



February 7, 2025

TO: Capitol Area Development Authority (CADA) Board of Directors
Capitol Area Community Development Corporation (CACDC) Board of Directors

SUBJECT: February 14, 2025 Board Meeting
AGENDA ITEM 6
VARIOUS ACTIONS TO CLOSE ON PROJECT FINANCING FOR THE
MONARCH AFFORDABLE HOUSING PROJECT AT 805 R STREET

CONTACT: Jack Barnes, Development Manager (CADA)
Todd Leon, Development Director (CADA)
Danielle Foster, Executive Director (CADA), President (CACDC)

RECOMMENDED ACTION

Staff recommends the CADA Board of Directors and the CACDC Board of Directors approve various agreements and authorize any and all actions necessary to close on project financing for the 805 R Street Project ("Project").

[CADA]

Adopt a resolution authorizing the Executive Director to:

1. Execute a gap financing residual receipts loan ("CADA Loan") to 805 R Mutual Housing Associates, L.P. ("Partnership") for an amount not to exceed \$11.3 million;
2. Execute a Guaranty in favor of Banner Bank on behalf of the 805 R Mutual Housing Associates, L.P. ("Partnership"); and
3. Take any and all actions on behalf of CADA to close on financing for the Project, including execution of all necessary documents and Project loans.

[CACDC]

Adopt a resolution authorizing the President to:

1. Execute the Amended and Restated Limited Partnership Agreement of 805 R Mutual Housing Associates, L.P. ("Amended LPA");
2. Execute any and all documents necessary to consummate Project loans; and
3. Take any and all actions on behalf of CADA to close on financing for the Project, including execution of all necessary documents.

BACKGROUND

On January 15, 2019, Governor Gavin Newsom signed Executive Order N-06-19 (EO) to help address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services (DGS) and the Department of Housing and Community Development (HCD), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit.

On May 10, 2021, the State issued a Request for Qualifications (RFQ) seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street in Sacramento, California.

In early December 2021, Mutual Housing California was selected by the State to submit a project proposal to develop 805 R Street. As one of three developer teams invited to submit a proposal, Mutual contacted CADA to inquire about joining their proposal team as a development partner. CADA agreed to partner with Mutual through its non-profit arm, the CACDC, in late December after receiving permission from the State to join the team. The Partnership agreed that the Project would be marketed to low-income artists to build upon the success of the Warehouse Artist Lofts two blocks down R Street, thereby contributing to the R Street Corridor's vibrant community.

On February 18, 2022, Mutual and CACDC submitted a proposal to the State to develop a 241-unit mixed-use, affordable housing project at 805 R Street. The State formally selected the CACDC and Mutual Housing team on May 12, 2022 to develop 805 R Street.

On August 23, 2022, the Partnership entered into a contract with Kuchman Architects for the Project's schematic design.

On October 18, 2022, the City of Sacramento City Council committed \$3 million of funding to the project.

On December 15, 2022, CADA committed \$8 million to the Project in the form of a project assistance loan (CADA Loan).

On February 28, 2023, the Project was awarded \$10 million from the California Department of Housing and Community Development's Local Government Matching Grant Program (HCD LGMG).

On March 15, 2024, the Partnership received a letter from the California Housing Finance Agency (CalHFA) stating that it qualified to receive a permanent financing loan and a \$4 million project assistance loan under CalHFA's Mixed-Income Program.

On April 6, 2024, the Partnership submitted a joint California Debt Limit Allocation Committee (CDLAC)-Tax Credit Allocation Committee (TCAC) application for debt and tax credit financing for the Project.

On August 6, 2024 CDLAC and TCAC approved an allocation of bonds and tax credits to the Project. CDLAC regulations require close of financing and commencement of construction within 180 days, resulting in a February 3, 2025 closing date.

On December 20, 2025, the Partnership received a 90-day Hardship Extension for CDLAC's 180 closing deadline, resulting in a new closing date of May 5, 2025.

On January 17, 2025, the CADA Board adopted a resolution authorizing CADA to receive grant funding of up to \$3.5 million from the City of Sacramento to be combined with the CADA Loan as gap funding for the Project.

On February 4, 2025, the City of Sacramento City Council increased its commitment to \$3.3 million to the project and approved providing the loan through CADA, thereby increasing CADA's loan to the project from \$8 million to \$11.3 million in total, with the City's funding.

ANALYSIS

1. 805 R Mutual Housing Associates, L.P. Amended LPA:

The Amended LPA defines how the Partnership will make business decisions, and is included as Attachment 1. Wincopin Circle LLLP will enter the partnership as a limited partner, joining general partners 805 R Mutual Housing Association LLC and 805 R CADA Association LLC. 805 R Mutual Housing Association LLC, managed by Mutual Housing California, will continue as the Managing General Partner and 805 R CADA Association LLC, managed by the CACDC, will continue as the Administrative General Partner.

Limited partnership structures protect limited partners from liability for the partnership's debts. They feature at least one general partner, who remains liable for the undertakings of the partnership and are rewarded financially for the liability and management burden. In the case of affordable housing projects, the general partners are liable for completion of projects in accordance with approvals, and operation of projects in accordance with restrictive covenants that govern affordability. Financial rewards to the general partners take form in developer fees and management fees.

Major sections in the Amended LPA include delineation of rights and responsibilities, allocation of profits or losses, exercise of management, accounting and general record keeping, conflict resolution, ownership structure alteration, and Partnership dissolution and termination of business. The purpose of the Partnership, per the Amended LPA, is to develop and operate "housing that it owns in a manner that furthers the charitable purpose of [Mutual Housing California] by providing decent, safe, sanitary and affordable housing for low-income persons and families." This compliments CADA's and mirrors CACDC's mission statement and core values.

Partners and Roles

The percentage interest and capital contributions for each partner are as follows:

| Partner | Percentage Interest | Capital Contributions |
|--|----------------------------|------------------------------|
| Managing General Partner: 805 R Mutual Housing Association LLC | 0.005% | \$50 |
| Administrative General Partner: 805 R CADA Association LLC | 0.005% | \$50 |
| Limited Partner: Wincopin Circle LLLP | 99.99% | \$50,163,000 |

Enterprise Community Partners, the Limited Partner's parent company, will contribute its \$50 million in six installments triggered by various conditions – 10% will be disbursed at LPA execution, 74% at construction completion, and 14% at project stabilization. Once the Project's placed-in-service package has been approved by the Tax Credit Allocation Committee (TCAC), Enterprise will sell the tax credits that the Project has been awarded.

Mutual Housing California will manage and control the affairs of the Partnership and is tasked with the day-to-day responsibility of managing and operating the Project on the Partnership's behalf. CACDC will assist with management of the commercial spaces. The Amended LPA does not delegate any specific responsibilities to CACDC's LLC. With respect to matters to be voted upon by all partners, 805 R CADA Association LLC will have voting rights equal to its percentage interest. Mutual Housing and CACDC will each receive 50% of the development fee.

2. Financing Sources and Uses

Project construction financing escrow is expected to close on April 3rd, well within its May 5th California Housing Finance Agency (CalHFA) deadline to issue its allocated bonds.

Tables 1 and 2 below outline the Permanent financing sources and uses. Please note that these amounts are subject to change as negotiations with the lenders and investors have not yet concluded, and that the attached resolution does not contain final numbers. Given the complexity of the financing and the number of participants, there are numerous agreements related to the financing and things can change between construction and permanent financing. A summary of the primary financing sources is included as Attachment 3.

| Table 1 – Permanent Financing Sources | |
|---|----------------------|
| CalHFA Perm Loan | \$21,083,00 |
| Banner Bank Taxable Loan GP State Tax Credit Loan | \$8,062,604 |
| CalHFA MIP Loan | \$4,000,000 |
| CADA Loan | \$11,300,000 |
| CADA Accrued and Deferred Interest | \$369,293 |
| Sponsor Loan – HCD LGMG | \$10,000,000 |
| GP SMUD/BUILD Loan | \$1,155,675 |
| Deferred Developer Fee | \$4,421,980 |
| | |
| GP Capital Contribution | \$100 |
| Limited Partner Capital Contribution | \$48,451,000 |
| Total | \$108,695,630 |

| Table 2 – Development Uses | |
|-----------------------------------|----------------------|
| Land Cost | \$0 |
| Design and Testing | \$1,939,410 |
| Hard Construction Cost | \$80,160,500 |
| Construction Contingency | \$4,008,025 |
| Interest and Fees | \$6,915,682 |
| Financing Fees | \$4,399,032 |
| Developer Fee | \$6,921,980 |
| Permits, Studies, Misc. Fees | \$4,351,000 |
| Total | \$108,695,630 |

Banner Bank will be providing two construction loans totaling approximately \$73.1 million on behalf of CalHFA, who is the bond issuer. These loans will convert to a single, tax-exempt permanent loan of \$22 million held by CalHFA once construction is finished and the Partnership has paid off its debts to Banner Bank.

CADA's \$11.3 million loan includes \$3.3 million in grant funds from the City of Sacramento, which will allow CADA to reuse these funds for the purpose of affordable housing development as the Partnership repays the loan over time.

3. Construction Schedule

Table 3 below provides an outline of the construction schedule. The general contractor is currently completing pre-development utility infrastructure work on the site. The Project is currently scheduled to be complete in the summer of 2027.

Table 3 – Construction Schedule

| | 2025 | | | | 2026 | | | | 2027 | |
|----------------------------------|------|----|----|----|------|----|----|----|------|----|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| Infrastructure and permitting | | | | | | | | | | |
| Grading and sitework | | | | | | | | | | |
| Building construction | | | | | | | | | | |
| Exterior landscape and hardscape | | | | | | | | | | |
| Punch list and completion | | | | | | | | | | |

FINANCIAL IMPACT

CACDC will split the \$6.9 million development fee 50%-50% with Mutual Housing. \$4.4 million of the total development fee (64%) will be deferred and used as permanent financing for the Project. CACDC will receive its non-deferred \$1.25 million portion in six installments concurrent with the Limited Partner's capital contribution schedule.

Project Guarantees

Affordable housing projects require the project sponsor to provide various financial guarantees as a part of loan and investor agreements. This has been the case for the two projects CACDC is party to except that in both prior cases, our partner, Cyrus Youssefi, provided those project guarantees. Mutual Housing has asked CACDC/CADA to share guarantees responsibilities for the Monarch. As mentioned to the Board when the MOU was approved with Mutual at the start of the project predevelopment, providing a project guarantee is a typical approach for housing agencies that sponsor affordable housing projects through affiliated nonprofits. According to SHRA staff, SHRA provides guarantees for all development activities of its affiliated non-profit "SHARP". As outlined in the CADA, CACDC and Mutual MOU, both CADA and Mutual have agreed to provide joint and several financial guarantees for Monarch as required by the lenders and limited partner investor. Additionally, CADA and Mutual will enter into a contribution agreement that provides that both parties will fund any call on the guarantee equally.

CADA STRATEGIC PLAN

The proposed action addresses the following 2024-2029 CADA Strategic Plan goals: "Ensure Fiscal Strength and Operational Excellence" and "Deliver Community Development Leadership."

Action #8 of CADA's Strategic Goal to "Ensure Fiscal Strength and Operational Excellence" is to "seek financial partnerships with creative funding sources that further CADA's mission." This Project makes use of a significant variety of public and private funding sources that will be used to construct and maintain a product that epitomizes CADA's values and ideals for the Capitol Area – sustainable, mixed-use, transit- and community-oriented.

By authorizing CADA and CACDC to take any and all actions to close on financing for the Project, both of the Boards would also promote actions #1 and #8 of its Strategic Goal to "Deliver Community Development Leadership" to "seek opportunities for furthering ownership housing and housing serving a range of income levels to create diverse and inclusive neighborhoods" and to "identify opportunities to bring more housing online that addresses local needs and engage in a minimum of two active development projects per year," respectively. This is a critical juncture that will bring the Project meaningfully closer to reality for the 239 low-income households it will house.

Attachments:

1. First Amended and Restated Agreement of Limited Partnership of 805 R Mutual Housing Associates, L.P. (1/29/2025 Draft)
2. CADA Authorizing Resolution Re: Financing of Monarch Apartments (Reso 25-07)
3. CACDC Authorizing Resolution Re: Financing of Monarch Apartments (Reso 25-01)
4. CADA Authorizing Resolution Re: Financing of Monarch Apartments and Guaranty to Bank (Reso 25-08)
5. CACDC Authorizing Resolution and Granting of Authority Re: Financing of Monarch Apartments (Reso 25-02)
6. CACDC Authorizing Resolution and Granting of Authority Re: Syndication of 805 R Mutual Housing Associates, L.P. (Reso 25-03)
7. CADA Secretary's Certificate/Incumbency Certificate
8. CACDC Secretary's Certificate/Incumbency Certificate
9. LP Post-close Org Chart
10. Primary Financing Documents List

DRAFT 12/23/2024

**FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
805 R MUTUAL HOUSING ASSOCIATES, L.P.**

Dated January [], 2025

This First Amended and Restated Agreement of Limited Partnership of 805 R Mutual Housing Associates, L.P., a California limited partnership, dated and effective as of January [], 2025, is made by and among:

805 R Mutual Housing Association LLC,
a California limited liability company,
as the Managing General Partner;

805 R CADA Association LLC,
a California limited liability company,
as the Administrative General Partner;

Mutual Housing Corporation,
a California nonprofit public benefit corporation
as the Withdrawing Limited Partner;

and

Wincopin Circle LLLP
a Maryland limited liability limited partnership,
as the Limited Partner.

RECITALS

805 R Mutual Housing Associates, L.P. (the “**Partnership**”) was formed as a limited partnership under the California Uniform Limited Partnership Act of 2008 (the “**Act**”) pursuant to a Certificate of Limited Partnership filed with the Secretary of State of the State of California (the “**Filing Office**”) on January 31, 2023 (the “**Certificate**”). The Partnership has been operating pursuant to an Agreement of Limited Partnership dated December 15, 2022 (the “**Original Partnership Agreement**”) having 805 R Mutual Housing Association LLC, a California limited liability company, as the managing general partner (the “**Managing General Partner**”), 805 R CADA Association LLC, a California limited liability company, as co-general partner (the “**Administrative General Partner**”), and Mutual Housing Corporation, a California nonprofit public benefit corporation, as the limited partner (the “**Withdrawing Limited Partner**”).

The parties hereto desire to amend and restate the Original Partnership Agreement in its entirety in order to (i) cause the withdrawal of the Withdrawing Limited Partner from the Partnership, (ii) cause the admission of Wincopin Circle LLLP, a Maryland limited liability limited partnership (together with its successors and assigns, the “**Limited Partner**”) as the limited partner of the Partnership, (iii) appoint the Managing General Partner as the managing general partner of the Partnership, (iv) appoint the Administrative General Partner as the administrative general partner of the Partnership, and (v) to set forth more fully the rights, obligations, and duties of the Managing General Partner, the Administrative General Partner, and the Limited Partner.

Accordingly, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

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ARTICLE I

Continuation and Business Purpose

1.01 Restatement and Continuation of Partnership

The Withdrawing Limited Partner hereby withdraws as a limited partner of the Partnership and acknowledges that it (i) has received a full refund of its Capital Contribution, and (ii) releases any and all claims against the Partnership and/or its Partners. The Limited Partner is hereby admitted as a limited partner of the Partnership. The Managing General Partner is hereby appointed the managing general partner of the Partnership, and the Administrative General Partner is hereby appointed the administrative general partner of the Partnership. The Managing General Partner, the Administrative General Partner, and the Limited Partner, constituting all of the Partners of the Partnership, hereby amend and restate the Original Partnership Agreement in its entirety and continue the Partnership under the Act. The federal employer identification numbers of the Partnership and the Limited Partner are shown on Exhibit A-8.

1.02 Partnership Name

The name of the Partnership is "805 R Mutual Housing Associates, L.P."

1.03 Principal Place of Business

The principal place of business of the Partnership and the designated office to be maintained in California pursuant to the Act is located at 3321 Power Inn Road, Suite 320, Sacramento, California 95826.

1.04 Registered or Resident Agent

The name and address of the registered or resident agent of the Partnership for service of process is [REDACTED], Anne-Marie FlynnRoberto Jimenez, 3321 Power Inn Road, Suite 320, Sacramento, California 95826.

1.05 Title to Partnership Property

Legal title to the Partnership Property shall be in the name of the Partnership, and no Partner, individually, shall have any ownership of such Partnership Property.

1.06 Purposes of the Partnership

The purposes, nature, and general character of the business of the Partnership shall consist of:

(a) Acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of the Partnership Property or any substantial part thereof;

(b) During the Compliance Period, operating the Credit Units in compliance with the provisions of Section 42 of the Code; and

(c) Carrying on any and all activities related to the foregoing in accordance with this Agreement.

The purposes of this Partnership and the nature and character of its business shall not be extended, by implication or otherwise, except by written consent of the Partners.

The Limited Partner acknowledges that the sole member of the Managing General Partner is the MHC, which is an exempt organization under Section 501(c)(3) of the Internal Revenue Code, engaged in providing low-income housing. The Limited Partner acknowledges that the Partnership will operate housing that it owns in a manner that furthers the charitable purpose of the MHC by providing decent, safe, sanitary and affordable housing for low income persons and families. In the event of a conflict between (i) the obligations of the Managing General Partner under this Agreement to operate the Partnership in a manner consistent with the charitable purpose set forth above, and (ii) any duty to maximize profits for the Limited Partner, the conflict shall be resolved in a manner consistent with the MHC's charitable purpose as set forth above, provided that in resolving any such conflict, the Managing General Partner will comply with all Section 42 requirements, will maintain the Project in a safe and sanitary condition, will use Project funds to meet project obligations and in accordance with the Regulatory Agreement, and will otherwise comply with the terms of this Agreement which do not so conflict.

1.07 Partnership Term

The term of the Partnership commenced on December 15, 2022 and shall continue until dissolved in accordance with Article XII. Upon dissolution of the Partnership, the Managing General Partner shall take all actions necessary to wind-up the affairs of the Partnership in accordance with the requirements of the Act.

1.08 Filing of Articles

Immediately after the execution of this Agreement by the Partners, the Managing General Partner shall, if required pursuant to the Act, cause the Certificate to be amended and filed in accordance with the Act. The Managing General Partner shall immediately cause a copy of such amended Certificate, with evidence that the amended Certificate was filed in accordance with the Act, to be furnished to the Limited Partner.

