-in certification. On the adjacent line, enter the number of household members from the move-in certification.
Household Meets Income Restriction	Check the appropriate box for the income restriction that the household meets according to what is required by the set-aside(s) for the project.
Current Income Limit x 140%	For recertifications only. Multiply the Current Maximum Move-in Income Limit by 140% and enter the total. Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the current income limit, then the available unit rule must be followed.

Part VI - Rent

Tenant Paid Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Rent Assistance	Enter the amount of rent assistance, if any.
Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other non-optional charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.
Maximum Rent Limit for this unit	Enter the maximum allowable gross rent for the unit.
Unit Meets Rent Restriction at	Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

Part VII - Student Status

If all household members are full time* students, check "yes". If at least one household member is not a full-time student, check "no".

If "yes" is checked, the appropriate exemption must be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

**Full time is determined by the school the student attends.*

Part VIII – Program Type

Mark the program(s) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification. If the property does not participate in the HOME, Tax-Exempt Bond, Affordable Housing Disposition, or other housing program, leave those sections blank.

Tax Credit	See Part V above.
HOME	If the property participates in the HOME program and the unit this household will occupy will count towards the HOME program set-asides, mark the appropriate box indicating the household's designation.
Tax Exempt	If the property participates in the Tax-Exempt Bond program, mark the appropriate box indicating the household's designation.
AHDP	If the property participates in the Affordable Housing Disposition Program (AHDP), and this household's unit will count towards the set-aside requirements, mark the appropriate box indicating the household's designation.
Other	If the property participates in any other affordable housing program, complete the information as appropriate.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

EXHIBIT C
QUARTERLY TENANT REPORT

Project Name	Palestine Gardens
Total Number of Units	One Hundred Eighteen (118)
Calendar Quarter of Report	_____

(a)	(b)	(c)
Total No. of Units Occupied or Treated as Occupied by <u>Qualified Tenants</u>	Total No. of Available <u>Units</u>	% of Total Units Occupied or Treated as Occupied by <u>Qualified Tenants</u> ⁽¹⁾
_____	_____	_____

⁽¹⁾ (c) is (a)/(b); must be at least 40.00%.

Attached as **Schedule 1** is a current listing of Qualified Tenants and all vacant units treated as occupied by Qualified Tenants. Also attached are copies of the initial Income Certifications for all Qualified Tenants that moved into the Project during the calendar quarter set forth above (____ Qualified Tenants).

The Borrower has in its permanent records a signed Income Certification in substantially the form set forth as **Exhibit B** to the Land Use Restriction Agreement dated as of _____, 2022 for each Qualified Tenant and with respect to each vacant unit treated as occupied by a Qualified Tenant, in each case dated as of the initial certification date (i.e., Move-In Date) or the Recertification Date set forth on **Schedule 1**.

As of the date of this Quarterly Tenant Report, no default has occurred in the observance of the covenants contained in the Land Use Restriction Agreement dated as of _____, 2022 with respect to the Project, and no event has occurred in connection with the operation of the Project which has caused or will cause the Project to cease to meet the requirements of the Land Use Restriction Agreement.

The information on this Quarterly Tenant Report, including the attached **Schedule 1**, has been verified as required by the Land Use Restriction Agreement. I certify the incomes reported on **Schedule 1** are true and complete to the best of my knowledge and belief and are given under the penalty of perjury.

DATED: _____

PG/PGN, LP, a Missouri limited partnership

By: PG/PGN OWNER, LLC, a Missouri limited liability company, general partner

By: PG/PGN Managing Member, LLC, a Missouri limited liability company, its managing member

By: PALESTINE VILLAGE COMMUNITY DEVELOPMENT CORPORATION, a Missouri nonprofit corporation, its manager

By: _____
Melvin A. Gross, President

SCHEDULE 1 TO QUARTERLY TENANT REPORT

Calendar Quarter: _____

UNITS OCCUPIED BY QUALIFIED TENANTS:[illegible]

VACANT UNITS TREATED AS OCCUPIED BY QUALIFIED TENANTS:

Unit No.	Head of Household	Move-Out Date	Last Recertification Date	Move-Out Date less than 365 days after Last Recertification Date? Y/N