

**99096** INSTRUCTIONS TO TITLE COMPANY - After Recording, return original to:

**Capital Advance Program  
Use Agreement**

U.S. Department of Housing  
and Urban Development  
Office of Housing  
Federal Housing Commissioner

HUD Counsel  
Cascade Building  
520 SW Sixth  
Portland, OR 97204

For Section 202 of the Housing Act of 1959 or  
Section 811 of the National Affordable Housing Act

OHS Approval No. 2502-0470 (exp. 12/31/93)

Public Reporting Burden for this collection of information is estimated to average 1.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction Project (2502-0470), Washington, D.C. 20503. Do not send this completed form to either of these addresses.

This Agreement made the 27th day of April, 19 95, by and between the United States of America, Secretary of Housing and Urban Development (hereinafter called "HUD") and RWM Klamath Falls Housing Corporation, a private nonprofit corporation, organized and existing under and by virtue of the laws of the State of Oregon (hereinafter called the "Owner"), provides as follows:

Whereas, the Owner and HUD have entered into a Capital Advance Agreement to assist in financing a rental housing project to house elderly persons or persons with disabilities, (hereinafter called "persons"), in accordance with Section 202 of the Housing Act of 1959 or Section 811 of the National Affordable Housing Act, and the applicable regulations;

Whereas, HUD through the Capital Advance Agreement has provided funding for the Project identified as project number 126-EE013, financed with a Note and Mortgage (Deed of Trust), dated April 27, 1995 and covering real property as described in Exhibit "A" attached hereto, which Mortgage was recorded in the Recorder's Office of Klamath County on April 27, 1995 as Instrument 99094, Book M95, Page 10792;

Whereas, The Project is subject to a Regulatory Agreement, dated April 27, 1995 and recorded on April 27, 1995 in the Recorder's Office of Klamath County as document number 99095, Book M95, Page 10797;

Whereas, pursuant to section 202 of the Housing Act of 1959 (elderly projects) or section 811 of the National Affordable Housing Act (disabled projects) and the corresponding regulations, in exchange for HUD's agreement to provide capital advance financing and project rental assistance payments, the Owner has agreed to continue to operate the Project only as rental housing for very-low income elderly or disabled persons for not less than 40 years from Feb. 1, 1996, unless otherwise approved by HUD;

Now Therefore, in consideration of the mutual promises set forth herein and of other valuable consideration, the parties hereby agree as follows:

1. Definitions. All terms used in this Agreement have the same meaning as set forth in the definitions in 24 CFR Part 889 or 890.
2. Term. This Agreement shall remain in effect for not less than 40 years from Feb. 1, 1996 unless otherwise approved by HUD.
3. Use Restriction. The Project shall be used solely as rental housing for very-low income elderly or disabled persons.
4. Transfer. HUD has been granted and is possessed of an interest in the above described Project such that the Owner shall remain seized of the title to said property and refrain from transferring, conveying, assigning, leasing, mortgaging, pledging, or otherwise encumbering or permitting or suffering any transfer, conveyance, assignment, lease, mortgage, pledge or other encumbrance of said property or any part thereof without the release of said covenants by HUD. The Owner has constituted HUD as its attorney-in-fact to transfer the project to another private nonprofit corporation in the event of default under the Capital Advance Agreement or the Regulatory Agreement. The Owner may transfer the Project during the term of this Agreement only with the prior written approval of HUD, and any such grantee shall assume the obligations under this Agreement as a condition of any transfer. In any event, this Agreement shall be binding upon the Owner's successors and assigns.
5. Release. The endorsement by a duly authorized officer of HUD (1) upon any conveyance or transfer made by the Owner of any real or personal property which is determined to be excess to the needs of the Project, or (2) upon any instrument of conveyance or dedication of property, or any interest therein, for use as streets, alleys, or other public rights-of-way, or for the establishment, operation and maintenance of public utilities, or (3) upon any instrument transferring or conveying an interest therein, or (4) upon any instrument of release made by the Owner of the Project shall be effective to release such property from the restrictive

covenants hereby created.

6. **Enforcement.** In the event of a breach or threatened breach of any of the provisions of this Agreement, any eligible tenant or applicant for occupancy, or the Secretary or his or her successors or delegates, may institute proper legal action to enforce performance of such provisions, to enjoin any acts in violation of such provisions, to recover whatever damages can be proven, and/or to obtain whatever other relief may be appropriate.

7. **Severability.** The invalidity, in whole or in part, of any of the provisions set forth above shall not affect or invalidate any remaining provisions.