1.09 Property Tax Exemption; Use of Property Tax Savings

(a) The parties acknowledge that the savings contemplated by the exemption provided by Section 214(g) of the State Tax Code (the "**Property Tax Savings**") are necessary in order for the Partnership to meet its debt underwriting and financing assumptions, and therefore to keep the Property affordable to low-income tenants. The parties further acknowledge that the Partners would not undertake to develop the Property and provide affordable housing created by the Property unless the Property Tax Savings were available to help underwrite the Loans. The General Partner shall use best efforts to obtain and maintain the Property Tax Exemption during the life of the Partnership.

(b) The General Partner expressly acknowledges and agrees that because of the importance to the Partnership of the Property Tax Exemption, it must at all times during the Compliance Period constitute (i) a qualified non-profit organization (or the wholly owned subsidiary thereof) meeting the requirements of Section 214(g) of the State Tax Code, or (ii) an eligible limited liability company under BOE Rule 136. Accordingly, notwithstanding anything stated to the contrary herein, the General Partner agrees that it shall have no right to voluntarily withdraw from the Partnership except in accordance with the provisions of Article IX.

ARTICLE II

Certain Definitions

2.01 General Terms

The following defined terms used in this Agreement shall have the meanings specified below:

Accountants: [Lindquist, von Husen & Joyce LLP] or such other firm of independent certified public accountants that is acceptable to the Limited Partner.

Act: The California Uniform Limited Partnership Act of 2008, or any corresponding provision or provisions of succeeding law, as it or they may be amended from time to time.

Additional Advance: An advance to the Partnership pursuant to Section 3.05 by the Managing General Partner which shall not affect its Interest or Percentage Interest but shall be treated as a Capital Contribution of the Managing General Partner.

Additional Capital Contribution: An Installment, or any portion thereof, of the Limited Partner's Capital Contribution to the Partnership, the due date of which is subsequent to the Admission Date.

Additional Capital Contribution Due Date: The later of:

(i) The scheduled due date of such Additional Capital Contribution in accordance with the schedule of payments listed on **Exhibit A-1**; or

(ii) Twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of the Additional Capital Contribution Notice.

Additional Capital Contribution Notice: The Notice to be delivered to the Limited Partner by the Managing General Partner stating the date on which any Additional Capital Contribution is due, the amount of the Additional Capital Contribution and, in reasonable detail, the manner of calculation thereof and including the Notice Certifications, together with all other items required to be delivered for such Additional Capital Contribution in accordance with **Exhibit A-1**.

Adjusted Capital Account Deficit: With respect to the Limited Partner, the deficit balance, if any, in the Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) Credit to such Capital Account any amounts that such Partner is obligated to restore pursuant to any provision of this Agreement, is otherwise treated as being obligated to restore under Treasury Regulation Section 1.704-1(b)(2)(ii)(c), or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1) and 1.704-2(i)(5); and

(ii) Debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

Administrative General Partner: 805 R CADA Association LLC, a California limited liability company, and any additional or substitute administrative general partner of the Partnership named in any duly adopted amendment to this Agreement with the Consent of the Limited Partner.

Admission Date: The date on which all parties have unconditionally released their signature pages for attachment to this Agreement. The Admission Date occurred on January 1, 2025.

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Affiliate: As to any Partner: (i) any such Partner or member of his Immediate Family; (ii) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, any such Partner or member of his Immediate Family; (iii) any entity of which a majority of the voting interests is owned by any one or more of the Persons referred to in the preceding clauses (i) and (ii); (iv) any officer, director, trustee, employee, stockholder (ten percent (10%) or more), or partner or member of any Person referred to in the preceding clauses (i), (ii) and (iii); and (v) any Person directly or indirectly controlling (ten percent (10%) or more), or under direct or indirect common control with, any Person referred to in the preceding clauses (i), (ii), (iii), or (iv).

After-Tax Basis: With respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including taxes, for which the payment to be received is made) imposed currently on such Person by any Governmental Agency or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received; provided, however, for the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest marginal rate.

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Agreement: This First Amended and Restated Agreement of Limited Partnership of 805 R Mutual Housing Associates, L.P., including all of the exhibits attached hereto and made a part hereof, as amended and in effect from time to time.

AHAP: The Agreement To Enter Into Housing Assistance Payments Contract by and between HUD, SHRA, and the Partnership that provisionally provides project-based voucher assistance to 20 Units in the Project under Section 8 of the Housing Act (subject only to successful completion of construction of the Project and compliance with HUD's housing quality standards to the extent required under the Housing Act and the other conditions set forth therein) for an initial term of 20 years with contract rents of not less than the amounts shown in the Projections.

AIA: American Institute of Architects.

AIT Contract Addendum: The Addendum to the Compliance Consultant Agreement provided by the Limited Partner.

Commented [PE2]: Does Enterprise have any recommendations for consultants?

AIT Regulations: The provisions of Section 42 of the Code applicable to any taxpayer electing to meet the test set forth in Section 42(g)(1)(C) of the Code, and any Treasury Regulations, IRS rulings, and other guidance published by the IRS and/or the Authority related thereto, including those that are temporary in nature.

AIT Unit Tracking Schedule: A schedule that, for the purpose of determining compliance with the Average Income Test, tracks each Unit's address, bedroom count, square footage, imputed income limit designation, and occupancy status as of the date of the schedule, or such other report that must be submitted to the Authority, if such report identifies a qualified group of Units for use in satisfying the Average Income Test and provides the occupancy status and imputed income limit designated for each such Unit as of the date of the report.

Annual LIH Credit Allocation: Has the meaning attributed thereto in Section 5.10(aa).

AML Laws: All applicable federal anti-money laundering laws, rules, and regulations including, without limitation, 18 U.S.C. §§ 1956 and 1957, as amended.

Architect: Kuchman Architects PC of Sacramento, California.

Average Income Test: The Minimum Set-Aside Test as set forth in Section 42(g)(1)(C) of the Code (and any guidance provided by the IRS or the Authority with respect to such provision) whereby (i) at least forty percent (40%) of the Units in the Project are both rent restricted Units and occupied by tenants whose incomes do not exceed the imputed income limitations designated as applicable to the respective units (as adjusted for family size), (ii) the average of the imputed income limitations designated for all Units in the Project is not more than sixty percent (60%) of area median income, and (iii) the imputed income limitation designated for any unit in the Project is an increment of 10% and ranging between 20% and 80% of area median income.

Bank: Banner Bank, a Washington state chartered bank.

Bond Issuer: CalHFA.

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Bond Loan: The first-priority construction to permanent loan in the principal amount of \$[55,161,072] made or to be made by the Bond Issuer to the Partnership from the proceeds of the issuance and sale of the Bonds to the Bank. The construction phase of the Bond Loan has an initial term of [36 months (subject to one (1) six-month extension)] and bears interest at a rate equal to []%, which interest is exclusive of issuer fees, trustee fees, and processing fees. Interest-only payments will be made monthly in arrears during the construction term of the Bond Loan. Upon satisfaction of certain conditions set forth in the Bond Loan Documents, the Bond Loan will convert to a permanent loan in an amount not to exceed \$[]. The permanent phase of the Bond Loan will have a term of [] years and bear interest at the rate of []% per annum (exclusive of issuer fees, trustee fees and processing fees). Equal monthly payments of principal and interest will be due and payable on the Bond Loan in an amount sufficient to fully amortize the Bond Loan over a [] year amortization schedule. Upon mandatory tender of the Bond Loan, all outstanding principal and accrued but unpaid interest (if any) on the Bond Loan is unconditionally due and payable in full by the Partnership.

Bond Loan Documents: All documents evidencing and/or securing the Bond Loan or otherwise entered into in connection therewith.

Bond Regulatory Agreement: The Bond Regulatory Agreement by and between the Bond Issuer and the Partnership dated on or about the date hereof governing the long-term use restrictions applicable to the Project in connection with the Bonds.

Bonds: The [Multifamily Housing Revenue Note (Monarch Apartments), Series 2025] in the amount of \$[55,161,072]. The interest on the Bonds is exempt from federal income tax under Sections 103 and 142 of the Code and is within the State's volume cap as provided in Section 146 of the Code.

Beneficial Owner: (a) With respect to the CTA, as defined in the CTA and (b) with respect to any Other Transparency Law, any similar term as defined in such Other Transparency Law.

BOE: The California State Board of Equalization, and its successors.

Break-even: As to any specified period of time (the "**Period**"), the operation of the Project such that the Operating Revenue for the Period exceeds the greater of (i) the Project Expenses for the Period or (ii) the Project Expenses shown on the Projections (or the current approved Budget for the Project) (prorated for the Period).

Budget: A budget prepared in accordance with Section 5.19 for the ownership and operation of the Project, reflecting the reasonably projected income and expenses for the following calendar year, which has been reviewed and accepted by the Limited Partner.

Building: The one (1) residential building to be constructed on the Land that will contain upon completion of construction, a total of 241 Units (including the two (2) Manager's Units), and other amenities ancillary to the Units, including the Commercial Space.

CACDC: Capitol Area Community Development Corporation, a California nonprofit public benefit corporation.

Commented [NK3]: Is this accurate? Isn't CalHFA taking out the construction loan with the permanent "CalHFA Loan"? I don't know what the conversion is since there will be a new separate perm loan.

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Commented [NK5]: Add CADA definition...a CA joint powers agency

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CACDC CADA Gap Loan: The loan constituting a lien against the Project in the principal amount of \$[~~8,000~~1,300,000] made or to be made by CACDC to the Partnership. The ~~CACDC~~ CADA Gap Loan bears interest at [1.79]% and has a term of [55] years (maturing on [_____, 20__]). Annual payments of principal and interest on the ~~CACDC CADA~~ Gap Loan shall be made from available Cash Flow in the order and priority set forth in Exhibit A-4 hereof. Upon maturity of the CACDC Gap Loan, all outstanding principal and accrued but unpaid interest on the CACDC Gap Loan will be unconditionally due and payable in full by the Partnership.

Commented [NK6]: 3% simple

CACDC CADA Gap Loan Documents: All documents evidencing and/or securing the CACDC Gap Loan or otherwise entered into in connection therewith.

CalHFA: Means the California Housing Finance Agency, a public instrumentality and political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act, consisting of Parts 1 through 4 of Division 31 of the California Health and Safety Code, and its successors.

CalHFA Loan: The permanent loan constituting a lien against the Project in the principal amount of \$[21,235,000] made or to be made by CalHFA to the Partnership. The CalHFA Loan will have a term of [30] years, and will bear interest at a fixed rate equal to [_._]%. The CalHFA Loan will be insured under the HUD/HFA Risk-Sharing Program. Monthly payments of principal and interest will be made during the term of the CalHFA Loan in an amount sufficient to fully amortize the CalHFA Loan over a period of [40] years. Upon maturity of the CalHFA Loan, all outstanding principal and accrued but unpaid interest is unconditionally due and payable in full by the Partnership.

CalHFA Loan Documents: The loan agreement, CalHFA Loan Mortgage, CalHFA Loan Note, the CalHFA Loan Takeout Agreement, and all other documents evidencing and securing the CalHFA Loan or otherwise entered into connection therewith.

CalHFA Loan Mortgage: The mortgage securing the obligations of the Partnership under the CalHFA Loan Documents.

CalHFA Loan Note: The promissory note in the original principal amount of \$[21,235,000] executed by the Partnership in favor of CalHFA as evidence of its obligation to repay the CalHFA Loan.

CalHFA Loan Takeout Agreement: That certain Take-Out Agreement dated as of [_____, 2025], by and among the Bank, CalHFA, and the Partnership in connection with closing of the CalHFA Loan and the CalHFA MIP Loan.

CalHFA MIP Loan: The permanent loan constituting a lien against the Project in the principal amount of \$[4,000,000] made or to be made by CalHFA to the Partnership. The CalHFA MIP Loan will have a term of [30] years and will bear interest at [1.79]% per annum. Annual payments of principal and interest on the CalHFA MIP Loan shall be made from available Cash Flow in the order and priority set forth in Exhibit A-4 hereof. Upon maturity of the CalHFA MIP Loan, all outstanding principal and accrued but unpaid interest (if any) is unconditionally due and payable in full by the Partnership.

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CalHFA MIP Loan Documents: The loan agreement, CalHFA MIP Loan Mortgage, CalHFA MIP Loan Note, the CalHFA Loan Takeout Agreement, and all other documents evidencing and securing the CalHFA MIP Loan or otherwise entered into connection therewith.

CalHFA MIP Loan Mortgage: means the mortgage securing the obligations of the Partnership under the CalHFA MIP Loan Documents.

CalHFA MIP Loan Note: means the promissory note in the original principal amount of \$[4,000,000] executed by the Partnership in favor of CalHFA as evidence of its obligation to repay the CalHFA MIP Loan.

Capital Account: The capital account maintained by the Partnership for each Partner, determined in accordance with Section 7.01.

Capital Contribution: The total amount of cash or any cash equivalents contributed or agreed to be contributed to the Partnership by each Partner, including all adjustments thereto, as provided in this Agreement and **Exhibit A**. Any reference in this Agreement to the Capital Contribution of a substituted Partner shall include all Capital Contributions previously made by any predecessor or former Partner in respect of the Interest acquired by the substituted Partner, subject to all adjustments thereto pursuant to this Agreement.

Capital Proceeds: Sale Proceeds and Refinancing Proceeds.

Cash Flow: The amount, determined for any Fiscal Year or portion thereof, equal to the excess, if any, of

(i) Operating Revenue plus any amounts no longer deemed necessary for the efficient operations of the Partnership by the Managing General Partner, in the reasonable exercise of its discretion (with the Consent of the Limited Partner), which are released from Partnership reserves which are deposited into the Partnership's general accounts, over

(ii) Project Expenses.

Cash Flow shall not be reduced by payments of any items described in the preceding clause (ii) made from the proceeds of any loans, from condemnation or insurance proceeds or directly from any reserve, or by depreciation and amortization taken into account for federal income tax purposes.

Certificate: The certificate of limited partnership for the Partnership that is prepared and filed in accordance with the Act, as such Certificate may be amended from time to time.

[Certified State Credit Equity Loan: The loan in the principal amount of \$[8,194,778] made or to be made by MHC to the Partnership from the proceeds of the State Credits made available from [_____]. The Certified State Credit Equity Loan bears simple interest at a rate of [4.00]% and has a term of [55] years (maturing on [_____, 20__]). Annual payments of principal and interest on the Certified State Credit Equity Loan shall be made from available Cash Flow in the order and priority set forth in **Exhibit A-4** hereof. Upon maturity of the Certified State Credit Equity Loan, all outstanding principal and accrued but unpaid interest on the Certified

State Credit Equity Loan will be unconditionally due and payable in full by the Partnership].

[**Certified State Credit Equity Loan Documents:** All documents evidencing and/or securing the Certified State Credit Equity Loan or otherwise entered into in connection therewith.]

City: City of Sacramento, California.

~~**City Loan:** The permanent loan constituting a lien against the Project in the principal amount of \$[3,000,000] made or to be made by City to the Partnership. The City Loan bears simple interest at the rate of []% per annum, and has a term of [] years (maturing on [], 20). Payments on the City Loan will be made annually from [“Residual Receipts” (as such term is defined in the City Loan Documents) which means, generally, all revenues after payment of operating expenses, mandatory debt service on senior loans, City monitoring fee in the amount of \$25,000 annually, limited partner asset management fee in the initial amount of \$5,000 (increased annually by 3.00%), and deferred developer fees]. Upon maturity of the City Loan, all outstanding principal and accrued but unpaid interest on the City Loan will be unconditionally due and payable in full by the Partnership.~~

~~**City Loan Documents:** All documents evidencing and/or securing the City Loan or otherwise entered into in connection therewith.~~

Code: The Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

[**Commercial Leases:** Collectively, (i) the [Lease Agreement] by and between [] (“**Café Tenant**”), as tenant, and the Partnership, as landlord; and (ii) the [Lease Agreement] with Mutual Housing California, a California nonprofit public benefit corporation (“Mutual Housing CA”), as tenant, and Partnership, as landlord; and (iii) any lease of all or any portion of the Commercial Space entered into by the Partnership and a commercial tenant after the date of this Agreement, all as amended or modified from time to time in accordance with the terms of this Agreement. Each Commercial Lease entered into after the date of this Agreement shall be a so-called “triple net” lease that provides for payment by the tenant of all taxes, insurance, utilities, and other expenses attributable to the tenant’s use and occupancy of the Commercial Space unless otherwise agreed to by the Limited Partner.]

Commented [PE7]: Tenant 1

Commented [PE8]: Office tenant - MHC plans to occupy, but we don't want to lock ourselves in

Commercial Space: Collectively (i) the retail-leasable space located on the first floor of the Building totaling [] square feet more or less and (ii) the office-leasable space located on the first floor of the Building totaling [] square feet more or less. In no event shall the rent for the Commercial Space exceed, in the aggregate, 20% of the annual Effective Gross Income of the Building without the Consent of the Limited Partner.

Completion Date: The later of:

(i) The date on which the Partnership has completed the construction and/or rehabilitation of the Building in accordance with the relevant Project Documents, approved by the Limited Partner and any construction consultant engaged by the Limited Partner and evidenced by a certificate prepared and executed by the Architect indicating that construction and/or rehabilitation of the Building has been completed in accordance with the relevant Project

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Documents, except for punch list items that do not impede occupancy on a full rent paying basis, and that the Project is ready for occupancy, provided the Partnership has furnished funds or cash equivalents in escrow to provide for the completion of such punch list items, in an amount and manner satisfactory to the Limited Partner; and

(ii) The receipt of a temporary certificate of occupancy (or local equivalent) permitting full residential occupancy of the Project for the Building comprising the Partnership Property including one hundred percent (100%) of the Units in the Project.

The intended Completion Date (the “**Target Completion Date**”) is [March 1, 2027].

Compliance Consultant: [____], an independent, third-party professional [organization] [individual] engaged by the Partnership to provide compliance and monitoring services in connection with leasing the Credit Units to Qualified Tenants and satisfying the Average Income Test in compliance with the AIT Regulations.

Compliance Consultant Agreement: The written agreement, inclusive of the AIT Contract Addendum, dated on or about the date hereof, entered into by and between the Partnership and the Compliance Consultant.

Compliance Period: The period specified in Section 42(i)(1) of the Code, as applicable to the Project.

