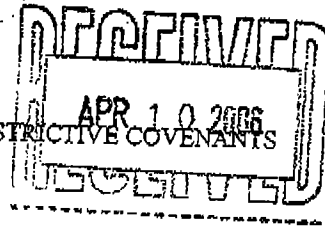


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STATE OF SOUTH CAROLINA)

COUNTY OF Spartanburg)

AGREEMENT AS TO RESTRICTIVE COVENANTS



This Agreement As To Restrictive Covenants, dated as of April 7, 2006, by and between [REDACTED], its heirs, successors, and assigns, forever, (the "Owner") and the South Carolina State Housing Finance and Development Authority, together with its successors (the "Authority").

WITNESSETH:

WHEREAS, the OWNER IS THE OWNER of certain real property located in Duncan, South Carolina, more particularly described in Exhibit A attached hereto, and, by reference incorporated herein (the "Property"); and

WHEREAS, the Authority has been designated by the Governor of the State of South Carolina as the housing credit agency for the State of South Carolina for the allocation of Low-Income Housing Tax Credit Dollars (the "Credit"); and

WHEREAS, the Owner has applied to the Authority for an allocation of Credit for a rental housing development which has been constructed or which will be constructed on the Property (the "Development") in an amount not to exceed \$221,612.65 Dollars; and

WHEREAS, the Owner has represented to the Authority, in the Owner's Low-Income Housing Tax Credit Application (the "Application"), that the Owner will lease at least Forty percent (40%) of the units in the Development to individuals or families whose income is Sixty percent (60%) of the median gross income (including adjustments for family size) for the area in which the property is located, as required by section 42 of the Internal Revenue Code of 1986, as amended, together with applicable final, or temporary or regulations and revenue rulings issued or amended with respect thereto ("Low-Income Tenants"); and

WHEREAS, the Authority has determined that an allocation of Credit to the Development in an amount not to exceed \$221,612.65 is appropriate under the provisions of section 42 of the Internal Revenue Code of 1986, as amended, together with applicable final or temporary regulations and revenue rulings issued or amended with respect thereto (the "Code"); and

WHEREAS, the Owner has represented to the Authority in the Owner's Application that it will impose additional rent restrictions or will covenant to maintain the rent and income restrictions required by section 42 of the Code for an additional period of time; and

WHEREAS, the Code has required as a condition precedent to an allocation of the Credit that the Owner and the Authority execute, deliver, and record in the office of the Clerk of Court or Register of Deeds, as appropriate, this Agreement As To Restrictive Covenants, (the "Covenants") in order to create certain covenants appurtenant to and running with the Property for the purpose of enforcing the requirements of section 42 of the Code and for the further purpose of monitoring the Owner's compliance with such provisions; and

WHEREAS, the Owner, in order to induce the Authority to make an allocation of the Credit to the Development, and in order to satisfy the requirements of section 42 of the Code, and in order to implement the Covenants made by the Owner in the application, that were relied upon by the Authority, intends, declares and covenants that the Restrictive Covenants set forth herein governing the use, occupancy and transfer of the Development shall be covenants appurtenant to and running with the Property for the term dated herein and are to be binding upon all subsequent owners of the Property for such term, and are not merely personal covenants of the Owner.

NOW, THEREFORE, for and in consideration of the promises and covenants hereinafter set forth, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner and the Authority hereby agree and covenant as follows:

1. All words and phrases defined in section 42 of the Code shall have the same meaning in these Covenants.
2. The Owner hereby declares that the Property and every part thereof is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to these Covenants.
3. The Owner acknowledges that these Covenants are for the benefit of the Development and are in the nature of a covenant appurtenant to and running with the Property and every part thereof, and are not merely personal covenants of the Owner, and that these Covenants are to be binding upon the Owner and all property owners, tenants, licensees, occupants and their successors in interest with respect to the Property throughout the term specified herein. For the longer of the period the Credit is claimed or the term of these Covenants, each and every contract, deed, or other instrument hereafter executed conveying the Development or any portion thereof shall expressly provide that such conveyance is subject to these Covenants; provided, however, the covenants contained herein shall survive and be effective regardless of whether or not such contract, deed, or other instrument hereafter executed conveying the Development or any portion thereof provides that such conveyance is subject to these Covenants;

The Owner agrees to obtain the consent to these Covenants of any holder of a prior lien upon the Property. The Owner agrees that the obtaining of such consent shall be a condition precedent to the issuance of Internal Revenue Service Form 8609, which form evidences final allocation of the Credit.