In Witness Whereof, HUD and the Owner by its officers thereunto duly authorized has caused these presents to be signed in its name and its corporate seal to be hereunto affixed and attested this 3rd day of March, 1995

(Seal)

Attest:

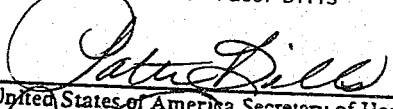
~~SECRET~~ Treasurer: Patti Bills

Name of Owner:

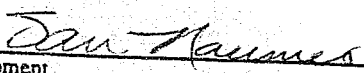
RVM Klamath Falls Housing Corporation, an Oregon nonprofit corporation

By: (President)

Samuel Naumes

By:   
United States of America Secretary of Housing and Urban Development

Title:

  
Director MF

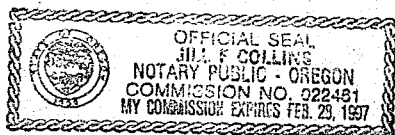
State of Oregon  
County of Jackson

On this 3 day of March, 1995 before the undersigned Notary

Public, duly sworn and acting as such, personally appeared Sam Naumes known  
by me to be the President of RVM Klamath Falls Housing Corp  
and who acknowledged before me that they executed the foregoing instrument, being duly authorized  
to do so, as the official act and deed of the said corporation, for the uses and purposes therein  
mentioned.

Witness my hand and official seal on the date first written above.

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L



Jill F. Collins  
Notary Public in and for the State of Oregon  
Residing at Portland OR  
My commission expires 2-28-97

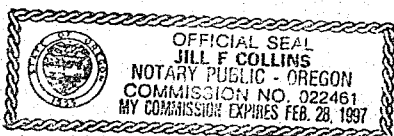
State of Oregon  
County of Jackson

On this 3 day of March, 1995 before the undersigned Notary

Public, duly sworn and acting as such, personally appeared Patti Bell known  
by me to be the Treasurer of RVM Klamath Falls Housing Corp  
and who acknowledged before me that they executed the foregoing instrument, being duly authorized  
to do so, as the official act and deed of the said corporation, for the uses and purposes therein  
mentioned.

Witness my hand and official seal on the date first written above.

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Jill F. Collins  
Notary Public in and for the State of Oregon  
Residing at Portland OR  
My commission expires 2-28-97

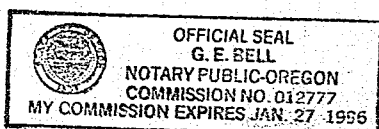
State of Oregon  
County of Multnomah

On this 25th day of April, 1995 before the undersigned Notary

Public, duly sworn and acting as such, personally appeared Thomas C. Cusack  
known by me to be the Director, MF Housing Division of the  
Portland Office of the Department of Housing and Urban Development, and who acknowledged before  
me that (s)he executed the foregoing instrument on behalf of, and as the official act and deed of, the  
Secretary of Housing and Urban Development, according to the authority granted by the National  
Housing Act, as amended, for the uses and purposes therein mentioned.

Witness my hand and official seal on the date first written above.

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G. E. Bell  
Notary Public in and for the State of Or  
Residing at Portland  
My commission expires Jan 27, 1996

**EXHIBIT 'A'**  
**LEGAL DESCRIPTION**

A parcel of land situated in vacated Blocks 8, 9 and vacated Locust Street in ELDORADO HEIGHTS in the NW1/4 of the SE1/4 of Section 20, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8" pin marking the North line of Eldorado Street and the East line of Daggett Street, formerly known as Sixth Avenue on plat of ELDORADO HEIGHTS, thence along the North line of said Eldorado Street South 89 degrees 37' 10" East 234.14 feet to a 1" pipe and the beginning of a 756.26 feet radius curve to the right, thence along the arc of said curve 156.33 feet (chord = South 83 degrees 36' 42" East 156.05 feet) to a 1" pipe marking the SW corner of said Block 8, thence continuing along said arc of said curve 36.74 feet (chord = South 76 degrees 27' 19" East 36.73 feet) to a 5/8" pin and the SW corner of Deed Volume M69, page 2228, Microfilm Records of Klamath County, Oregon, thence leaving said North line of Eldorado Street and thence along the West line of said Deed Volume M69, page 2228, Microfilm Records of Klamath County, Oregon, North 00 degrees 25' 50" East 112.59 feet to a 5/8" pin and the NW corner of said Deed Volume M69, page 2228, Microfilm Records of Klamath County, Oregon, said pin also being a point on an 866.26 feet radius curve, thence along the arc of said 866.26 feet radius curve to the left 25.27 feet (chord = North 77 degrees 43' 26" West 25.27 feet) to a 5/8" pin and the East line of said vacated Locust Street, thence North 73 degrees 54' 15" West 60.84 feet to a 3/4" pipe and the West line of said vacated Locust Street, thence North 89 degrees 32' 59" West 341.01 feet to a 5/8" pin and the East line of said Daggett Street, thence along the East line of said Daggett Street South 00 degrees 50' 40" West 110.00 feet to the point of beginning. The bearings of this description are based on the East line of Daggett Street assumed as North 00 degrees 50' 40" East.

STATE OF OREGON: COUNTY OF KLAMATH : ss.

Filed for record at request of Mountain Title Co the 27th day  
of April A.D., 19 95 at 1:12 o'clock P M., and duly recorded in Vol. M95,  
of Mortgages on Page 10806.

Bernetha G. Letsch, County Clerk

FEE \$25.00

By Queline Millenbore