Consent of the Managing General Partner: The written consent or approval of the Managing General Partner, which shall be obtained prior to the taking of any action for which such consent or approval is required hereunder. If there is more than one Managing General Partner, Consent of the Managing General Partner shall require the affirmative consent of the General Partners holding at least a majority of the aggregate Percentage Interests of such Managing General Partners.

Consent of the Limited Partner: The written consent or approval of the Limited Partner, which shall be obtained prior to the taking of any action for which it is required hereunder which, unless otherwise provided in this Agreement, may be withheld in the Limited Partner’s sole and absolute discretion.

Construction Contract: The construction contract between the Partnership and the General Contractor dated [____, 2025202-] pursuant to which the Project is to be constructed.

Cost Certification: Certification by the Accountants, as delivered by the Managing General Partner and approved by the Limited Partner in accordance with Section 13.03(a)(ix), of the costs of the Project, including eligible basis, matching sources and uses and calculation of annual Credits and calculation of the Fifty Percent Test based on the Partnership’s accounting records and any other documentation deemed appropriate by the Accountants.

County: County of Sacramento, California.

Credit(s): The Federal Credits, the Energy Efficient Home Credits and/or the State Credits, as the context shall require.

Commented [RC9]: 26 months from closing

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Credit Adjuster Advance: An advance to the Partnership pursuant to Section 3.03 the Managing General Partner, which shall not affect its Interest or Percentage Interest but shall be considered a Capital Contribution to the Partnership.

Credit Agency: The California Tax Credit Allocation Committee, and its successors.

Credit Application: The application submitted to the Credit Agency to obtain a reservation and/or allocation of Credits.

Credit Deficiency: A Federal Credit Deficiency and/or Energy Efficient Home Credit Deficiency, as the context shall require.

Credit Period: The period specified in Section 42(f)(1) of the Code as applicable to the Project.

Credit Reduction: Has the meaning attributed thereto in Section 3.01(b)(i).

Credit Units: All of the 241 Units (other than the two (2) Manager's Units) that will be operated in a manner so as to qualify as low-income units within the definition of Section 42(i)(3) of the Code.

CTA: (a) The U.S. Corporate Transparency Act, 31 U.S.C.A. Section 5336, et seq., and the regulations (31 C.F.R. Section 1010.380 (the "BOI Regulations")), official guidance, and official interpretations promulgated thereunder or published with respect thereto and (b) any substitute or similar law (including any regulations, official guidance, and official interpretations promulgated thereunder or published with respect thereto) applicable to the Partnership, in each case, as amended and in effect from time to time.

CTA Data: With respect to an individual, (1) such individual's FinCEN ID Identifier, (2) the following information with respect to such individual: (a) full legal name; (b) date of birth; (c) residential street address; (d) business street address; (e) a unique identifying number from one of the following documents: (i) a non-expired passport issued by the United States Government; (ii) a non-expired identification document issued to the individual by a State, local government, or Indian tribe for the purpose of identifying the individual; (iii) a non-expired driver's license issued to the individual by a State; or (iv) a non-expired passport issued by a foreign government to the individual if the individual does not possess any of the documents described in paragraph (i), (ii) or (iii); and (f) an image of the document from which the unique identifying number in subsection (e) was obtained which includes both the unique identifying number and photograph of the individual in sufficient quality to be legible or recognizable or (3) if such individual is a Beneficial Owner of any Partnership Interest solely due to such individual's ownership of ownership interests in one or more Exempt Reporting Companies (other than the Partnership), the legal names of each such Exempt Reporting Company.

Deferred Development Fee: The meaning ascribed to "Deferred Development Fee" in the Development Agreement.

Designated Proceeds: The sum of: (i) proceeds of the Loans and any grants included in the Projections or otherwise approved by the Limited Partner; (ii) insurance proceeds arising out

of casualties as available from time to time, to the extent not used for restoration of the damage caused by such casualty; (iii) net rental income prior to the later of (y) the Stabilization Date, or (z) Loan Conversion; and (iv) Capital Contributions due by the later of (y) the Stabilization Date, or (z) Loan Conversion which are to be used for construction of the Project pursuant to the Projections.

Developer: MHC and CACDC, in ~~its~~ their respective capacity as developer under the Development Agreement.

Development Advance: The advances to be made by the ~~Managing~~ General ~~Partners~~ Partner in the amounts and under the circumstances provided in Section 5.13(b).

Development Agreement: The Development Services Agreement of even date herewith by and between the Developer and the Partnership which is attached hereto as Exhibit C.

Development Fee: The fees pursuant to Section 4 of the Development Agreement and payable to the Developer as indicated on Exhibit A-4.

Energy Efficient Certification: The certification provided by the certifier(s) engaged by the Partnership to certify that 241 units are in compliance with the Energy Star under Section 45L(c) of the Code, and complying in all respects with the requirements of Section 45L(d) of the Code and the regulations and guidance promulgated thereunder, as delivered by the Managing General Partner and approved by the Limited Partner.

Energy Efficient Home: means a “qualified new energy efficient home” as defined in Section 45L(b)(2) of the Code.

Energy Efficient Home Credit: The new energy efficient home tax credit provided for under Section 45L of the Code.

Energy Efficient Home Credit Deficiency: The amount by which the Energy Efficient Home Credits received by the Limited Partner are less than the Energy Efficient Home Projected Credits, in each case as adjusted by any reductions in Capital Contributions and any Credit Adjuster Advances pursuant to the provisions of Section 3.04. For this purpose, the Limited Partner shall be considered to have received Energy Efficient Home Credits in the amount allocated to the Limited Partner on the Partnership’s federal income tax returns reduced by: (i) any adjustment of the Energy Efficient Home Credits reported on the Partnership’s tax return that is made by the Partnership, or by the IRS or a court in a Final Determination; and (ii) the amount of any recapture of such Energy Efficient Home Credits other than recapture caused by the action of the Limited Partner.

Energy Efficient Home Credit Reduction Amount: Has the meaning attributed thereto in Section 3.04(c).

Energy Efficient Home Credit Target Amount: Has the meaning attributed thereto in Section 3.04(a).

Economic Sanctions Laws: The foreign assets control regulations (31 C.F.R. Chapter V)

and any federal legislation or executive order relating thereto, as administered by OFAC and as amended and/or supplemented from time to time.

Enterprise: Enterprise Community Asset Management, Inc., a Maryland corporation, which is the parent organization of the general partner of the Limited Partner.

Environmental Hazard: Any hazardous or toxic substance, waste or material, or any other substance, pollutant, or condition that poses a risk to human health or the environment, including, but not limited to: (i) any “hazardous substance” as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. as amended; (ii) petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation, methane gas, polychlorinated biphenyls (“PCBs”), radon, mold, or lead in drinking water, except for ordinary and necessary quantities of office supplies, cleaning materials and pest control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles; (iii) any underground storage tanks; (iv) accumulations of debris, mining spoil or spent batteries, except for ordinary garbage stored in receptacles for regular removal; or (v) any other environmental condition that could result in liability for an owner or operator of the Project under any federal, state, local or common law, statute, rule, regulation, ordinance or precedent.

Environmental Laws: (i) The Clean Air Act; (ii) the Clean Water Act; (iii) the Resource Conservation and Recovery Act; (iv) the Toxic Substance Control Act; (v) the Safe Drinking Water Control Act; (vi) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. as amended; (vii) the Occupational Safety and Health Act; (viii) the Residential Lead-Based Paint Hazard Reduction Act of 1992, including the Lead-Based Paint Poisoning Prevention Act and the implementing regulations at 24 CFR, part 35; and (ix) any other federal, state, local or common law, statute, regulation, rule, ordinance, precedent or other requirement pertaining to the environment, public health or employee health and safety.

Environmental Reports: Collectively, (i) the Phase I Environmental Site Assessment dated December 6, 2023 prepared by Ninyo & Moore, (ii) [ADD UPDATED PHASE I UPON RECEIPT], (iii) the Limited Phase II Environmental Site Assessment dated January 1, 2024 prepared by Ninyo & Moore, (iv) the Asbestos Survey Report dated September 18, 2024 prepared by Norcal Environmental Management, Inc., and (v) and any and all addenda, attachments, associated documents, updated reports and supplemental reports or information prepared or provided in connection with such reports and delivered to the Limited Partner prior to the date of this Agreement.

Event of Bankruptcy: With respect to any Person:

(i) The entry of a decree or order for relief by a court having jurisdiction in respect of such Person in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for such Person or for any substantial part of his or its property, or ordering the winding-up or liquidation of his affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(ii) The commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Person or for any substantial part of his or its property, or the making by such Person of any assignment for the benefit of creditors, or the taking of action by such Person in furtherance of any of the foregoing;

(iii) The commencement against such Person of an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy insolvency or similar laws which has not been vacated, discharged or bonded within ninety (90) consecutive days;

(iv) The admission by such Person of his inability to pay his debts as they become due; or

(v) Such Person becoming “insolvent” by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to the federal bankruptcy laws, the Uniform Fraudulent Conveyances Act, any state or federal act or law, or the ruling of any court.

Exempt Reporting Company: (a) With respect to the CTA, an entity which is exempt from the definition of Reporting Company pursuant to the CTA and (b) with respect to an Other Transparency Law, an entity which is exempt from the filing requirements of such Other Transparency pursuant to the terms of such Other Transparency Law.

Extended Use Agreement: The “extended low-income housing commitment” to be entered into between the Partnership and the Credit Agency governing the long-term use restrictions applicable to the Project in connection with the Credits and otherwise satisfying all of the requirements of Section 42(h)(6) of the Code.

Extended Use Period: The later of the period specified in (i) Section 42(h)(6)(D) of the Code or (ii) the Extended Use Agreement.

Federal Credit: The Low-Income Housing Tax Credit provided for under Section 42 of the Code, including the thirty (30)% present value new construction credit.

Federal Credit Deficiency: The amount by which the Federal Credits received by the Limited Partner is less than the Projected Federal Credits as adjusted by any reductions in Capital Contributions and any Credit Adjuster Advances pursuant to the provisions of Section 3.03. For this purpose, the Limited Partner shall be considered to have received Federal Credits in the amount allocated to the Limited Partner on the Partnership’s federal income tax returns reduced by: (i) any adjustment of the Federal Credits reported on the Partnership’s tax return that is made by the Partnership, or by the IRS or a court in a Final Determination; and (ii) the amount of any recapture of such Federal Credits other than recapture caused by the action of the Limited Partner.

Federal Projected Credits: The aggregate amount of Federal Credits projected to be received by the Limited Partner based on the projections prepared in accordance with

Sections 3.03(a) and 3.03(c).

Fee Agreements: The fee agreements of even date herewith described on Exhibit A-4, and which are attached hereto as exhibits.

Fifty Percent Test: The fifty percent aggregate basis test under Section 42(h)(4)(B) of the Code, as further described in Section 5.11(z).

Final Determination: With respect to any issue, the earliest to occur of: (i) a decision, judgment, decree, or other order affecting the Partnership being issued by any court of competent jurisdiction, which decision, judgment, decree, or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted or the time for such appeals has expired); (ii) the IRS having entered into a binding agreement with the Partnership or having reached a final administrative or judicial determination affecting the Partnership which, whether by law or agreement, is not subject to appeal; or (iii) the expiration of the applicable statute of limitations.

FinCEN: The Financial Crimes Enforcement Network of the U.S. Department of the Treasury, together with any successor thereto and other governmental authorities having authority for the administration or enforcement of the CTA.

FinCEN ID: The unique identifying number assigned by FinCEN to an individual or Reporting Company pursuant to the CTA.

Fiscal Year: The calendar year or such other year that the Partnership is required by the Code to use as its taxable year.

42M Letter: The Reservation Letter (Tax-Exempt with State Credits) issued by the Credit Agency on August 6, 2024 preliminarily approving (i) Federal Credits in the annual amount of \$5,394,131 and (ii) State Credits for the Project in the annual amount of \$8,811,593. The 42M Letter includes an initial determination by the Credit Agency that the Project satisfies the requirements of the State's qualified allocation plan and is not more than necessary for the financial feasibility of the Project and its viability as a qualified low-income housing project pursuant to Section 42(m)(1)(D) and 42(m)(2)(D) of the Code. The Authority has delegated responsibility for making the determination under Section 42(m)(2)(D) of the Code to the Credit Agency pursuant to that certain letter dated [] .

Commented [NK10]: Has CalHFA provided this?

Gain: The income and gain of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property. If the value at which an asset is carried on the books of the Partnership pursuant to the capital account maintenance rules of Treasury Regulation Section 1.704-1(b) differs from its adjusted tax basis and gain is recognized from a disposition of such asset, the gain shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

General Contractor: Sunseri Construction, Inc. of Chico, California, and any successor General Contractor engaged by the Partnership as the general contractor for the Project with the Consent of the Limited Partner.

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General Partners: The Administrative General Partner and the Managing General Partner.

Ground Lease: That certain [Ground Lease] between the Partnership as tenant and State as landlord dated January [], 2025.

Guarantor: Collectively, MHC and ~~CACDECADA~~.

Guaranty Agreement: The Guaranty Agreement of even date herewith which is attached hereto as **Exhibit D**.

HAP-Assisted Units: The 20 Units in the Project that will be operated in a manner so as to qualify for project-based assistance under the HAP Contract.

HAP Contract: The Housing Assistance Payments Contract to be entered into by and between HUD, SHRA, and the Partnership that will provide project-based voucher assistance to 20 Units in the Project under Section 8 of the Housing Act (subject only to successful completion of construction of the Project and compliance with HUD's housing quality standards to the extent required under the Housing Act and the other conditions set forth therein) for an initial term of 20 years with contract rents of not less than the amounts shown in the Projections.

Housing Act: The U.S. Housing Act of 1937 (42 U.S.C. § 1437, et. seq), as amended from time to time, any successor legislation thereto, and all implementing regulations issued thereunder or in furtherance thereof.

HUD: The U.S. Department of Housing and Urban Development.

Immediate Family: With respect to any individual, his or her spouse, children, including adopted children, stepchildren, parents, parents-in-law, nephews, nieces, brothers, sisters, brothers-in-law, and sisters-in-law, each whether by birth, marriage, or adoption, as well as any inter vivos trusts created for the benefit of such individual or any of the foregoing.

Independent Construction Inspector's Report: The report to be obtained by the Limited Partner at its discretion by a qualified inspector who is not an Affiliate of the Managing General Partner or the General Contractor which may include review of such items as (i) AIA forms G702 and G703; (ii) the extent and quality of the work in place; (iii) where applicable, a revised projected completion date; (iv) analysis of construction contract hard cost contingency balance, to include approved, pending and potential change orders; and (v) significant issues which may cause material delay in completion or material cost overruns.

Installment: An installment of the Limited Partner's Capital Contribution, which is due as set forth in **Exhibit A-1**.

Interest: As to any Partner, such Partner's right, title, and interest in and to any and all assets, distributions, losses, profits and shares of the Partnership, whether cash or otherwise, and any other interests and economic incidents of ownership whatsoever of such Partner in the Partnership.

Investor Services Fee: The fee payable to the Limited Partner pursuant to the Investor Services Agreement attached hereto as Exhibit I.

IRS: The Internal Revenue Service.

Land: The land subject to the Ground Lease.

Lease-Up Period: The period ending on the last day of the Fiscal Year in which the Project achieves Qualified Occupancy for all Credit Units.

LIH Adjustment Limit: The amount determined as of any relevant date by which the Development Fee exceeds the aggregate reductions in the Limited Partner's Capital Contributions under Section 3.03(b) and Credit Adjuster Advances previously made pursuant to Section 3.03; provided, however, that any reductions or Credit Adjuster Advances attributable to the Partnership's election of the Average Income Test or use of income averaging shall not be taken into account in determining the LIH Adjustment Limit.

Limited Partner: Wincopin Circle LLLP, a Maryland limited liability limited partnership, or its successors and assigns, and any Person who becomes a Substitute Limited Partner as provided herein, in each such Person's capacity as a limited partner of the Partnership.

Liquidation: The termination of a Partner's entire Interest in the Partnership by means of a distribution, or a series of distributions, from the Partnership to the Partner.

Loan Conversion: The date on which all of the following have occurred: (i) the repayment in full of the Taxable Loan, (ii) the Loans have been fully disbursed to the Partnership and converted to their permanent status, (iii) the Bond Loan proceeds have been expended on eligible costs in an amount sufficient to meet the Fifty Percent Test, (iii) the Bond Loan has been paid down to its permanent loan amount, and converted to its permanent phase in accordance with the terms shown on the Projections; provided that the principal amount of the Loans following Loan Conversion shall not be greater than the amount approved by the Limited Partner in its reasonable discretion.

Commented [NK11]: CalHFA loan has closed

Loan Documents: With respect to each Loan, any and all documents executed by the Partnership in connection with such Loan, including, without limitation, any of the following: the Bond Loan Documents, the Taxable Loan Documents, the CalHFA Loan Documents, CalHFA MIP Loan Documents, ~~the City Loan Documents,~~ the ~~CACDC-CADA~~ Gap Loan Documents, the Sponsor Loan Documents, the Sponsor HCD LGMG Loan Documents, Certified State Credit Equity Loan Documents, loan applications, loan commitments, notes, mortgages, regulatory agreements, building loan agreements, security agreements, and financing statements. Any Loan Documents not submitted to and approved by the Limited Partner as of the Admission Date shall require the prior review and Consent of the Limited Partner.

Loans: The Bond Loan, the Taxable Loan, the CalHFA Loan, the CalHFA MIP Loan, ~~the City Loan,~~ the ~~CACDC-CADA~~ Gap Loan, the Sponsor Loan, the Sponsor HCD LGMG Loan, and the Certified State Credit Equity Loan (all as more particularly described on Exhibit A-3), and any other loans made to the Partnership with the Consent of the Limited Partner.

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Loss: The loss of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property. If the value at which an asset is carried on the books of the Partnership pursuant to the capital account maintenance rules of Treasury Regulation Section 1.704-1(b) differs from its adjusted tax basis and loss is recognized from a disposition of such asset, the loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

LP Interest FMV: The value of the Limited Partner's Interest determined in the manner provided in Section 14.01(a).

Management Agent: Mutual Housing Management, a California nonprofit public benefit corporation, or such other property management company that is acceptable to the Limited Partner.

Management Agreement: The Management Agreement dated [____], 2025 by and between the Management Agent and the Partnership, together with that certain Addendum to Property Management Agreement dated on or about the date hereof, attached as **Exhibit F**.