4. The Owner hereby represents and warrants to the Authority:

The Owner is qualified to transact business under the laws of the State of South Carolina, has the power and authority to own its properties and transact its business as now being conducted, and has the full legal right, power, and authority to execute and deliver these Covenants;

The execution and performance of these Covenants by the Owner (a) 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, (b) will not violate or, as applicable, have not violated any provision of any indenture, agreement, mortgage, mortgage note or other instrument to which the Owner is a party or by which the Development is bound and (c) will not result in the creation or imposition of any prohibited encumbrance of any nature;

The Owner will, at the time of execution and delivery of these Covenants, have good and marketable title to the premises constituting the Development free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Covenant, any loan documents relating to the Development or other permitted encumbrances);

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 Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by these Covenants) or would materially adversely affect its financial condition;

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;

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;

During the term of these Covenants, all units subject to the Credit shall be leased and rented to members of the general public who qualify as Low-Income Tenants (or otherwise qualify for occupancy of the low-income units) under the applicable election specified in section 42(g) of the Code. As provided by Section 42(h)(6)(B)(iv) of the code, owner shall be prohibited from refusing to lease any units to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such a holder;

The Owner agrees to comply fully with the requirements of all federal and state statutes relating to Fair Housing as they may from time to time be amended;

During the term of these Covenants, the Owner covenants, agrees and warrants that each Low-Income Unit will remain suitable for occupancy and will be used other than on a transient basis;

Subject to the requirements of section 42 of the Code and these Covenants, the Owner may sell, transfer or exchange the entire Development at any time, but the Owner shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Development or any interest therein that such acquisition is subject to the requirements of these Covenants and to the requirements of section 42 of the Code and 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 Authority may void any sale, transfer or exchange of the Development if the buyer or successor or other person fails to assume in writing the requirements of these Covenants and the requirements of section 42 of the Code;

The Owner agrees to notify the Authority in writing of any sale, transfer or exchange of the entire Development or any low-income portion of the Development;

The Owner 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 these Covenants unless required by law;

The Owner 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 Owner 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 these Covenants;

The Owner warrants that it has not and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that in any event, the requirement of these Covenants are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict herewith.

5. The Owner represents, warrants and covenants that throughout the term of these Covenants, the applicable fraction for the Development as defined in Section 42(c)(1)(B) of the Code for each taxable year of the Extended Use Period will be no less than one hundred percent (100%).

The Owner represents, warrants and covenants that throughout the term of these Covenants, and in order to satisfy the requirements of section 42 of the Code, at least Forty percent (40%) or more of

the residential units in the Development are both rent-restricted and occupied by Low-Income Tenants;

Except as may be otherwise provided under Section 42 of the Code or by the Internal Revenue Service, the determination of whether a tenant meets the low-income requirement shall be made by the Owner at least annually on the basis of the current income of such Low-Income Tenant.

6. In its Application, the owner elected the following special needs targeting for the development:

Older Persons (55 years and older)	0	Units
Special Needs (Handicapped/Disabled)	0	Units
Family units (with at least 25% having 3 or more bedrooms)	50	Units
At least 25% of Low Income Units at or below 50% AMI Income and Rent Levels	Yes	
Low Income Units at or below 50% AMI Rent Levels	13	Units
Conversion to tenant ownership after 15 year compliance period	No	
Extension of compliance period for additional 20 years or more	Yes	
Serving individuals on public housing waiting lists	Yes	

For and during the term of this Agreement, occupancy of the development shall be restricted to reflect the special needs targeting elected by the owner. This restriction is in addition to any other restrictions contained in this Agreement as to Restrictive Covenants. If for purposes of 42(g)(1) of the Code, a project has made the 40/60 election, but has voluntarily elected to further restrict the targeting of certain units within the development, the Owner may, if after five years (a) the development has had at least a two year history of vacancies averaging at least 20% which can be evidenced to the Authority through project audits, and/or (b) the Applicant can demonstrate to the Authority that other conditions exist which threaten the economic viability of the development, petition the Authority for permission to terminate such additional restriction and revert to the irrevocable 40/60 election. The Authority may grant or refuse any waiver requested in its sole discretion.

7. The order to make enforceable those extended use or deeper targeting covenants that the Owner represented to the Authority in its Application, and in reliance upon which covenants the Authority has made its determination as to the propriety of an allocation of Credit to the Development, the Owner represents, warrants, and covenants that throughout the term of these Covenants and for an additional term of five (5) years the Development shall be occupied by tenants whose income are recited herein; provided, however, the Owner did not represent within the Application that the development would convert to tenant ownership after the initial 15 year compliance period. For and during such additional term these Covenants shall remain in full force and effect. Forty percent (40%) of the units within the Development shall be occupied by tenants whose income does not exceed Sixty percent (60%) of median gross income (including adjustment for family size) for the area in which the Development is located.
8. These Covenants shall commence on the first day in the Compliance Period (as defined by section 42 of the Code) on which any building in the Development is placed in service and shall end on the date which is 15 years after the close of the Compliance Period. Notwithstanding the foregoing provision, the Owner shall comply with the provisions of section 42 of the Code relating to extended use for an additional 15 years provided, however, that the extended use period for any building in the development shall terminate on the date any such building is acquired by foreclosure (or by any instrument in lieu of foreclosure), or on the last day of the one year period beginning on the date (after the 14th year of the compliance period) the Owner submits a written request that the Authority find a person to acquire the Owner's interest in any such building who will agree to continue to operate such building as a qualified Low-Income building, and the Authority has been unable to locate such a purchaser. Provided, further, that the development convert to tenant ownership after the

