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HUD RIDER/AMENDMENT TO RESTRICTIVE COVENANTS

This HUD RIDER/AMENDMENT TO RESTRICTIVE COVENANTS ("Amendment") is made as of October 1, 2016, by Huffman Hollow, Ltd., a Texas limited partnership ("Borrower"), and the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas ("Agency").

WHEREAS, Borrower has obtained financing from Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company (the "Lender"), for the benefit of the project known as Huffman Hollow Apartments (the "Project"), which loan is secured by a Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (HUD 94000-M) ("Security Instrument") dated as of October 1, 2016, and recorded in the real property records of Harris County, Texas (the "Records") and is insured by the United States Department of Housing and Urban Development ("HUD"); and

WHEREAS, Borrower has received an allocation of Low Income Housing Tax Credits from the Agency, which Agency has required certain restrictions be recorded against the Project; and

WHEREAS, Borrower entered into that certain Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits with respect to the Project, located on land more particularly described in Exhibit A attached hereto, dated as of November 21, 2001 and recorded on December 21, 2001, under Clerk's File No. V-494910, in Volume 547-14, Page 2366 of the Records, as amended by First Amendment to Declaration of Land Use Restrictive Covenants for Low-Income Housing Credits, dated to be effective on May 26, 2016 and recorded on July 12, 2016, under Clerk's File No. RP-2016-300925 of the Records (collectively, "Restrictive Covenants"); and

WHEREAS, HUD is requiring, as a condition to its insuring the Lender's financing of the Project, that the lien and covenants of the Restrictive Covenants be subordinated to the lien, covenants, and enforcement of the Security Instrument; and

WHEREAS, the Agency has agreed to subordinate the Restrictive Covenants to the lien of the Mortgage Loan in accordance with the terms of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

(a) In the event of any conflict between any provision contained elsewhere in the Restrictive Covenants and any provision contained in this Amendment, the provision contained in this Amendment shall govern and be controlling in all respects as set forth more fully herein.

(b) The following terms shall have the following definitions:

"Code" means the Internal Revenue Code of 1986, as amended.

"HUD" means the United States Department of Housing and Urban Development.

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

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Stewart Title Guaranty Company
1980 Post Oak Blvd., Ste. 600
Houston, Texas 77056

STEWART TITLE

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“Lender” means Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company, its successors and assigns.

“Mortgage Loan” means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

“Mortgage Loan Documents” means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

“National Housing Act” means the National Housing Act of 1934, as amended.

“Program Obligations” has the meaning set forth in the Security Instrument.

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

“Security Instrument” means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, except the requirements in 26 U.S.C. §42(h)(6)(E)(ii), to the extent applicable, the provisions hereof are expressly subordinate to (i) the Mortgage Loan Documents, including, without limitation, the Security Instrument and (ii) the Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to herein as the “HUD Requirements”). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the foregoing, nothing herein limits the Agency’s ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower’s knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure, the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained herein) shall terminate, with the exception of the requirements of 26 U.S.C. §42(h)(6)(E)(ii) above, to the extent applicable, or as otherwise approved by HUD..

(e) Borrower and the Agency acknowledge that Borrower’s failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Agency’s reporting requirement, in enforcing the Restrictive Covenants the Agency will not file any claim against the Project or any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the Project other than a claim against:

- i. Available Surplus Cash, if the Borrower is a for-profit entity;

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ii. Available distributions and Residual Receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or

iii. Available Residual Receipts authorized by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Agency shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Agency may require the Borrower to indemnify and hold the Agency harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against the Agency relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Agency harmless shall be limited to available Surplus Cash and/or Residual Receipts of the Borrower.

(i) Notwithstanding anything to the contrary contained herein, it is not the intent of any of the parties hereto to cause a recapture of the Low Income Housing Tax Credits or any portion thereof related to any potential conflicts between the HUD Requirements and the Restrictive Covenants. Borrower represents and warrants that to the best of Borrower's knowledge the HUD Requirements impose no requirements which may be inconsistent with full compliance with the Restrictive Covenants. The acknowledged purpose of the HUD Requirements is to articulate requirements imposed by HUD, consistent with its governing statutes, and the acknowledged purpose of the Restrictive Covenants is to articulate requirements imposed by Section 42 of the Code. In the event an apparent conflict between the HUD Requirements and the Restrictive Covenant arises, the parties and HUD will work in good faith to determine which federally imposed requirement is controlling. It is the primary responsibility of the Borrower, with advice of counsel, to determine that it will be able to comply with the HUD Requirements and its obligations under the Restrictive Covenants.

[Signatures and Acknowledgments on Following Pages]

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BORROWER:

HUFFMAN HOLLOW, LTD.

a Texas limited partnership

By: **Plummer Properties, Inc.,**
a Texas corporation,
its general partner

By: Charles E. Washburn
Charles E. Washburn
Vice President

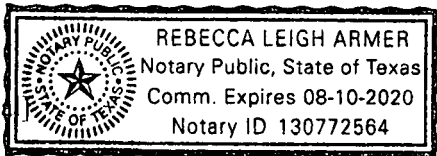
ACKNOWLEDGMENT

STATE OF TEXAS)
) ss:
COUNTY OF Montgomery)

On this 28 day of September, 2016, before me personally appeared Charles E. Washburn, to me personally known to be the Vice President of Plummer Properties, Inc., a Texas corporation, the general partner of Huffman Hollow, Ltd., a Texas limited partnership that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited partnership, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

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Given under my hand seal of office this 28 day of September, 2016.



Rebecca Leigh Armer
NOTARY PUBLIC, STATE OF TEXAS

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AGENCY:

**THE TEXAS DEPARTMENT OF HOUSING
& COMMUNITY AFFAIRS**, a public and
official agency of the State of Texas

By: Raquel Morales

Name: Raquel Morales

Title: Duly Authorized Officer or Representative

ACKNOWLEDGMENT

STATE OF TEXAS)
) ss:
COUNTY OF TRAVIS)

Before me, the undersigned authority on this day 22nd of September 2016, personally appeared Raquel Morales (name), Director of Asset Management Division (title), the duly authorized officer or representative of the Texas Department of Housing and Community Affairs, a public and official agency of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated, as his act and deed and as the act and deed of said agency.

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Leah Sargent Rosas
NOTARY PUBLIC, STATE OF TEXAS

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Exhibit A – Legal Description

Being 9.7902 acres of land, being all of Huffman Hollow Apartments, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Film Code No. 486098 of the Map Records of Harris County, Texas (and under Harris County Clerk's File No.: V232334), out of the John Merry Survey, A-49 in Harris County, Texas

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FILED FOR RECORD

10:34:22 AM

Thursday, October 27, 2016

Stan Stewart

COUNTY CLERK, HARRIS COUNTY, TEXAS

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

THE STATE OF TEXAS
COUNTY OF HARRIS

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stamped hereon by me; and was duly RECORDED; in the Official Public Records of Real Property of Harris County Texas

Thursday, October 27, 2016



Stan Stewart
COUNTY CLERK
HARRIS COUNTY, TEXAS

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