Manager's Units: The two (2) non-revenue producing Unit in the Project that will be occupied by a full-time resident manager, ~~or~~ assistant manager or maintenance staff.

Managing General Partner: 805 R Mutual Housing Association LLC, a California limited liability company, and any additional or substitute general partners of the Partnership named in any duly adopted amendment to this Agreement with the Consent of the Limited Partner. ~~If there is more than one general partner, the term "Managing General Partner" shall refer collectively to all such general partners.~~

MHC: Mutual Housing California, a California nonprofit public benefit corporation.

Minimum Gain: The amount determined by computing for each Nonrecourse Liability and Partner Nonrecourse Debt, the amount of Gain, if any, that would be realized by the Partnership if it disposed of the asset securing such liability for no consideration other than full satisfaction of the liability, and by then aggregating the separately computed Gains. For purposes of determining the amount of such Gain with respect to a particular Nonrecourse Liability or Partner Nonrecourse Debt, the adjusted basis for federal income tax purposes (or its adjusted book value if it is carried on the Partnership's books, maintained in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv), at a value different from its adjusted tax basis) of the asset securing the liability shall be allocated among all the liabilities that the asset secures in the manner set forth in Treasury Regulation Section 1.704-2(d)(2)(ii) (or successor provisions). It is the intent that Minimum Gain shall be computed in accordance with Treasury Regulation Section 1.704-2.

Minimum Set-Aside Test: The set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of Units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the Average Income Test as the Minimum Set-Aside Test.

Mortgagees: The payees under the Loans, together with any successors or assigns in such capacity.

Mortgage Notes: The notes executed by the Partnership in favor of the Mortgagees for each of the Loans.

Mortgages: The mortgages or deeds of trust that grant security interests in the Partnership Property which secure the Mortgage Notes.

Net Cash Flow: The amount, determined for any Fiscal Year or portion thereof, equal to the excess, if any, of

- (i) Cash Flow, over
- (ii) the aggregate amount of the fees and other expenses payable from Cash Flow in such year set forth on **Exhibit A-4**.

Net Losses: The net loss of the Partnership for federal income tax purposes for each taxable year, calculated without regard to Gain or Loss and without regard to those items that are specially allocated in accordance with Regulatory Allocations or otherwise pursuant to Section 7.03; *provided, however*, that in determining net loss (i) any tax-exempt income received by the Partnership shall be included as an item of gross income, (ii) any expenditure of the Partnership described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(b) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense, (iii) if the fair market value on the date that the asset is contributed to the Partnership (or if the basis of such asset for book purposes is adjusted under the Treasury Regulations, such adjusted book basis) differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, the amount for depreciation, amortization and other cost recovery deductions shall be equal to an amount which bears the same ratio to such beginning fair market value (or adjusted book basis) as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis, and (iv) if the value at which an asset is carried on the books of the Partnership differs from its adjusted tax basis and gain or loss is recognized from a disposition of such asset, the gain or loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

Net Profits: The taxable income of the Partnership for federal income tax purposes for each taxable year, calculated without regard to Gain or Loss and without regard to those items which are specially allocated in accordance with the Regulatory Allocations or otherwise pursuant to Section 7.03; *provided, however*, that in determining taxable income (i) any tax-exempt income received by the Partnership shall be included as an item of gross income, (ii) any expenditure of the Partnership described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(b) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense, (iii) if the fair market value on the date that the asset is contributed to the Partnership (or if the basis of such asset for book purposes is adjusted under the Treasury Regulations, such adjusted book basis) differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, the amount for depreciation, amortization and other cost recovery deductions shall be equal to an amount which bears the same ratio to such beginning fair market value (or adjusted book basis) as the federal income tax depreciation,

amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis, and (iv) if the value at which an asset is carried on the books of the Partnership differs from its adjusted tax basis and gain or loss is recognized from a disposition of such asset, the gain or loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

Nonrecourse Liability: Any liability to the extent that no Partner or related person bears (or is deemed to bear) the economic risk of loss within the meaning of Treasury Regulation Section 1.752-2.

Notice: A writing containing the information required by this Agreement and sent (i) by registered or certified mail, postage prepaid, return receipt requested, (ii) by commercial delivery service, (iii) by hand delivery, (iv) by telecopy, or (v) by electronic mail, paid for by the sender, to a Partner at the last address or addresses designated for such purpose by such Partner in Section 15.02 or as provided therein, the date of receipt of such registered mail or certified mail or the date of actual receipt of such writing by commercial delivery service, hand delivery or telecopy, being deemed the date of such Notice. If delivered by electronic mail, transmission shall be to the electronic mail address set forth in Section 15.02, with a "hard" copy of such notice sent by (i), (ii) or (iii) above as soon as practicable after delivery of such electronic copy; any notice sent by electronic mail will be deemed to be delivered on the date such notice was sent, if such notice was sent during the business hours of the recipient, or if such notice was sent other than during the business hours of the recipient, on the next business day following the date such notice was sent.

Notice Certifications: The certifications described in Section 3.02(c) and more fully set forth in Exhibit A-7 required to be provided by the General Partner to the Limited Partner in the Additional Capital Contribution Notices.

OFAC: The Office of Foreign Assets Control of the U.S. Department of the Treasury.

Operating Deficit: With respect to any period of time beginning after the Completion Date, the amount by which Project Expenses exceed the sum of: (i) Operating Revenue; and (ii) amounts available for the payment of such Project Expenses in the Operating Reserve in accordance with the provisions of Exhibit A-6, including the Consent of the Limited Partner.

Operating Deficit Contribution: A capital contribution to the Partnership by the ~~Managing General Partners~~ Partner, which shall be required under the circumstances described in Section 5.14 and shall be treated as Capital Contributions of the ~~Managing~~ General Partner.

Operating Reserve: The reserve to be funded pursuant to Section 5.18 as described in paragraph (i) of Exhibit A-6.

Operating Reserve Amount: The amount of the Operating Reserve shown on Exhibit A-2.

Operating Revenue: For any specified period of time, the amount of gross revenues from all sources derived from the Project as the result of the normal operation of the Project received on a cash basis, including (a) proceeds from rental interruption insurance, (b) proceeds from temporary condemnation in the nature of a lease, and (c) rental and operating subsidies which shall

be calculated on an accrual basis but only if received within sixty (60) days of such accrual, and excluding (i) non-recurring revenue such as Sale Proceeds and Refinancing Proceeds or (ii) tenant-based voucher rental income exceeding maximum allowable rents allowed by Section 42 of the Code.

Other Transparency Law: A foreign, state or other law, applicable to the Partnership, and similar in purpose or intent to the CTA and the regulations, official guidance, and official interpretations promulgated under any such law or published with respect thereto (in each case, as amended and in effect from time to time).

Owner's Title Policy Amount: The required minimum amount of the Title Policy as shown on Exhibit A-2.

Partner or Partners: The Managing General Partner, the Administrative General Partner, and the Limited Partner, either individually or collectively.

Partner Nonrecourse Debt: Any Partnership liability to the extent the liability is nonrecourse for purposes of Treasury Regulation Section 1.1001-2 and a Partner (or related person within the meaning of Treasury Regulation Section 1.752-4(b)) bears the economic risk of loss under Treasury Regulation Section 1.752-2.

Partnership: 805 R Mutual Housing Associates, L.P., a California limited partnership formed under and pursuant to the Act.

Partnership Administration Agreement: The Partnership Administration Agreement dated as of even date herewith by and between the Partnership and the Managing General Partner, which is attached hereto as Exhibit E.

Partnership Administration Fee: The fee payable to the Managing General Partner pursuant to the Partnership Administration Agreement.

Partnership Property: The Partnership's leasehold interest in the Land, the Building and other amenities and improvements comprising a residential rental housing project to be known as "Monarch Apartments", which will contain 241 Units (inclusive of the Manager's Units) in one (1) Building located in Sacramento, California, the legal description and street address of which are set forth on Exhibit B attached and made a part hereof, together with such additions or improvements thereto as may hereafter be acquired by the Partnership in accordance with this Agreement.

Partnership Representative As defined in Section 13.04(b)(i).

Percentage Interest: As to any Partner, the percentage in the Partnership shown opposite the name of such Partner in Exhibit A, as it may be amended from time to time in accordance with this Agreement.

Person: An individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited liability partnership, limited liability company, trust, cooperative, or association, joint stock company, unincorporated organization, or government agency or political

subdivision thereof, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so requires.

Plans and Specifications: The plans and specifications for the Project stamped with the seal of an architect and/or engineer, which are subject to the approval of the Limited Partner, and any changes thereto which, if such change constitutes a change in the design, scope or value of the Project, shall have received the approval of the Limited Partner.

Prime Rate: The prime rate as defined in Section 3.02(g).

Prohibited Parties Lists: Any one or more of the following: (i) the Specially Designated Nationals and Blocked Persons List maintained by OFAC, (ii) the Consolidated Sanctions List maintained by OFAC, or (iii) the Suspended Counterparty List maintained by the Federal Housing Finance Agency.

Project: The aggregate of the Land, the Building (including the Units, the Commercial Space, and common areas) and all other improvements located in or around the Partnership Property.

Project Documents: This Agreement, the Construction Contract, the Plans and Specifications, agreements with architects and engineers, surveys and permits, the Environmental Reports, certifications and other documents submitted to the BOE in connection with the Property Tax Exemption, the Fee Agreements, the Guaranty Agreement, all applications for financial assistance to the Partnership, the Regulatory Agreements (including the Extended Use Agreement), the Credit Application, the 42M Letter, the Energy Efficient Certification, the AHAP, the HAP, the Ground Lease, [Commercial Leases] and all other agreements and documents related to the Credits, the Development Agreement, the Tenant Services Agreement, the Right of First Refusal Agreement, the Loan Documents, and any other document or instrument executed in connection with any of the aforesaid documents.

Project Expenses: All costs and expenses of any type incurred on an accrual basis incident to the equipping, financing, ownership and operation of the Project, including, without limitation, amounts required to be funded into the Replacement Reserve (including prior unfunded annual deposits) or any other reserve required to be funded under Exhibit A-6 or by the Loan Documents, payments of fees to the Partners or their Affiliates (other than fees, the payment of which is contingent on the amount of Cash Flow or Capital Proceeds), taxes, required payments of principal and interest on any Loans or obligations that are not contingent on the amount of Cash Flow or Capital Proceeds, and costs of capital improvements to the Partnership Property incurred after the Completion Date and not funded or to be funded from Capital Proceeds or the Partnership's Replacement Reserve (described on Exhibit A-6). For purposes of the foregoing calculation, debt service and other amounts payable in connection with any Loan or other loan shall equal the regularly scheduled payments under the Loan Documents (absent default or maturity). Additionally, Project Expenses shall include (a) real estate taxes at full projected assessment, to the extent not abated or reduced by statute, (b) reserve requirements imposed on the Project by the Project Documents, the Loan Documents or this Agreement, and (c) on an annualized basis, all projected expenditures, including those of a seasonal nature, which might be expected to be incurred on an unequal basis during a full annual period of operation.

Project FMV: The value of the Project determined in the manner provided in Section 14.01(b).

Projected Credits: The aggregate amount of the Federal Projected Credits, the Energy Efficient Home Projected Credits and the State Projected Credits.

Projected IRR: The amount shown on the “Project IRR” line on the Taxable Income, Capital Accounts and Tax Benefits page of the Projections.

Projections: The projections of the anticipated results of the operation of the Partnership based on information provided by the Managing General Partner attached hereto as **Exhibit H** to this Agreement.

Property Tax Exemption: The exemption from real property tax provided pursuant to Section 214(g) of the State Tax Code.

Qualified Occupancy: The occupancy of a Credit Unit by a Qualifying Tenant or the state of being held for occupancy by a Qualifying Tenant after such Unit becomes vacant subsequent to its rental to a Qualifying Tenant.

Qualifying Tenant: A tenant whose income does not exceed the applicable designated imputed income limitation with respect to the Unit occupied by such tenant and/or any regulatory requirement.

Radon Remediation, Radon Screening, and Radon Testing (and related terms): Have the meanings attributed thereto on **Exhibit A-9**, attached hereto and made a part hereof.

Refinancing Proceeds: The excess of the gross proceeds of any borrowings by the Partnership other than the initial Loans set forth on **Exhibit A-3** and any other Loans approved by the Limited Partner over the sum of the following to the extent paid out of such gross proceeds: (i) any amounts disbursed to repay then existing loans of the Partnership and to pay and provide for all debts and obligations of the Partnership then to be paid or which are otherwise then due (not including, however, any amounts funded by Operating Deficit Contributions made to the Partnership by ~~the a Managing~~ General Partner), (ii) all reasonable expenses of such borrowings, including, without limitation, all commitment fees, brokers’ commissions, and attorneys’ fees, (iii) all amounts paid to improve the Partnership Property or for any other purpose in order to satisfy conditions to or established in connection with such borrowings, and (iv) any amounts used to meet the operating expenses of the Partnership Property or set aside by the Managing General Partner for reserves.

Regulatory Agreements: The Tax Regulatory Agreement, the Extended Use Agreement, and any other regulatory agreements, affordability restrictions, restrictive covenants or other similar documents executed and delivered by the Partnership and/or the ~~Managing~~ General ~~Partners~~ Partner for the benefit of any Mortgagee or governmental agency, including but not limited to SHRA, with respect to the Project. Any Regulatory Agreements not submitted to and approved by the Limited Partner as of the Admission Date shall require the prior review and Consent of the Limited Partner.

Regulatory Allocations: The special allocations set forth in Sections 7.03(a), (b), (c), and (e), which are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2.

Removal Default: With respect to a General Partner, a Removal Default described in Section 9.02(a).

Rent Restriction Test. As defined under Section 42(g) of the Code.

Replacement Reserve: The reserve to be funded pursuant to Section 5.18 as described in paragraph (ii) of Exhibit A-6.

Reporting Company: (a) With respect to the CTA, as defined in the CTA and (b) with respect to any Other Transparency Law, any similar term as defined in such Other Transparency Law.

Required Debt Service Coverage: As to any specified period of time, (the “Period”), the operation of the Project such that the Operating Revenue for the Period less the greater of (i) the Project Expenses for the Period or (ii) the lesser of the Project Expenses shown on (a) the Projections or (b) the current approved Budget for the Project (prorated for the Period), equals or exceeds (x) one hundred fifteen percent (115%) of the aggregate amount of principal and interest payments due during such Period on all conventional Loans, and (y) one hundred ten percent (110%) of the aggregate amount of principal and interest payments due during such Period on all must pay public Loans, (assuming debt service requirements after Loan Conversion and the commencement of amortization, but excluding any such payments that are contingent on Cash Flow. For purposes of this definition only, the term “Project Expenses” shall not include any debt service on the Loans.

Right of First Refusal Agreement: The Right of First Refusal Agreement by and between the Partnership and the MHC, attached hereto as Exhibit J.

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Sale Proceeds: The excess of all cash receipts and other consideration arising from the sale or other disposition of all or any portion of the Partnership Property or any proceeds realized from condemnation, insured casualty, or insured title defect, but excluding proceeds from rental interruption insurance or a temporary condemnation in the nature of a lease, if any, over the sum of the following to the extent paid out of such cash receipts and other consideration: (i) the amount of cash disbursed or to be disbursed in connection with or as an expense of such sale or other disposition, (ii) the amount necessary for the payment of all debts and obligations of the Partnership arising from or otherwise related to such sale or other disposition or to which the Partnership Property is subject and which are otherwise then due (not including, however, any Capital Contributions made to the Partnership by the Managing General Partner), (iii) the amount of insured casualty proceeds required by the Limited Partner to be used to restore the Partnership Property, and (iv) any amounts set aside by the Managing General Partner for reserves.

SHRA: Sacramento Housing and Redevelopment Agency.

Special Flood Hazard Area: The area defined by the National Flood Insurance Program requiring mandatory purchase of flood insurance.

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Sponsor: Collectively, MHC and CACDC.

Sponsor Loan: The construction-to-permanent loan constituting a lien against the Project in the principal amount of \$[~~568,875~~1,155,675] made or to be made by MHC to the Partnership. The Sponsor Loan bears no interest and has a term of [55] years (maturing on [_____, 20__]). Payments on the Sponsor Loan will be made annually following conversion to its permanent phase from available Cash Flow in the order and priority set forth in **Exhibit A-4** hereof. Upon maturity of the Sponsor Loan, all outstanding principal and accrued but unpaid interest on the Sponsor Loan will be unconditionally due and payable in full by the Partnership.

Sponsor Loan Documents: All documents evidencing and/or securing the Sponsor Loan or otherwise entered into in connection therewith.

Sponsor HCD LGMG Loan: The construction-to-permanent loan constituting a lien against the Project in the principal amount of \$[10,000,000] made or to be made by MHC to the Partnership from the proceeds of funds made available from the Excess Sites Local Government Matching Grants (LGMG) Program. The Sponsor HCD LGMG Loan bears no interest and has a term of [55] years (maturing on [_____, 20__]). Annual payments of principal and interest on the Sponsor HCD LGMG Loan shall be made from available Cash Flow in the order and priority set forth in **Exhibit A-4** hereof. Upon maturity of the Sponsor HCD LGMG Loan, all outstanding principal and accrued but unpaid interest on the Sponsor HCD LGMG Loan will be unconditionally due and payable in full by the Partnership.

Sponsor HCD LGMG Loan Documents: All documents evidencing and/or securing the Sponsor HCD LGMG Loan or otherwise entered into in connection therewith.

Stabilization Date: Beginning after the Completion Date, the date on which the Project has satisfied the Required Debt Service Coverage for a period of three (3) consecutive calendar months or 90 consecutive days evidenced which, on average: (i) physical occupancy of the residential units equals or exceeds 98% and (ii) Operating Revenue is at least equal to the Effective Gross Income shown on the "Project Cash Flow" page of the Projections.

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State: The State of California.

State Credit: The California affordable housing tax credits described in Sections 12206, 17058, and 23610.5 of the State Tax Code.

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State Tax Code: The California Revenue and Taxation Code.

Substantial Management Duties: Shall have the meaning set forth in Section 5.01(d).

Substitute Limited Partner: Any Person admitted from time to time to the Partnership as a Limited Partner in accordance with the provisions of Article X hereof and so reflected on **Exhibit A**, as such exhibit may be amended from time to time in accordance with this Agreement.