initial 15 year compliance period if represented as such within its Application. Provided, further, that the rent restrictions contained in section 42 of the Code shall continue for a period of three years following the termination of the extended use period pursuant to the preceding sentence. During such three year period (and during the term of this Agreement), no Low-Income tenant residing in such building shall be evicted other than for good cause and the gross rent charged for any Low-Income unit shall not be increased above the maximum allowed under the Code for such Low-Income unit.

9. The Owner covenants that it will not knowingly take or permit any action that would result in a violation of the requirements of section 42 of the Code and applicable provisions of these Covenants. Moreover, Owner covenants to take any lawful action (including amendment of these Covenants as may be necessary, in the opinion of the Authority) to comply fully with the Code and with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated by the United States Treasury Department or the Internal Revenue Service, from time to time pertaining to Owner's obligations under section 42 of the Code and affecting the Development;

The Owner and the Authority each acknowledges that the primary purpose for requiring compliance by the Owner with the restrictions provided in these Covenants is to assure compliance of the Development and the Owner with the Code and with the Covenants made by the Owner that were relied upon by the Authority in determining the propriety of awarding Credits to the development. BY REASON THEREOF, THE OWNER IN CONSIDERATION FOR RECEIVING LOW-INCOME HOUSING CREDITS FOR THIS DEVELOPMENT HEREBY AGREES AND CONSENTS THAT THE AUTHORITY AND ANY INDIVIDUAL WHO MEETS THE INCOME LIMITATION APPLICABLE UNDER SECTION 42 (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 SPECIFIC PERFORMANCE BY THE OWNER OF ITS OBLIGATIONS UNDER THIS AGREEMENT IN A COURT OF COMPETENT JURISDICTION. The Owner hereby further specifically acknowledges that the beneficiaries of the Owner's obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder;

The Owner hereby agrees that the representations and covenants contained herein may be relied upon by the Authority and all persons interested in Development compliance under section 42 of the Code.

10. The Owner covenants that it will maintain records for the Development and file reports with the Authority with respect to occupancy and rent requirements and will permit the Authority to inspect such records at all reasonable times. Such records shall be maintained in the format prescribed by the Authority and shall contain information as to the occupants of units designated for Low-Income Tenants;

The Authority shall be permitted to inspect such records and the units designated to be occupied by Federal Low-Income Tenants at all reasonable times. Such inspection shall be for the purpose of verifying the accuracy of such records and the reports made to the Authority;

The Owner shall report requested information to the Authority periodically about the Development and its occupants necessary to enable the Authority to monitor compliance with these Covenants. The Owner agrees that the Authority may contact any tenant in the Development for the purpose of verifying the accuracy of such records.

11. The Owner shall provide the Authority an annual financial operating statement as to the Development containing a balance sheet and a statement of income and expenses.

12. In the event the Authority detects noncompliance with the rent and occupancy requirements contained in section 42 of the Code, the Authority shall notify the Internal Revenue Service, and shall be entitled to take such other action as it shall deem necessary or advisable to enforce the provisions of the Code or these Covenants.
13. In the event the Owner enters into any agreement for the management of the Development, such agreement shall contain provisions authorizing the termination thereof at the direction of the Authority upon failure of such Manager to comply with the provisions of these Covenants.
14. For and during the term of these Covenants, the Owner agrees to pay to the Authority an annual administrative fee to compensate the Authority for its monitoring of the Owner's compliance with section 42 of the Code and the covenants contained in the Owner's application.
15. In the event the Owner fails to promptly cure any violation hereof after notice by or on behalf of the Authority or (any Low-Income Tenant), such violation may be enjoined, abated, restrained, or otherwise remedied by appropriate legal or equitable proceedings. In the event of proceedings are brought to enforce or restrain violation of any of these Covenants, or to determine the rights of any person hereunder, the prevailing party in such proceeding may recover reasonable attorney's fees to be fixed by the court in addition to court costs and any other relief awarded by the court in such proceedings.
16. The invalidity of any clause or provision of these Covenants shall not affect the validity of the remaining portions thereof.
17. These Covenants are subordinate to the loan and loan documents, if any, on the Development, except insofar and to the extent that section 42 of the Code requires otherwise.
18. This instrument shall be construed in accordance with and governed by the laws of the State of South Carolina.
19. The obligations of the Owner set forth herein and in the Application shall survive the allocation of the Credit and shall not be deemed to terminate or merge with the awarding of the allocation of the Credit.