Taxable Loan: The construction loan constituting a second-priority lien against the Project in a principal amount not to exceed \$[19,960,509] made or to be made by the Bank to the Partnership from taxable funds. The Taxable Loan has a term of [36 months (subject to one (1)

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conditional six (6) month extension)] and bears interest at a rate equal to [_____]%, which interest is exclusive of issuer fees, trustee fees, and processing fees. Monthly payments of interest only will be due and payable on the Taxable Loan during its term. Payments of principal and accrued but unpaid interest (if any) on the Taxable Loan will be unconditionally due and payable in full by the Company upon maturity of the Taxable Loan.

Tax Regulatory Agreement: The tax regulatory agreement by and between the Bank, the Bond Issuer, and the Partnership governing the long-term use restrictions applicable to the Project with respect to the Tax-Exempt Note.

Tenant Income Certification: A tenant's initial tax credit certification, including the tenant income certification/certificate of resident eligibility, all sources used in verifying income and assets (including, but not limited to, third party verification, checking and savings accounts, pay stubs, verification of assets, etc.), a copy of one completed lease signed and dated for each building, and a copy of the first and last page of each resident lease in each building showing the start date of the lease and signature of the resident(s) and owner.

Term: The period of time the Partnership shall continue in existence as stated in Section 1.07.

Title Policy: That certain title policy issued by First American Title Insurance Company, in the amount of the Owner's Title Policy Amount, in favor of the Partnership and in force as of the date hereof insuring the Partnership's title to the Partnership Property.

Total LIH Credit Reduction Amount: The amount defined in Section 3.03(b)(iv).

Transfer Agreement: The Transfer Agreement in the form attached hereto as **Exhibit M**.

Transparency Laws: As applicable to the Partnership, the CTA and any Other Transparency Law.

Treasury Regulations: The temporary and final regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Units: The 241 dwelling units in the Project. Of the 241 Units, two (2) Units are the Manager's Units.

Wincopin Loan: A loan as described in Section 10.01(f).

2.02 Rules of Construction

(a) Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(i) Words importing the singular number include the plural number and words importing the plural number include the singular number;

(ii) Words of any gender include correlative words of all other genders;

(iii) The table of contents and the headings or captions used in this Agreement are for convenience of reference and do not constitute a part of this Agreement, nor affect its meaning, construction, or effect;

(iv) Any reference in this Agreement to a particular “Article,” “Section,” or other subdivision shall be to such Article, Section, or subdivision of this Agreement unless the context shall otherwise require;

(v) Each reference in this Agreement to an agreement or contract shall include all amendments, modifications, and supplements to such agreement or contract unless the context shall otherwise require; and

(vi) When any reference is made in this document or any of the schedules or exhibits attached hereto to the Agreement, it shall mean this Agreement, together with all other schedules and exhibits attached hereto, as though one document.

ARTICLE III

Partnership Interests and Sources of Funds

3.01 Identity of Partners and Percentage Interests

The names and business addresses of the Managing General Partner, the Administrative General Partner, and the Limited Partner are as identified on Exhibit A, as such exhibit may be amended from time to time in accordance with this Agreement and each such Partner has the Percentage Interest indicated next to its name.

3.02 Capital Contributions

(a) *Managing General Partner.* Subject to the provisions of this Section 3.02, the Managing General Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of immediately available funds, the aggregate amount set forth after the Managing General Partner’s name on Exhibit A no later than the Admission Date. In addition, in exchange for its Interest, the Managing General Partner agrees to perform the following services:

(i) *Syndication Services.* The Managing General Partner will perform services in connection with syndication and sale of the Limited Partner Interest to the Limited Partner, including providing the Limited Partner with all relevant information; preparing a financial plan to admit the Limited Partner; conducting due diligence on behalf of the Partnership in connection with the admission of the Limited Partner; and preparing appropriate disclosure documents related to the admission of the Limited Partner in compliance with all federal and state securities laws.

(ii) *Financing Services.* The Managing General Partner will perform services in connection with permanent financing, including obtaining commitments for all permanent financing for the Project, including providing information to prospective lenders; negotiating final

loan commitments; coordinating all loan closing checklist requirements with lenders; and monitoring loan requirements during the term of the loans.

(iii) *Acquisition Services.* The General Partner will perform services in connection with the acquisition of the Partnership Property, including negotiating the purchase agreement with the seller of the Partnership Property, acting on behalf of the Partnership with federal, state and local authorities with respect to the Project; monitoring compliance with zoning, land-use and other requirements; and preparing or causing to be prepared such third party studies as it deems necessary in connection with the acquisition of the Partnership Property.

(b) *Administrative General Partner.* Subject to the provisions of this Section 3.02, the Administrative General Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of immediately available funds, the aggregate amount set forth after the Administrative General Partner's name on Exhibit A. In no event shall the aggregate Capital Contributions of the Administrative General Partner exceed \$50 without the Consent of the Limited Partner.

(c) *Limited Partner.* Subject to the provisions of this Section 3.02, the Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of immediately available funds, the aggregate amount set forth after the Limited Partner's name on Exhibit A. The Limited Partner shall pay its Capital Contribution in Installments, in the amounts and at the times indicated on Exhibit A-1; *provided, however*, that the date for payment of any Additional Capital Contribution shall be the Additional Capital Contribution Due Date, which may be deferred in accordance with Section 3.02(d). Except as provided in this Section 3.02(b), the Limited Partner shall not be obligated to make any Capital Contributions to the Partnership, and all required Capital Contributions shall be subject to any applicable adjustments; *provided, however*, that the Limited Partner shall have the right to make further Capital Contributions to the Partnership, including the right to agree to make a limited or unlimited contribution to the extent necessary to eliminate a deficit in its Capital Account in accordance with Section 3.08, provided that any such deficit restoration shall be at the option of the Limited Partner and shall not be enforceable against the Limited Partner by any Person.

The Partners specifically acknowledge that the Limited Partner's Additional Capital Contributions may be adjusted pursuant to the terms of Section 3.03. In the event the Limited Partner's Additional Capital Contributions are so adjusted, Exhibits A, A-1, and A-2, the Development Services Agreement attached as Exhibit C, and the Projections attached as Exhibit H will be revised accordingly and such revised Exhibits shall constitute a valid amendment to this Agreement. The Limited Partner shall cause a copy of the revised Exhibits to be delivered to the Managing General Partner. If the Managing General Partner shall disagree as to any amount in the revised Exhibits, the Managing General Partner shall give Notice and an explanation to the Limited Partner of such disagreement within twenty (20) days after receipt of such revised Exhibits. Failure by the Managing General Partner to respond within such twenty (20) day period shall be deemed approval by the Managing General Partner.

(d) *Notice Certifications.* The Managing General Partner shall deliver an Additional Capital Contribution Notice to the Limited Partner which shall include the Notice Certifications in the exact form attached as Exhibit A-7 not more than thirty (30) days and not less than twenty

(20) days (ten (10) days for Additional Capital Contributions prior to the Completion Date) in advance of the due date of each Additional Capital Contribution.

(e) *Deferral of Additional Capital Contribution Due Date.* Should the Managing General Partner fail to certify that each of the relevant Notice Certifications is true and correct in its Additional Capital Contribution Notice, or should any of the relevant Notice Certifications be in fact untrue, the Additional Capital Contribution Due Date shall be deferred until twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after such time as the Managing General Partner is able to and does certify that each of the relevant Notice Certifications is true (which certificate shall be no greater than ninety (90) days prior to the date of the Additional Capital Contribution), and each of the relevant Notice Certifications is in fact true, and failure to pay such Additional Capital Contribution prior to such time shall not constitute a default of the Limited Partner.

(f) *Managing General Partner or Administrative General Partner Default.* Under no circumstances shall the Limited Partner be obligated to make any Additional Capital Contribution at any time that the Managing General Partner or the Administrative General Partner is in default under this Agreement or any Project Document or Loan Document.

(g) *Discretion to Waive Preconditions.* The Limited Partner, in its sole and absolute discretion, may waive, in whole or in part, any one or more preconditions to the payment of any Additional Capital Contribution and may accelerate or otherwise pay all or a portion of the amount of such Additional Capital Contribution that would have been due had all of the preconditions been satisfied. The waiver of any precondition, in whole or in part, shall not prevent the Limited Partner from asserting the failure of the precondition as a defense against the requirement of paying the remainder of an Additional Capital Contribution or any other Additional Capital Contribution. Upon request from the Limited Partner, the General Partner, with the assistance of the Accountants, shall provide the information necessary for the Limited Partner to determine the necessity and amount of an acceleration of any Additional Capital Contribution.

(h) *Default.* In the event that the Limited Partner fails to pay any portion of any Additional Capital Contribution then due and payable (as such Additional Capital Contribution may be adjusted in accordance with Section 3.03) by the Additional Capital Contribution Due Date (as the same may be deferred pursuant to Section 3.02(d)) and any such failure is not cured within forty-five (45) days after written Notice of such failure, the Limited Partner shall be deemed to be in default of its obligations under this Agreement and the Managing General Partner shall be entitled to take all actions available to the Partnership, including, without limitation, instituting a suit at law or in equity; *provided, however*, in the event of a Final Determination in favor of the Partnership, the Limited Partner shall pay to the Partnership all Additional Capital Contributions and accrued interest at the prime rate as published from time to time by The Wall Street Journal (the “**Prime Rate**”) plus two percent (2%) thereon, accruing from the date which is forty-five (45) days after written Notice described above. Such payment shall constitute the sole remedy of the Partnership under this Section 3.02. Notwithstanding any provisions of Section 3.02, upon payment of all amounts owed pursuant to the terms of this Section 3.02(g) as a result of the default of the Limited Partner, and provided such payment is received prior to the acquisition by another Person of the Limited Partner’s Interest, such Limited Partner shall be fully reinstated to its former Interest and Percentage Interest in the Partnership, including, but not limited to, the Limited

Partner's former share of distributions, as though a default under this Section 3.02(g) had not occurred. The obligation of the Limited Partner to make payments of its Capital Contributions is nonrecourse to the partners of the Limited Partner, and the partners of the Limited Partner shall have no personal liability in the event of any default by the Limited Partner.

(i) *Sale of Limited Partner's Interest.* Subject to the provisions of Section 3.02(g) in the event of a default pursuant to Section 3.02(g), the Partnership may offer to sell the Limited Partner's Interest to any Person on such commercially reasonable terms and conditions as the Managing General Partner deems most favorable under the circumstances. Any amount that the Person acquiring the Interest of the Limited Partner shall pay in consideration of the acquisition of such Interest shall be applied in the following order: (i) to the payment of all reasonable costs, fees and expenses incurred by the Partnership in connection with such sale; (ii) to the payment of the Additional Capital Contribution payment and any interest thereon then required to be paid by the Limited Partner; (iii) to the payment, if any, of any future Additional Capital Contributions of the Limited Partner; and (iv) any balance to the Limited Partner. In no event may a sale under this Section 3.02(h) be made to the Managing General Partner or any Affiliate thereof unless the Limited Partner consents, in its sole discretion, to a sale of the Interest to the General Partner or its Affiliate, and the General Partner or its Affiliate obtains an appraisal from a third party MAI appraiser acceptable to the Limited Partner in its sole discretion of the fair market value of the Limited Partner's Interest and promptly pays such fair market value for the Interest.

(j) *Obligations of Limited Partner upon Sale.* The obligations of the Limited Partner to the Partnership shall be extinguished upon completion of the transfer of the Limited Partner's Interest to a purchaser described in Section 3.02(h); *provided, however*, that the obligation of the Limited Partner to make Additional Capital Contributions shall only be extinguished by, and to the extent of, the aggregate of payments made and to be made by the purchaser or purchasers of the Limited Partner's Interest.

3.03 LIH Adjustments to Capital Contributions

(i) *Adjustment at Cost Certification and upon Receipt of IRS Form 8609.* As of the date of Cost Certification, the Accountants shall prepare projections of the Federal Credits available and allocable to the Limited Partner (the "**Federal Projected Credits**") for the Project based upon the Accountant's calculation of the eligible basis and qualified basis of the Project and the credit percentage applicable to the Project. If the Federal Projected Credits are less than the "**LIH Target Amount**" shown on Exhibit A-2, the Limited Partner's Capital Contribution (including Capital Contributions already paid to the Partnership) shall be reduced by an amount equal to \$0.92 for every dollar by which the Federal Projected Credits are less than the LIH Target Amount. Any decrease in the Limited Partner's Capital Contribution will be subtracted from the Additional Capital Contribution due as of Cost Certification, and if insufficient, from the next succeeding Additional Capital Contributions until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(a)(ii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(b), 3.03(c), and 3.04), the General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall immediately thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount. The adjustments

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required under this Section 3.03(a) shall also be made based on the final IRS Forms 8609 for the Project. In the event Federal Credits are available over a fifteen (15) year period under Code Section 42(f)(3), the Limited Partner's next succeeding Capital Contributions shall be reduced to reflect reduced Federal Credits over the Credit Period in an amount which will result in the Limited Partner receiving the Projected IRR (derived solely from the Credits and not including tax benefits from Losses, except as otherwise provided under Section 3.03(c)), assuming no change from the timing of the Capital Contributions shown on the Projections, with respect to the Limited Partner's investment in the Partnership.

(b) *Adjustments for Federal Credit Reductions.*

(i) *Events Causing Adjustments.* In the event the portion of Federal Credit to be allocated to the Limited Partner that the Partnership claims (as determined by the Accountants) with respect to any taxable year after the Lease-Up Period is less than the Projected Federal Credits for that year, and/or the Partnership determines or the Accountants determine that the Partnership must recapture any of the Federal Credit allocated to the Limited Partner that the Partnership claimed in any previous taxable year (either event constituting a "**LIH Credit Reduction**"), the Limited Partner's Additional Capital Contributions shall be reduced in the manner provided in Section 3.03(b)(ii). Solely for the purpose of avoidance of doubt, the LIH Adjustment Limit will not apply to any Credit Reduction which is the result of the amount of Credits actually shown on the final IRS Forms 8609 being less than the amount of the Projected Credits set forth on the Cost Certification, regardless of when the final IRS Forms 8609 are issued.

(ii) *Additional Capital Contributions Subject to Adjustment.* Upon the occurrence of a LIH Credit Reduction, the amount of the next succeeding Additional Capital Contribution, after adjusting such Additional Capital Contribution as provided in Section 3.03(c), shall be reduced by the lesser of (A) the Total LIH Credit Reduction Amount (as defined in Section 3.03(b)(iv)) or (B) the LIH Adjustment Limit. In the event that the amount determined in the previous sentence exceeds the amount of the next succeeding Additional Capital Contribution, such excess shall reduce the second succeeding Additional Capital Contribution, and subsequent Additional Capital Contributions, until such excess is eliminated in each case, not to reduce Capital Contributions, as adjusted in accordance with Section 3.03(c), by an amount in excess of the LIH Adjustment Limit. Solely for the purpose of avoidance of doubt, the LIH Adjustment Limit will not apply to any Credit Reduction which is the result of a determination by the Accountants, any Governmental Agency, or the IRS that the actual amount of Credits will be less than the amount of the Projected Credits set forth on the Cost Certification.

(iii) *Credit Adjuster Advances with respect to the Total LIH Credit Reduction.* If, during the Compliance Period, the Total LIH Credit Reduction Amount exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(c)), or if all Additional Capital Contributions have been made, the ~~Managing~~-General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess but in no event in excess of the LIH Adjustment Limit and the Partnership shall thereafter make a special distribution to the Limited Partner, neither to reduce nor to be limited by Net Cash Flow, equal to such amount.

(iv) *Total LIH Credit Reduction Amount.* The Total LIH Credit Reduction Amount for a taxable year shall equal \$1.00 multiplied by the sum of (A) the amount by which the portion of the Federal Credit to be allocated to the Limited Partner that the Partnership claims for that year (based on the lesser of the Managing General Partner's estimate for such year provided to the Limited Partner or the actual tax return) is less than the Federal Projected Credit for that year, (B) the amount by which the portion of the Federal Credit to be allocated to the Limited Partner in any future year from such event is, as a result of the event giving rise to a LIH Credit Reduction, less than the Federal Projected Credit for such future year, and (C) the portion of the Federal Credit allocated to the Limited Partner that the Partnership claimed but that the Partnership or the Accountants determine must be recaptured during such taxable year, if any, plus any interest and penalties imposed by the IRS as a result of such recapture or reduction.

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The Partners intend that the adjustments in this Section 3.03(b) shall not duplicate adjustments made in Section 3.03(a) or 3.03(c) and will not reduce the ~~Managing~~ General Partner's obligations under Section 3.03(a) or 3.03(c).

(c) *Adjustment for Delay in Lease-Up and Delay in Receipt of IRS Forms 8609.*

(i) In order to take into account a delay in lease-up, in addition to the adjustments provided for in Sections 3.03(a) and 3.03(b), if the Federal Projected Credits for the Lease-Up Period, calculated by the Accountant using the actual basis methodology, are less than the amount shown on Exhibit A-2, as adjusted pursuant to Section 3.03(a) (the "*Lease-Up Projection*"), when the Fourth Installment of the Limited Partner's Capital Contribution is due, the Fourth Installment shall be reduced by \$0.46 for each dollar by which the Federal Projected Credits for the Lease-Up Period are less than the Lease-Up Projection. If the Fourth Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(i) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(b)), the ~~Managing~~ General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(ii) In addition to the adjustment described above, if the Limited Partner is not entitled to claim Federal Credits for any year in the Lease-Up Period (based on the lesser of the Managing General Partner's estimate for such year provided to the Limited Partner or the filed tax return) in at least the amount of the Lease-Up Projection (as adjusted to take into account any reduction pursuant to Section 3.03(c)(i)). When any Installment of the Limited Partner's Capital Contribution is ultimately paid, such Installment shall be reduced by \$0.46 for every dollar by which the actual Federal Credits are less than the Lease-Up Projection for that year. If such Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(ii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a), and 3.03(b)), the ~~Managing~~ General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

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(iii) If the Partnership fails to obtain properly completed and signed IRS Forms 8609 by the due date for filing thereof with the Partnership's federal income tax returns for the first year of the Credit Period (subject to all extensions) and any year thereafter and as a result, the Partnership does not claim Credits on its federal income tax return(s) for such year(s) (it being agreed that if the Accountants determine there is reasonable cause, subject to the Consent of the Limited Partner (not to be unreasonably withheld, conditioned or delayed), for such IRS Form 8609 not being available at the time of filing, the Limited Partner will rely upon the Accountant's tax return position and claim any Credits so reported, but the ~~Managing~~ General Partner will be responsible for payment of any interest and/or penalties due to the IRS as a result thereof), the Limited Partner's next succeeding Capital Contributions shall be reduced by \$0.06 for each dollar of Projected Credits not claimed in such year and for each year thereafter until a properly completed and signed IRS Form 8609 has been filed. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(iii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(b)), the ~~Managing~~ General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

In computing the adjustment under paragraphs (i), (ii) and (iii) above, there shall be no duplicate reduction in the amount of the Limited Partner's Capital Contributions under Sections 3.03(c)(i), (ii) and (iii) and under Sections 3.03(a) and 3.03(b).

(d) *Adjustment for Change to Depreciation or Failure to Make Code Section 163(j)(7)(B) Election.* In the event that if for any taxable year the Building in the Project is not entitled to the depreciable life shown on Exhibit A-8, or the Partnership fails to elect to be treated as an "electing trade or business" pursuant to Code Section 163(j)(7)(B), the Limited Partner's next succeeding Capital Contributions shall, at the option of the Limited Partner, be reduced to reflect the reduction in tax benefits due to such change to depreciation or failure to make the required election. The reduction in the Limited Partner's Capital Contribution shall be made in such an amount that will provide the Limited Partner with the Projected IRR. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a), 3.03(b), and 3.03(c)), the ~~Managing~~ General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(e) *Upward Adjuster for Credits.* (i) If the Federal Credits shown on IRS Form 8609 are more than the LIH Target Amount and the increase in Federal Credits is approved by the Limited Partner and does not have an adverse impact on the tax benefits available to the Limited Partner, or have any adverse effect on the Partnership's ability to meet the Fifty Percent Test, the Limited Partner's Fifth Installment of its Capital Contribution shall be increased by \$0.92 for every dollar of such increase allocable to the Limited Partner up to the maximum amount set forth herein. (ii) If the Federal Credits for the Project for 2027 shown on the Limited Partner's tax return which has been approved by the Limited Partner are greater than the amount shown on Exhibit A-2 for such year, as adjusted to reflect an increase in Federal Credits pursuant to the previous sentence, and such increase in Federal Credits is due solely to the Partnership renting the Credit Units at a

faster rate than shown in the Projections, the Limited Partner's Fifth Installment of its Capital Contribution shall be increased by \$0.46 for every dollar of such increase up to the maximum amount set forth herein, provided that if the increase in 2027 Federal Credits results in Federal Credits becoming available over a fifteen (15) year period under Section 42(f)(3) of the Code, the upward adjuster shall be reduced to reflect the reduced value of Credits over the Credit Period based on the methodology set forth in Section 3.03(a).

The maximum increase of the Limited Partner's Capital Contribution under this Section 3.03(d) shall be limited in the aggregate to five percent (5%) of the Limited Partner's Capital Contribution shown on **Exhibit A** to this Agreement unless otherwise agreed to by the Limited Partner in its sole discretion (the "**Maximum Upward Adjustment Amount**"). Any increase in the Limited Partner's Capital Contribution under this Section 3.03(d) shall be paid at the time of payment of the Fifth Installment of Capital Contributions. Notwithstanding any other provision of this Agreement, subject to the provisions of the applicable Loan Documents, unless otherwise approved by the Limited Partner, the amount by which the Limited Partner's Capital Contribution is increased pursuant to this Section 3.03(d) shall be applied first to any amount then due to the Limited Partner, then to the reimbursement of any Development Advances, then to pay the Deferred Development Fee (as such term is defined in the Development Services Agreement attached as **Exhibit C** to this Agreement), then to pay an incentive lease-up fee of up to one-twelfth of the gross rent shown on the Projections for such year, and any remaining balance will be applied as Capital Proceeds in accordance with Section 8.02.

(f) *Determination of Adjustment Amounts.* If the Limited Partner disagrees as to the amount of the Federal Credits and/or the Federal Projected Credits for the Lease-Up Period as calculated by the Accountant, the Limited Partner shall give Notice to the ~~Managing~~ General Partner of such disagreement within twenty (20) days after the later of (a) receipt by the Limited Partner of IRS Form 8609 and required lease-up reporting and (b) delivery of the respective Accountant's calculation (the "**Contribution Dispute Notification**"), and the Limited Partner shall pay that portion of the next Installment of the Limited Partner's Capital Contribution based on that portion of the Federal Projected Credit not in dispute. With respect to the amount or the timing of the amount of such Federal Projected Credit in dispute, if the ~~Managing~~ General Partner and the Limited Partner cannot agree on the amount of the adjustment to the Capital Contribution within five (5) days after the giving of the Contribution Dispute Notification, the ~~Managing~~ General Partner and the Limited Partner shall jointly designate a certified public accountant (which shall not be the Accountants) as an arbitrator (or if the ~~Managing~~ General Partner and the Limited Partner cannot agree upon an arbitrator within twenty (20) days, such arbitrator shall be a certified public accountant chosen by the American Arbitration Association). The designation of an arbitrator hereunder shall automatically delay the due date for payment of the portion of Capital Contribution until ten (10) business days after the conclusion of such arbitration (unless prior to the expiration of such period the ~~Managing~~ General Partner and the Limited Partner agree upon the amount of the adjustment, if any). Such arbitrator shall be directed to promptly conduct, at the expense of the Partnership, an arbitration to determine the amount of the Federal Projected Credit which the Partnership is entitled to claim and to allocate to the Limited Partner on a basis that is prudent and reasonable. Such arbitrator shall be directed to give notice of his/her determination within sixty (60) days after the Limited Partner gives the notice of disagreement specified in this Section 3.03(e), and upon the giving of such notice of determination the amount determined by such arbitrator shall be deemed the amount of the Federal Projected Credit which the Partnership

is entitled to claim and to allocate to the Limited Partner for the purpose of determining any adjustment to the Limited Partner's Capital Contribution. The costs and expenses of arbitration pursuant to this Section 3.03(g) shall be treated as a Partnership expense; provided, however, the Partnership will be reimbursed for such expenses to the extent the Accountant's calculation is upheld.

(g) *Excluded Credit Adjustment Amount.* Notwithstanding anything to the contrary set forth in this Agreement, no adjustment shall be made with regard to any reduction or recapture of Federal Credits which would otherwise take place pursuant to this Agreement if such reduction or recapture is due solely to (i) an act or omission of the Limited Partner in violation of this Agreement; (ii) the transfer by the Limited Partner of all or a portion of its Interest in the Partnership; or (iii) any Change in Law (which the Partners agree does not include guidance provided by the IRS and/or any State related to income averaging) that occurs after the date of this Agreement with which the ~~Managing~~ General Partner is unable to comply despite the exercise of good faith and reasonable efforts. For purposes of this section, a "**Change in Law**" means, at any time after receipt of IRS Forms 8609 for the Building, an amendment (other than amendments relating to the "average income test" under Section 42(g)(1)(C) of the Code) to the Code or the Treasury Regulations promulgated thereunder (or issuance of any new Treasury Regulations or Revenue Ruling) or any judicial interpretation thereof (but only to the extent such judicial interpretation actually results in a change in the existing tax law including, without limitation, a judicial interpretation that materially affects the way the Service interprets or administers the Code and the Treasury Regulations) that is applicable to the Project and provides for the reduction or elimination of the Tax Credits or substantially changes the requirements necessary to qualify for Tax Credits in a manner that the Limited partner, acting in good faith, reasonably determines cannot be satisfied by the Partnership using commercially reasonable methods or on commercially reasonable terms. Notwithstanding the foregoing, any Credit Deficiency arising from a Change in Law shall be paid to the Limited Partner from Cash Flow and/or Capital Proceeds in accordance with **Exhibit A-4** and Section 8.02 of this Agreement.

3.04 Energy Credits Adjustments to Capital Contributions

(a) *Energy Efficient Home Credit Adjustment at Cost Certification.* As of the date of the Cost Certification, the Partnership shall prepare projections of the Energy Efficient Home Credit available and allocable to the Limited Partner (the "**Energy Efficient Home Projected Credits**") for the Project based upon the Accountant's calculation of the amount of the Energy Efficient Home Credits available with respect to the Project for [2028]. If the Energy Efficient Home Projected Credits are less than the "**Energy Efficient Home Credit Target Amount**" shown on **Exhibit A-2**, the Limited Partner's Capital Contribution (including Capital Contributions already paid to the Partnership) shall be reduced by an amount equal to \$0.92 for every dollar by which the Energy Efficient Home Projected Credits are less than the Energy Efficient Home Credit Target Amount. Any decrease in the Limited Partner's Capital Contribution will be subtracted from the Additional Capital Contribution due as of Cost Certification, and if insufficient, from the next succeeding Additional Capital Contributions until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.04(a) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Section 3.03), the Managing General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special

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distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(b) *Adjustment for Energy Efficient Home Credit Reduction.* In the event the portion of Energy Efficient Home Credits allocated to the Limited Partner is, in a Final Determination, determined to be less than the Energy Efficient Home Credits shown on the Projections and/or the Partnership or the Accountants determine that the Partnership must recapture any of the Energy Efficient Home Credits allocated to the Limited Partner that the Partnership claimed in any previous Fiscal Year, the Limited Partner's Additional Capital Contributions, if any, shall be reduced by an amount (the "**Energy Efficient Home Credit Reduction Amount**") equal to ~~\$1,000.92~~ multiplied by the sum of (i) the amount by which the portion of the Energy Efficient Home Credits allocated to the Limited Partner pursuant to the Final Determination is less than the Energy Efficient Home Projected Credits for that year, and (ii) the portion of the Energy Efficient Home Credits allocated to the Limited Partner that the Partnership claimed but that the Partnership or the Accountants determine must be recaptured during such Fiscal Year, if any, plus any interest and penalties imposed by the IRS as a result of such recapture or reduction. In the event that the Energy Efficient Home Credit Reduction Amount exceeds the amount of the next succeeding Additional Capital Contribution, such excess shall reduce the second succeeding Additional Capital Contribution, and subsequent Additional Capital Contributions, until such excess is eliminated. In the event the Energy Efficient Home Credit Reduction Amount exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03 and 3.04(a), or if all Additional Capital Contributions have been made, the ~~Managing~~ General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, neither to reduce nor to be limited by Net Cash Flow, equal to such amount. The Partners intend that the adjustments in this Section 3.04(c) shall not duplicate adjustments made in Section 3.04(a).

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(c) *Determination of Adjustment Amounts.* If the Limited Partner disagrees as to the amount of the Energy Efficient Home Credits as calculated by the Accountant, the Limited Partner shall give Notice to the ~~Managing~~ General Partner of such disagreement within twenty (20) days after the later of (a) receipt by the Limited Partner of the Cost Certification and (b) delivery of the Contribution Dispute Notification, and the Limited Partner shall pay that portion of the next Installment of the Limited Partner's Capital Contribution based on that portion of the Energy Efficient Home Credits not in dispute. With respect to the amount or the timing of the amount of such Energy Efficient Home Credits in dispute, if the ~~Managing~~ General Partner and the Limited Partner cannot agree on the amount of the adjustment to the Capital Contribution within five (5) days after the giving of the Contribution Dispute Notification, the ~~Managing~~ General Partner and the Limited Partner shall jointly designate a certified public accountant (which shall not be the Accountants) as an arbitrator (or if the ~~Managing~~ General Partner and the Limited Partner cannot agree upon an arbitrator within twenty (20) days, such arbitrator shall be a certified public accountant chosen by the American Arbitration Association). The designation of an arbitrator hereunder shall automatically delay the due date for payment of the portion of Capital Contribution until ten (10) business days after the conclusion of such arbitration (unless prior to the expiration of such period the ~~Managing~~ General Partner and the Limited Partner agree upon the amount of the adjustment, if any). Such arbitrator shall be directed to promptly conduct, at the expense of the Partnership, an arbitration to determine the amount of the Energy Efficient Home Credits which the Partnership is entitled to claim and to allocate to the Limited Partner on a basis that is prudent

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and reasonable. Such arbitrator shall be directed to give notice of his/her determination within sixty (60) days after the Limited Partner gives the notice of disagreement specified in this Section 3.04(d), and upon the giving of such notice of determination the amount determined by such arbitrator shall be deemed the amount of the Energy Efficient Home Credits which the Partnership is entitled to claim and to allocate to the Limited Partner for the purpose of determining any adjustment to the Limited Partner's Capital Contribution. The costs and expenses of arbitration pursuant to this Section 3.04(d) shall be treated as a Partnership expense.

3.05 Additional Advances

The ~~Managing~~ General Partner shall advance to the Partnership, in addition to any Credit Adjuster Advances required by Sections 3.03 and/or 3.04, an Additional Advance in an amount required by the Partnership in order to (i) pay in full, prior to the end of the Compliance Period for the first Building to start the Credit Period, any unpaid portion of the Development Fee and (ii) pay any amount required to fund the reserve accounts required on Exhibit A-6 that are not funded as a result of any Capital Contribution adjustment.

3.06 No Interest on Capital Contributions

No interest shall accrue or be payable to any Partner by reason of its Capital Contribution or its Capital Account.

3.07 Right to Require Repayment of Capital

A Partner shall not have the right to withdraw from the Partnership all or any part of its Capital Contribution. No Partner shall have any right to demand and receive property of the Partnership in return for its Capital Contribution or in respect of its Interest, except as provided in this Agreement. No Limited Partner shall have priority over any other Limited Partner as to any return of Capital Contributions or as to any distributions made by the Partnership under Article VIII.

3.08 Deficit Restoration

(a) If, upon liquidation of a General Partner's Interest (whether or not in connection with the liquidation of the Partnership), such liquidating General Partner has a negative balance in its Capital Account (as determined after taking into account Capital Account adjustments pursuant to Section 7.01 as well as adjustments for the Partnership taxable year during which the liquidation of such liquidating General Partner's Interest occurs, other than those for contributions made pursuant to this Section 3.08), then the liquidating General Partner shall be required to contribute to the capital of the Partnership, immediately prior to the liquidation of such General Partner's Interest, the amount necessary to restore its Capital Account to zero. Such contributions shall be receipts of the Partnership available for payment of operating expenses and debts of the Partnership or distribution to the Partners in accordance with the terms of this Agreement. If, upon liquidation of the Limited Partner's Interest (whether or not in connection with the liquidation of the Partnership), the Limited Partner has a negative balance in its Capital Account, the Limited Partner shall have no obligation to make any contribution to the capital of the Partnership and the negative balance of the Limited Partner's Capital Account shall not be considered a debt owed by the Limited Partner to the Partnership or any other Person for any reason whatsoever.

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(b) Notwithstanding anything to the contrary contained in this Agreement, \$[1,600,000] of the [Third] Installment of the Limited Partner's Capital Contribution shall become noncontingent and payable in all events upon the Completion Date and shall be paid thereafter upon the earlier of (i) the payment of the remaining portion of such Installment, (ii) the last day of the Partnership's taxable year in which the Limited Partner's Interest is liquidated (or, if later, within ninety (90) days after the date of such liquidation). To the extent the Partnership is liquidated within the meaning of Treas. Reg. § 1.704-1(b)(2)(ii)(g), the Limited Partner shall be obligated to restore a deficit in its Capital Account up to a limited dollar amount (the "**Designated Amount**"). The Designated Amount shall be zero until the Limited Partner notifies the Partnership in writing of its election to have a different amount apply. Such notification shall be provided to the Partnership and shall specify the Designated Amount. Such election shall be irrevocable. Notwithstanding the foregoing, the Designated Amount may be increased or reduced by written notice from the Limited Partner at any subsequent date, but no subsequent reduction to the Designated Amount shall reduce the same below the Limited Partner's deficit balance in its Capital Account (as such Capital Account is increased by the Limited Partner's share of Partnership Minimum Gain and the Limited Partner's Capital Contribution) at the end of the Partnership's immediately preceding tax year.

3.09 No Third-Party Beneficiary

None of the provisions of this Agreement shall be construed as existing for the benefit of any third-party, including any creditor of the Partnership or for the benefit of any third-party creditor of the Partners, and no provision shall be enforceable by a party not a signatory to this Agreement.

ARTICLE IV

Right to Mortgage; ~~Managing~~ General Partner Bound by Loan Documents

4.01 Right to Mortgage

(a) The Partnership shall be authorized to borrow from the Mortgagees whatever amounts may be required, subject to the provisions hereof, in connection with the acquisition, development, construction and/or rehabilitation of the Partnership Property, and the meeting of the expenses of operating the Project (including, without limitation, any items for which the Mortgagees may provide mortgage funds), and shall secure the same by the Mortgages. Such borrowing shall not at any given time exceed the amount of unpaid principal due including accrued interest, nor be at a higher interest rate, nor change the payment terms, under the initial Mortgage Notes.

(b) Except with respect to the Loans prior to Loan Conversion, the Loan Documents shall provide that no Partner shall have any personal liability for the payment of all or any part of such Mortgage Notes, except for customary non-recourse carve-outs such as fraud, misappropriation of funds or waste.

(c) Subject to provisions of this Agreement with respect to related party loans, a limited partner or non-managing member (such limited partner or non-managing member being referred to herein as a "**Related Mortgagee**") in any entity that is a Partner at any time may make, own,

acquire, guarantee or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Partnership (any such loan being referred to as a “**Related Mortgage Loan**”). Under no circumstances will a Related Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Partner. A Related Mortgagee may take any actions that the Related Mortgagee, in its discretion, determines to be advisable in connection with a Related Mortgage Loan (including in connection with the enforcement of a Related Mortgage Loan). By acquiring an interest in the Partnership, each Partner acknowledges that no Related Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Related Mortgagee being a limited partner or member in a Partner. Neither the Partnership nor any Partner will make any claim against a Related Mortgagee, or against the Partner in which the Related Mortgagee is a partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Related Mortgagee’s status as a limited partner or member of a Partner.

(d) The General Partners shall not have any authority to enter into any loan on behalf of the Partnership (or on any General Partner’s behalf to the extent the proceeds will be used in the Project) which has not closed as of the Admission Date without the Consent of the Limited Partner. Such Consent will be provided or withheld by the Limited Partner after it has been provided an opportunity to review all loan documents to confirm that the loan amount and terms are consistent with the underlying assumptions in the Projections and the terms approved by the Limited Partner as of the Admission Date as reflected in the Projections.