IN WITNESS WHEREOF, the parties have set their hands and seals as of the 7th
day of April, 2006.

WITNESS:

SOUTH CAROLINA STATE HOUSING FINANCE
AND DEVELOPMENT AUTHORITY

BY:

Valerie M. Williams
Valerie M. Williams

ITS: Director of Housing Development

DUNCAN VILLAGE, LLC

By: VOA Duncan Village, Inc., Managing Member

BY:

Raymond Scholten - Elkins

ITS: Vice President

STATE OF SOUTH CAROLINA)
)
)
COUNTY OF LEXINGTON)

PROBATE

PERSONALLY APPEARED before me [REDACTED] who being duly sworn, deposes and says that he saw the South Carolina State Housing Finance and Development Authority by Valarie M. Williams, its Director of Housing Development, sign, and as its act and deed deliver the foregoing Agreement As To Restrictive Covenants for the uses and purposes mentioned therein, and who together with [REDACTED] witnessed the execution thereof.

sworn to before me this 7th
day of April, 2006.

[Signature] (L.S.)
Notary Public for South Carolina
My Commission Expires 1/24/11

STATE OF SOUTH CAROLINA

PROBATE

COUNTY OF RICHLAND

PERSONALLY APPEARED before me W.D. Morris, who being duly sworn, deposes and says that he saw [REDACTED] sign, and as its act and deed deliver the foregoing Agreement As To Restrictive Covenants for the uses and purposes mentioned therein, and who together with [REDACTED] witnessed the execution thereof.

sworn to before me this 7th
day of April, 2006.

[Signature] (L.S.)
Notary Public for SOUTH CAROLINA
My Commission Expires 3/29/2012

MARY DUNCAN
My Commission Expires 3/29/2012

EXHIBIT "A"

All that certain piece, parcel or tract of land, with all improvements thereon, situate, lying and being in the City of Duncan, County of Spartanburg, State of South Carolina, and being more particularly shown and delineated as 9.63 Acres, on an ALTA/As-Built Survey prepared for Duncan Village, LLC by B. E. Huskey, R.L.S., No. 4785, dated December 9, 1982, revised March 27, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County in Plat Book 159 at Page 661, and shown thereon as having the following boundaries and measurements, to-wit: Commencing at a point formed by the intersection of S.C. Hwy. 290 and Fowler Street, proceeding thence S57°01'30"E along the western boundary of said S.C. Hwy. 290 for a distance of 257.8 feet to an iron pin shown on said survey as Point of Beginning; thence continuing in a southeasterly direction along the right-of-way of S.C. Hwy. 290 S57°01'30"E for a distance of 50.00 feet to an iron pin; thence turning and running S35°28'50"W along property designated on said survey as Joe C. Brady for a distance of 200.00 feet to an iron pin; thence turning and running S58°09'05"E along property designated on said survey as Joe C. Brady for a distance of 100.10 feet to an old iron pin; thence turning and running S33°29'28"W along property designated on said survey as Lots 48 through 67 of the W. A. Christopher Subdivision for a distance of 1039.54 feet to an old iron pin; thence turning and running N57°56'10"W along property designated on said survey as a portion of property of Ruby Diorio and Ronnie L. Strange, portion of Lot 27 J.W.P. Greer, Estate for a distance of 401.81 feet to an old iron pin; thence turning and running N27°58'05"E along property designated on said survey as Lots 27 and 28, Lots 25 and 26 and Lots 22, 23 and 24 J.W.P. Greer, Estate for a distance of 439.53 feet to an old iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 317.34 feet to an iron pin; thence turning and running N33°38'50"W along property designated on said survey as Joe C. Brady for a distance of 216.67 feet to an iron pin; thence turning and running N53°15'00"E along Fowler Street right-of-way as shown on said survey for a distance of 50.07 feet to an iron pin; thence turning and running S33°38'50"E along property designated on said survey as Joe C. Brady for a distance of 215.42 feet to an iron pin; thence turning and running N51°50'30"E along property designated on said survey as Joe C. Brady for a distance of 100.31 feet to an old iron pin; thence turning and running N56°20'15"E along property designated on said survey as Lots 7 through 9 W.A. Christopher Subdivision and a portion of Lots 13 and 14 W. A. Christopher Subdivision for a distance of 395.64 feet to the iron pin at the point of beginning.

This being the same property conveyed to [REDACTED], a South Carolina limited liability company by [REDACTED], a South Carolina limited partnership by deed dated February 24, 2006 and recorded in the Office of the Register of Deeds for Spartanburg County on February 28, 2006 in Book 85-E, page 272.

TMS No. 5-20-06-006.03