4.02 General Partners Bound by Loan Documents and Project Documents

The General Partners, on behalf of the Partnership, shall be bound by the terms of the Loan Documents and the Project Documents. Any incoming general partner of the Partnership shall as a condition of receiving any Interest agree to be bound by the Loan Documents and the Project Documents to the same extent and on the same terms as any other General Partners.

ARTICLE V

Rights, Powers and Obligations of the Managing General Partner

5.01 Authority and Duties of Managing General Partner; Limitations on Administrative General Partner; Substantial Management Duties

(a) Subject to the terms of this Agreement, the Managing General Partner shall have the right, power, and authority, acting for and on behalf of and in the name of the Partnership, to: (i) execute and deliver on behalf of the Partnership any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, rehabilitate, renovate, improve, lease, operate, sell, encumber, mortgage, convey, or refinance the Partnership Property (or any part thereof); (ii) convey the Partnership Property by deed, mortgage, certificate, bill of sale, agreement, or otherwise, as appropriate; (iii) bring, compromise, settle, and defend actions at law or in equity; (iv) rent, maintain, and repair the Project; (v) participate in the hiring and overseeing the work of the Management Agent; (vi) acquire, hold, assign or dispose of the Partnership Property or any interest therein; (vii) borrow money on behalf of the Partnership,

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encumber the Partnership Property, prepay in whole or in part, refinance, increase, modify or extend any obligation; and (viii) determine the amount and timing of distributions to Partners and establish and maintain all required reserves.

(b) All decisions made for and on behalf of the Partnership by the Managing General Partner (when acting in its capacity as the Managing General Partner of the Partnership) shall be binding upon the Partnership. Except as expressly otherwise set forth in this Agreement, the Managing General Partner (acting for and on behalf of and in the name of the Partnership), in extension and not in limitation of the rights and powers given it by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority, in the management of the Partnership's day-to-day business, to do any and all acts and things necessary, proper, ordinary, customary or advisable to effectuate the purposes of the Partnership as set forth in Section 1.06. In so doing, the Managing General Partner shall take all actions necessary or appropriate to protect the interests of the Limited Partner and of the Partnership. In furtherance and not in limitation of the foregoing provisions of this Article V and of the other provisions of this Agreement, the Managing General Partner is, as is more fully set forth in Section 5.01(a), specifically authorized and empowered to execute any and all instruments and documents as shall be required by any lender in connection with any loan or loans, including but not limited to executing the Mortgages, Mortgage Notes, any contract, building loan agreement, bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith, all of which must be in accordance with this Agreement.

(c) The Managing General Partner shall provide regular, continuous and substantial services to the Partnership and shall be the "managing general partner" of the Partnership, as such term is used in Section 214(g) of the State Tax Code, as amended, and as further defined in the Property Tax Rules of the BOE, specifically, Property Tax Rule 140.1(a)(6). Except as otherwise set forth in this Agreement, the Managing General Partner, within the authority granted to it under this Agreement, shall materially participate in the control, management and direction of the Partnership's business for the purposes stated in Article I and shall manage and control the affairs of the Partnership and carry out the purposes of the Partnership. In so doing, the Managing General Partner shall take all actions necessary or appropriate to protect the interests of the Partners and of the Partnership. The Managing General Partner shall devote such of its time as is necessary to the affairs of the Partnership.

(d) The Administrative General Partner shall have no right, power, or authority to act for or bind the Partnership. The Administrative General Partner shall have voting rights equal to its Percentage Interest in the Partnership with respect to any matters to be decided upon or voted upon by all of the Partners.

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(e) Notwithstanding anything to the contrary contained herein, the Managing General Partner shall perform the following substantial management duties ("***Substantial Management Duties***") on behalf of the Partnership:

(i) rent, maintain and repair the Project, of if such duties are delegated to the Management Agent, participate in hiring and overseeing the work of the Management Agent;

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(ii) participate in the hiring and overseeing of the work of all persons necessary to provide services for the management and operation of the Partnership;

(iii) execute and enforce all contracts executed by the Partnership;

(iv) execute and deliver all Partnership documents on behalf of the Partnership;

(v) prepare or cause to be prepared all reports to be provided to the Partners or lenders of the Partnership on a monthly, quarterly or annual basis consistent with the requirements of this Agreement;

(vi) coordinate all present and future development, construction, or rehabilitation of the Project.

(f) The Managing General Partner shall maintain, independently of the records and documents of the Partnership, records and documents evidencing the duties performed by the Managing General Partner ("**Management Documents**"). Such records and documents may include, but are not limited to:

(i) accounting books and records;

(ii) tax returns;

(iii) budgets and financial reports;

(iv) reports required by Mortgagees;

(v) documents related to the construction or rehabilitation of the Project;

(vi) legal documents such as contracts, deeds, notes, leases, and deeds of trust;

(vii) documents related to complying with government regulations and filings;

(viii) documents related to property inspections;

(ix) documents related to charitable services or benefits provided or the information provided regarding such services or benefits;

(x) reports prepared for the Partners;

(xi) bank account records;

(xii) audited annual financial statement of the Partnership; and

(xiii) the property Management Agreement.

(g) In the event that there is more than one General Partner and this Agreement provides for an action on the part of the General Partners requiring a vote of a majority in interest of the General Partners to effect such action (a "**Major Decision**"), the General Partners shall each

vote on such matter in accordance with their Interests. A General Partner requesting a vote on a Major Decision shall give the other General Partners written notice of any Major Decision and the other General Partner(s) shall provide their approval or disapproval of the Major Decision within fourteen (14) days after receipt of such notice unless an emergency event shall have occurred in which event the General Partner shall provide such notice as is reasonable under the circumstances.

(h) The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that the property is being used as low-income housing and meets all of the requirements applicable pursuant to the Property Tax Exemption provided for under Section 214(g) of the State Tax Code, as amended, and as further defined by Property Tax Rule 140.

(i) The Managing General Partner shall submit on an annual basis a certification to the Sacramento County assessor, certifying that the Project meets all of the requirements set forth in Property Tax Rule 140.

(j) The Managing General Partner shall obtain and maintain the Property Tax Exemption and Supplemental Clearance Certificate for the Project. Any savings to the Partnership and Project attributable to the Property Tax Exemption shall be used to maintain the affordability of the units occupied by “lower income households” (as defined by Section 50079.5 of the California Health and Safety Code) or otherwise passed on to the low-income tenants at the Project in accordance with all applicable provisions of Section 214(g) of the State Tax Code, as amended.

(k) Notwithstanding anything contained in this Partnership Agreement to the contrary, the Managing General Partner may delegate its Substantial Management Duties only in the event that such a delegation is to persons who, under its supervision, perform such duties for the Partnership. If the General Partner elects to delegate one or more of its Substantial Management Duties, then the General Partner shall demonstrate by maintaining appropriate records and otherwise that it is actually supervising the performance of the delegated duties.

5.02 Limitations on the Authority of the Managing General Partner

Notwithstanding any other provision of this Agreement, the Managing General Partner shall have no authority to perform or cause the Partnership to perform any act in violation of any applicable law or regulations, the Loan Documents, or the Project Documents; to do any act required to be approved, consented to, voted on, or ratified by the Limited Partner under the Act or under this Agreement unless such approval, vote, consent, or ratification has been obtained; to cause the Partnership to engage in any business other than as set forth in Section 1.06; or do any act that would make it impossible to carry out the business of the Partnership as contemplated herein. The Managing General Partner shall have no authority to engage in the following activities (or to cause the Partnership to engage in the following activities) without the prior Consent of the Limited Partner and, if required, the consent of the Mortgagees:

(a) Effect a sale of all or any portion of the Partnership Property (other than a sale in connection with the Right of First Refusal described in Section 14.02 of this Agreement), including the Units and any commercial and/or community space, or submit a request to the Credit Agency to find a buyer for the Project pursuant to a qualified contract under Section 42(h)(6)(E)(ii)(II);

(b) Effect a refinancing, encumbrance, mortgage, conveyance, or other disposition of all or a substantial portion of the Partnership Property other than the Loans;

(c) Lease as an entirety the Partnership Property, or lease any portion of the Partnership Property except in the normal course of business;

(d) Except with respect to the Loan prior to Loan Conversion and other than standard non-recourse carve-outs in the Loan Documents, cause any Partner to become subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2 with respect to any Loan;

(e) Following the Completion Date, construct any new capital improvements or replace any existing capital improvements costing in excess of Twenty-Five Thousand Dollars (\$25,000) and not contemplated in the Budget;

(f) On behalf of the Partnership, acquire any real property in addition to the Partnership Property;

(g) During the Compliance Period, lease or otherwise operate any of the Credit Units in such a manner that such Credit Units would fail to be treated as a “low-income unit” under Section 42(i)(3) of the Code, or lease or operate the Project in such a manner that the Project would fail to be treated as a qualified low-income housing project under Section 42(g)(1)(B) of the Code;

(h) On behalf of the Partnership, incur debt not in the ordinary course of business or arrange for the receipt of any grant of funds, nor incur debt in the ordinary course of business in excess of Twenty Thousand Dollars (\$20,000) in the aggregate at any one time outstanding, except as specifically permitted in this Agreement;

(i) Change the nature of the Partnership’s business;

(j) (i) Voluntarily file a petition under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or (ii) consent to or acquiesce to an involuntarily filing of a petition under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or (iii) consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for the Managing General Partner or the Partnership or for any substantial part of the Managing General Partner’s or the Partnership’s property, or (iv) make any assignment for the benefit of the Managing General Partner’s or the Partnership’s creditors, (v) take any action in furtherance of any of the foregoing; (or) take or consent to any other action which would constitute an Event of Bankruptcy;

(k) Dissolve or wind up the Partnership;

(l) Confess any judgment except as required by the Loan Documents or initiate any litigation on behalf of the Partnership, or compromise any claim or liability in excess of Ten Thousand Dollars (\$10,000) owed by or to the Partnership (in each case, except for routine tenant eviction actions);

- (m) Modify or amend this Agreement;
- (n) Prepay the Mortgage Notes (except in connection with Loan Conversion);
- (o) Admit any Person as a Partner, except as otherwise provided in this Agreement;
- (p) Permit any Person to borrow from the Partnership or commingle Partnership funds with the funds of any Person;
- (q) Permit the Partnership to pay directly or indirectly the Managing General Partner or any Affiliate a commission or fee in connection with the reinvestment or distribution of Capital Proceeds or liquidating distributions belonging to the Partnership except as provided for herein;
- (r) On behalf of the Partnership or itself, receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement;
- (s) Make application for or accept increase or increases in the principal amount of Loans or materially modify the Loans;
- (t) Make any changes to the Management Agreement or dismiss or replace the Management Agent;
- (u) Approve the form and substance of any accountant certification of the itemized amount of construction, rehabilitation, acquisition and development costs of the Project and the eligible basis and applicable percentage of each building in the Project;
- (v) Modify in any material respect any Loan Document or Project Document;
- (w) Change the source of any Sponsor Loan or Managing General Partner Capital Contribution;
- (x) Delegate its authority, power and right to manage the Partnership Property except as set forth in Section 5.03;
- (y) Permit the Partnership, or any other Person on behalf of or in connection with the Partnership, to pay directly or indirectly the Managing General Partner or any Affiliate any fees except as provided for herein;
- (z) Submit the completed and executed Form 8609 to the IRS without Limited Partner review and approval;
- (aa) Permit (i) the conveyance by the shareholders, partners or members of a General Partner or the Guarantor of any ownership interest or (ii) any change in control of a General Partner or the Guarantor, or change in the organizational documents of the Guarantor that would affect the control of the Guarantor;
- (bb) Dismiss or replace the Accountants;

(cc) Permit the Partnership to enter into any swaps, caps, collars, or other interest rate hedge products;

(dd) Apply the proceeds realized from any condemnation, insured casualty, or insured title defect;

(ee) To use (or permit the use of) the Commercial Space for any unlawful purpose or for any of the prohibited uses described in Exhibit ON;

(ff) To enter into a Commercial Lease that does not provide for payment by the tenant of all taxes, insurance, utilities, and other expenses attributable to the tenant's use and occupancy of the Commercial Space; or

(gg) Do any act in contravention of this Agreement.

5.03 Overall Management of Business

(a) Subject to the terms of this Agreement, the Managing General Partner shall have full and exclusive power and right to manage and control the business and affairs of the Partnership. Any action required or permitted to be taken by the Managing General Partner hereunder may be taken by such of its proper officers or agents as it shall validly designate and duly authorize for such purpose. The Administrative General Partner shall not have any authority or right to act for or bind the Partnership.

(b) The Managing General Partner may delegate its authority, power, and right to manage the Partnership Property to the Management Agent (subject to the supervision of the Managing General Partner); *provided, however*, that any such delegation shall not relieve the Managing General Partner of its obligations and responsibilities to ensure the proper management of the Partnership Property.

(c) The Partnership Representative shall maintain the books and records of the Partnership and prepare or cause to be prepared all tax and information returns required of the Partnership or considered necessary by the Managing General Partner (including, but not limited to, federal, state, and local income tax and information returns and any amended returns), which returns shall be reviewed in advance by the Accountants, and which returns are subject to the review of the Limited Partner as provided in Section 13.03(a)(iv). The Partnership Representative shall, with the Consent of the Limited Partner, be responsible for making all elections required or allowed under the Code or the Treasury Regulations including, but not limited to, elections pursuant to Sections 42, 168, 709, and 754 of the Code, and all elections required or allowed under State or local law. No election shall be made without the Consent of the Limited Partner. The Partnership Representative shall cause the Partnership to retain all records relating to the Credits for each year of the Compliance Period required by Treasury Regulations 1.42-5 for a period of at least six (6) years after the due date (with extensions) for filing the Partnership tax returns for each year and shall permit any Limited Partner which transfers its Interest in the Partnership to a Substitute Limited Partner to have access to such records.

5.04 Duty of the Managing General Partner to Maintain the Low-Income Housing Status of the Partnership Property

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(a) During the Extended Use Period, the Managing General Partner shall hold for occupancy one hundred percent (100%) of the Credit Units in the Project in such a manner as to qualify each such Unit as a “low-income unit” under Section 42(i)(3) of the Code and the Project as a “qualified low-income housing project” under Section 42(g)(1)(B) of the Code, as such sections of the Code are interpreted from time to time in Treasury Regulations and rulings promulgated thereunder. The Managing General Partner shall not, by act or omission, permit any act to be taken that would cause the termination or discontinuance of the qualification of each Credit Unit as a “low-income unit” under Section 42(i)(3) of the Code or the qualification of the Project as a “qualified low-income housing project” under Section 42(g)(1)(B) of the Code.

(b) During the Extended Use Period, the Managing General Partner shall prepare and submit to the Secretary of the Treasury (or any other governmental authority designated for such purpose), on a timely basis, any and all annual reports, information returns, and other certifications and information and shall take any and all other action required (i) to insure that the Partnership (and its Partners) will continue to qualify for the Credit for each of the Credit Units and the Partnership Property, and (ii) to avoid recapture or reduction of the Credit or the imposition of penalties or interest on the Partnership or any of the Partners for failure to comply with Section 42 of the Code. The Managing General Partner shall concurrently provide the Limited Partner with copies of all such communication.

(c) The Managing General Partner shall use its best efforts to develop strategies to maintain the Credit Units as low-income housing after the end of the Compliance Period for the Extended Use Period under Section 42 of the Code and thereafter. In addition to the requirements of Section 5.04(a), the General Partner shall at all times hold the Units in the Project available for occupancy for families with incomes that comply with AIT Regulations, the Project Documents and other requirements related to the Credit as applicable to the Project and the Partnership.

(d) During the Energy Efficient Home Credit Recapture Period, the Managing General Partner shall take any and all action required (i) to insure that the Partnership (and its Partners) will continue to qualify for the Energy Efficient Home Credit for the Project, and (ii) to avoid recapture or reduction of the Energy Efficient Home Credit or the imposition of penalties or interest on the Partnership or any of the Partners for failure to comply with Section 45L of the Code. The Managing General Partner shall concurrently provide the Limited Partner with copies of all such communication.

5.05 Outside Activities

The Managing General Partner shall devote to the management of the business of the Partnership so much of its time as it deems reasonably necessary to the efficient operation of the Partnership Property, the Project, and the Units and in order to comply with this Agreement. The Managing General Partner is and shall remain a single purpose entity and shall not engage in and possess any interest in other business ventures (including, without limitation, limited partnerships and limited liability companies) of any kind, nature, or description whatsoever, independently or with others, whether existing at the date hereof or hereafter coming into existence, including, without limitation, acting as general partner, managing member, or limited partner of other partnerships or limited liability companies that own, directly or through interests in other partnerships, housing projects similar to, or in competition with, the Project.

5.06 Liability to Partnership and Limited Partner

The Managing General Partner shall not be liable, responsible, or accountable in damages or otherwise to the Limited Partner or to the Partnership for any acts performed in good faith and in a manner reasonably believed by the Managing General Partner to be within the scope of authority of the Managing General Partner pursuant to this Agreement and in the best interest of the Partnership; *provided, however*, that the Managing General Partner shall be liable for its actions and/or omissions to the extent they are attributable to gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement under this Agreement, breach of its fiduciary duty, or actions performed outside the scope of its authority.

5.07 Indemnification of Managing General Partner and Administrative General Partner

(a) The Partnership shall indemnify, defend, and hold harmless the Managing General Partner and the Administrative General Partner from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) arising out of or alleged to arise out of any demands, claims, suits, actions, or proceedings against the Managing General Partner or the Administrative General Partner, by reason of any act or omission performed by it (including its employees and agents) while acting in good faith on behalf of the Partnership and in a manner reasonably believed by the Managing General Partner or the Administrative General Partner to be within the scope of the authority of the Managing General Partner or the Administrative General Partner pursuant to this Agreement and in the best interest of the Partnership, and any amount expended in any settlement of any such claim of liability, loss, or damage; *provided, however*, that: (i) the Managing General Partner or the Administrative General Partner must have in good faith believed that such action was in the best interests of the Partnership, and such course of action or inaction must not have constituted gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement, or breach of its fiduciary duty; and (ii) any such indemnification shall be recoverable from the assets of the Partnership, and no Partner shall be personally liable therefor. This indemnity shall be operative only in the context of third-party suits, and not in connection with demands, claims, suits, actions or proceedings initiated by any Partner or any Affiliate thereof against another Partner.

(b) The Partnership shall not pay for any insurance covering liability of the Managing General Partner or the Administrative General Partner for actions or omissions for which indemnification is not permitted hereunder.

(c) Notwithstanding anything contained in this Section 5.07, the Managing General Partner or the Administrative General Partner shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any civil or criminal fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the Managing General Partner, the Administrative General Partner or the Partnership; or (iii) any claim involving gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement, or breach of a fiduciary duty, unless (A) the Managing General Partner or the Administrative General Partner is successful in defending such action on the merits to a final

unappealable determination, (B) such claims have been dismissed in favor of the Managing General Partner or the Administrative General Partner with prejudice on the merits by a court of competent jurisdiction in a final unappealable verdict, judgment or order, or (C) a court of competent jurisdiction approves a final settlement and determines that the Managing General Partner or the Administrative General Partner is entitled to costs.

(d) The provision of advances from the Partnership to the Managing General Partner or the Administrative General Partner for reasonable legal expenses and other costs as a result of a legal action pursuant to Section 5.07(e) is permissible only if the following three conditions are satisfied: (i) the legal action relates to the performance of the duties or services by the Managing General Partner or the Administrative General Partner on behalf of the Partnership; (ii) the legal action is initiated by a third party who is not a Partner or Affiliate thereof; and (iii) the Managing General Partner or the Administrative General Partner covenants in advance to repay the advance of funds to the Partnership in accordance with Section 5.07(e) in the event it is determined that the Managing General Partner or the Administrative General Partner is not entitled to indemnification hereunder.

(e) The Managing General Partner or the Administrative General Partner, when entitled to indemnification pursuant to this Section 5.07, shall be entitled to receive, upon application therefor, and subject to the Limited Partner's approval, not to be unreasonably withheld, reasonable advances to cover the costs of defending any proceedings against it; *provided, however*, that the Managing General Partner and the Administrative General Partner each agree that if it receives such advances, it shall repay such advances to the Partnership, with interest thereon, at an annual rate equal to the Prime Rate plus two percent (2%), computed on a daily basis, from the date made until repaid, if the Managing General Partner or the Administrative General Partner is determined not to be entitled to indemnification under this Section 5.07. All rights of the Managing General Partner or the Administrative General Partner to indemnification shall (to the full extent permitted by law) survive the dissolution of the Partnership and the dissolution, insolvency, bankruptcy, or withdrawal of the Managing General Partner or the Administrative General Partner.

(f) The indemnification rights contained in this Section 5.07 shall be limited to out-of-pocket loss or expense. Nothing contained herein shall constitute a waiver by the Limited Partner or its Affiliates of any right that it may have against any party under federal, state, or common law principles.

The indemnification authorized by this Section 5.07 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

5.08 Indemnification of Partnership and Limited Partner

(a) The ~~Managing~~ General Partner shall defend, indemnify, and save harmless (i) the Partnership and each Partner and each of their partners or members (as the case may be) from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceeding arising (1) out of ~~the Managing General Partner's or the Administrative~~such General Partner's gross negligence, fraud, willful misconduct,

malfeasance, breach of any representation, warranty, covenant, or agreement set forth in this Agreement, breach of fiduciary duty, or actions performed outside the scope of the authority of the ~~Managing~~ General Partner pursuant to this Agreement, or (2) as a result of the Managing General Partner's or the Administrative General Partner's failure to maintain insurance as required by this Agreement, and (ii) the Limited Partner from any liability incurred by it for Partnership obligations (including, without limitation, the Mortgage Notes) in excess of its Capital Contribution, except to the extent that a Final Determination has been made that the Limited Partner has taken actions or exercised rights with respect to the operation of the Partnership in excess of those actions or rights granted or allowed under this Agreement or the Act. The foregoing indemnification shall be a recourse obligation of the ~~Managing~~ General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the ~~Managing~~ General Partner. The indemnification authorized by this Section 5.08 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

(b) The ~~Managing~~ General Partner shall indemnify the Partnership and the Limited Partner for any reduction in tax benefits suffered (on an After Tax Basis assuming a federal income tax rate of the maximum federal corporate income tax rate in effect at the time of the determination) by the Partnership or the Limited Partner in any taxable year attributable to receipt by the Partnership of any donations, contributions, grants or subsidies, whether in the form of property, cash, or forgivable debt. The foregoing indemnification shall be a recourse obligation of the ~~Managing~~ General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the ~~Managing~~ General Partner. The indemnification authorized by this Section 5.08(b) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

5.09 Environmental Indemnification

The ~~Managing~~ General Partner shall indemnify and hold harmless the Limited Partner and any partner of the Limited Partner (the "*Indemnified Parties*") from any and against all claims, actions, causes of action, damages, costs, liability and expense (including, without limitation, attorneys' fees, court costs and remedial response costs) incurred or suffered by, or asserted by any Person, entity or governmental agency against the Indemnified Parties related to breach of the ~~Managing~~ General Partner's representations, warranties or covenants, or an alleged violation of the Environmental Laws, or the presence of Environmental Hazards in, on, under or emanating from the Partnership Property. Notwithstanding the foregoing, the ~~Managing~~ General Partner shall not have an indemnification liability if the violation of the Environmental Laws or the presence of the Environmental Hazards is due to conditions arising after the effective date of the ~~Managing~~ General Partner's (a) removal, if any, or (b) withdrawal, sale, transfer or assignment of its Interest pursuant to a right to do so under this Agreement. The foregoing indemnification shall be a recourse obligation of the ~~Managing~~ General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, or withdrawal of the ~~Managing~~ General Partner. The indemnification authorized by this Section 5.09 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

5.10 Representations and Warranties of the General Partners

The General Partners hereby ~~jointly and severally~~ represent and warrant, each as to itself only, to the Limited Partner that the following are true and correct as of the date hereof and will be true and correct for the Term, unless specifically otherwise provided.

(a) The Partnership is a duly organized limited partnership validly existing and in good standing under the laws of the State of California and has undertaken all acts, including without limitation, the filing of all certificates and the payment of all fees, taxes, and other sums necessary for the Partnership to operate as a limited partnership in the State of California and to enable the Partnership to engage in its business.

(b) No event has occurred that has caused, and no General Partner has acted in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner to be liable for Partnership obligations.

(c) All consents or approvals of any governmental authority, or any other Person, necessary in connection with the transactions contemplated by this Agreement or necessary to transfer the Land to the Partnership and admit the Limited Partner to the Partnership, have been obtained by the General Partners and the Partnership has taken all action under the laws of the State of California and any other applicable jurisdiction and has complied with all filing requirements necessary under the Act for the preservation of the limited liability of the Limited Partner.

(d) The General Partners have delivered to the Limited Partner true copies of all documents material to the Limited Partner's investment in the Partnership and true copies of all amendments to such documents and all other material information relevant to the Project or to the admission of the Limited Partner to the Partnership. All such information provided to the Limited Partner is accurate and complete in all material respects and no General Partner has failed to provide the Limited Partner with any information necessary to make the information provided by the General Partners complete and accurate in all material respects.

(e) The Partnership is under no obligation, and neither of the General Partners nor any of their Affiliates have taken any action that would cause the Partnership to be obligated, under any federal or State law, rule, or regulation to register the Interests or to comply with any exemption available for the sale of interests without registration.

(f) The Managing General Partner (i) is a limited liability company validly existing and in good standing under the laws of the State of California and (ii) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. The Administrative General Partner (i) is a limited liability company validly existing and in good standing under the laws of the State of California and (ii) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. The consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by the General Partners or their Affiliates does not and will not result in any material breach or violation of, or default under, any governing

instrument of the General Partners or their Affiliates or any agreements by which a General Partner or its Affiliates or any of its property is bound, or under any applicable law, administrative regulation, or court decree.

(g) No Event of Bankruptcy has occurred with respect to any General Partner or any of their Affiliates or the Guarantor.

(h) No litigation, action, investigation, event, or proceeding is pending or, to the best of its knowledge is threatened, that, if adversely resolved, would: (i) have a material adverse effect on the Partnership or the Partnership Property (or, to its knowledge, any adjacent or other property that would have a material adverse effect on the Partnership Property or the Partnership's investment in the Partnership Property); (ii) have a material adverse effect on the ability of the General Partners or any of their Affiliates to perform their respective obligations under this Agreement; (iii) have a material adverse effect on the financial condition of a General Partner; or (iv) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

(i) The General Partners have provided the Limited Partner with true and correct copies of any documents relevant to the Loans (including all Loan commitments and documents evidencing or securing the Loans) and, if requested by the Limited Partner, a complete set of the Plans and Specifications of the Project.

(j) All Loan Documents and Project Documents are in accord with applicable laws, codes and regulations and the construction of the Partnership Property will be completed in accordance with the Loan Documents, Project Documents and all applicable laws, codes and regulations.

(k) No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any of the Loan Documents, the Project Documents, or any other contract, agreement, or instrument to which the Partnership or a General Partner is subject, and the Loan Documents and the Project Documents are in full force and effect and the Partnership is entitled to the benefit of the Loan Documents and the Project Documents.

(l) Except with respect to Loans prior to Loan Conversion, and other than standard non-recourse carve-outs in the Loan Documents, none of the Partners or the Partnership has or will have, pursuant to the terms of the Loans, any personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest on the Loans, and in the event of default thereon, the sole recourse with respect to the payment of principal or interest on the Loans of any Mortgagee or other Lender shall be to the Project and pledged collateral.

(m) None of the General Partners nor any of their respective Affiliates nor the Partnership has entered into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such charges or fees relating to the Loans, other than those disclosed in this Agreement; and except for the Construction Loan and the Seller Loan, in

no event have they or the Partnership entered into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Partnership or any of its Partners or Affiliates to personal liability or economic risk of loss as to the Loans nor has any General Partner made any loan which shall be personally enforceable by any lender of the Loans or which may in any way affect allocation of the Projected Credits to the Limited Partner.

(n) No General Partner is presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Project or any portion thereof except for the arrangements specifically described in this Agreement and the arrangements previously disclosed in writing to the Limited Partner.

(o) Except with respect to the Sponsor Loan(s) and CADA Gap Loan, there are no outstanding loans or advances from the General Partners or their Affiliates to the Partnership, and, except as provided in Section 5.16, the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partners or their Affiliates.

(p) The General Partners reasonably believe that, during the entire Term of the Partnership, the fair market value of the Project or the Partnership Property, including the value of Credits and below market financing, will exceed the amount of nonrecourse indebtedness and any accrued interest thereon secured by the Project.

(q) There are no restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents, the Project Documents, or under Section 42 of the Code.

(r) The Partnership owns the Partnership Property with good and marketable title, free and clear of any liens, charges, or encumbrances other than the Mortgages, matters set forth in the Title Policy, and mechanics' or other liens that have been bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for payment of any debt secured thereby and no General Partner has received notice of any such liens, charges, or encumbrances.

(s) No General Partner has permitted the Partnership to accept any federal or non-federal grant of funds except as approved by the Limited Partner.

(t) All building, zoning, and other applicable certificates, permits, and licenses necessary to permit the construction and/or rehabilitation, use, occupancy, and operation of the Partnership Property and the Project have been obtained (other than such as will be issued only after the completion of the Project or any specified portion thereof), all improvements constructed or to be constructed on the Partnership Property have been or will be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Partnership Property and neither the Partnership nor any General Partner has received any notice of or has any knowledge of any violation with respect to the Partnership Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction that would have a material adverse effect on the Partnership Property or the Project or the Partnership's investment in the Partnership Property (including the Partnership's ability to transfer the Partnership Property

in accordance with terms of this Agreement) or the construction and/or rehabilitation, use, occupancy, or operation thereof.

(u) All appropriate roadways and public utilities necessary to the operation of the Partnership Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), and electricity, are available to the Partnership Property and each of the Units and are or will be connected to each Unit in the Project on or before the date that a certificate of occupancy is obtained for the Building.

(v) No amendments, modifications, or other changes or additions have been made to the Environmental Reports. The General Partners warrant and represent that to the best of their knowledge, after due inquiry, except as disclosed in the Environmental Reports, there presently are not in, on or under the Partnership Property nor will there be in, on or under the Partnership Property upon completion of the construction any Environmental Hazard. If any Environmental Hazard was found to exist or be present, it has been (or prior to the Completion Date, will be) either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, regulations, rules, and ordinances, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents. The General Partners further represents, to the best of their knowledge, after due inquiry, that the Partnership Property is in compliance with all applicable Environmental Laws and the General Partners have not received notice of any violations of the Environmental Laws.

(w) In the event the Federal Drug Free Workplace Act of 1988 and the regulations promulgated thereunder, including without limitation, 54 Code of Federal Regulations 4956 (1989), as such Act and regulations have been amended are applicable, the General Partners have complied with and has caused the Partnership to comply with such Act.

(x) No federal appropriated funds have been paid or will be paid, by or on behalf of any General Partner or the Partnership, to any Person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and/or the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(y) No funds have been paid for influencing or attempting to influence an officer or employee of a member of Congress in connection with a federal contract, grant, loan and/or cooperative agreement benefiting the Partnership and/or a General Partner. The Partnership and the General Partners have complied with all restrictions, certifications and disclosure requirements contained in the Byrd amendment to the fiscal 1990 appropriations measures for the United States Department of the Interior (P.L. 101-121) and with any guidelines and rules issued by any federal entity in connection therewith ("**Byrd Amendment**"), if applicable.

(z) Amounts paid to the General Partners and/or their Affiliates for services in accordance with the applicable Fee Agreements are reasonable in relation to the value of services

provided and relate solely to the services actually rendered to the Partnership pursuant to the applicable Fee Agreements.

(aa) The Partnership has obtained the 42M Letter from the Credit Agency in the amount (the “*Annual LIH Credit Allocation*”) shown on Exhibit A-2, such determination is in full force and effect, all information contained in the Credit Application is complete and correct in all material respects, and the Project will have eligible basis with respect to the thirty percent (30%) present value credit related to new construction expenditures (the “*NC Basis Amount*”) in the amount shown on Exhibit A-2. The eligible basis takes into account the fact that the Project qualifies for the one hundred thirty percent (130%) factor for eligible basis under Section 42(d)(5)(B) of the Code.

(bb) Each General Partner represents and warrants that it and its Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by the United States Treasury Department’s Office of Foreign Assets Control (“*OFAC*”), including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a person with whom a U.S. Person is prohibited from transacting business. “U.S. Person” shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(cc) Neither the Partnership nor a General Partner has made any elections under the Code without the Consent of the Limited Partner that would affect the amount, timing, availability, or allocation of Credits.

(dd) At all times during the terms of this Agreement, the Partnership shall comply with the provisions of the Fair Housing Act and the Americans with Disabilities Act.

(ee) Neither the General Partners, nor the Developer, nor any Affiliate of the General Partners or the Developer, has received any fee or any economic benefit that has not been fully and clearly disclosed to the Credit Agency or any relevant authority.

(ff) No General Partner has entered into or formed a joint venture with nor is any General Partner acting as an agent of any Person with respect to ownership and operation of the Project or the Partnership and it will maintain its status as a separate and distinct subsidiary of the Sponsors and will observe all corporate formalities.

(gg) The sole member of the Managing General Partner has received recognition as an organization exempt from federal income tax under Section 501(c)(3) of the Code and has the fostering of affordable housing as one of its exempt purposes and will materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Project throughout the Compliance Period.

(hh) ~~In the event of a loss or elimination of the project-based rental voucher assistance to be provided under the HAP Contract, the Regulatory Agreements, the Loan Documents, and the other Project Documents, as applicable, allow for the HAP Assisted Units to be leased to households with incomes of up to sixty percent (60%) of area median income, as adjusted for~~

~~family size, and at rents equal to the maximum rents permitted under Section 42 of the Code.~~~~Reserved.~~

Commented [NK23]: It's either in the documents or it's not (I believe it is, but we won't have all the final docs until perm), and this is not a rep that any other investor or Enterprise has ever required (including San Juan).

(ii) The General Partners represent and warrant that each General Partner and their respective Affiliates are (i) in compliance with all applicable anti-money laundering laws, including, without limitation, the USA Patriot Act, and the laws administered by OFAC, including, without limitation, Executive Order 13224, (ii) not on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) not otherwise identified by a government entity or legal authority as a person with whom a U.S. Person is prohibited from transacting business. "U.S. Person" shall mean any United States citizen, any permanent resident alien, any entity organized under the laws of the United States (including foreign branches), or any person in the United States.

(jj) No General Partner nor any Affiliate of a General Partner, nor any Person with a direct or indirect ownership interest in a General Partner, nor any Guarantor (each, a "**Covered Person**") are in violation of the AML Laws and Economic Sanctions Laws or on any Prohibited Parties List.

(kk) No action, suit or proceeding has occurred, is pending or, to the best of the General Partner's knowledge, threatened, against a Covered Person relating to any AML Laws or Economic Sanctions Laws.

(ll) The General Partners have implemented and will maintain in effect policies and procedures designed to ensure that each Covered Person remains in compliance with AML Laws and Economic Sanctions Laws, and a General Partner will notify the Limited Partner if it gains knowledge of any violation of AML Laws and Economic Sanctions Laws, or circumstances likely to give rise to such a violation, by any Covered Person and, upon the request of the Limited Partner, the General Partner will provide information verifying its compliance with AML Laws and Economic Sanctions Laws.

(mm) Upon request of the Limited Partner, the General Partner will take such actions and/or provide such information as is reasonably requested by the Limited Partner for the Project to meet the requirements of the Average Income Test and AIT Regulations.

(nn) The General Partners shall not permit any Person to be admitted as a member or partner of a General Partner or to any Affiliate of a General Partner that has been convicted of a violation of the AML Laws or the Economic Sanctions Laws, or has been the subject of a final enforcement action relating to the AML Laws or the Economic Sanctions Laws, or is on the Prohibited Parties Lists.

(oo) The Partnership has not made any elections under the Code without the Consent of the Limited Partner that would affect the amount, timing, availability, or allocation of Credits.

(pp) Neither the General Partners nor the Sponsors, nor any Affiliate of the General Partners or the Sponsors, has received any fee or any economic benefit that has not been fully and clearly disclosed to the Credit Agency or any relevant authority.

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(qq) No General Partner has entered into or formed a joint venture with and is not acting as an agent of any Person with respect to ownership and operation of the Project or the Partnership and it will maintain its status as a separate and distinct from any other Person and will observe all limited liability company formalities.

(rr) Each member of the General Partners is a corporation which (i) is an eligible nonprofit corporation under Section 214(g) of the State Tax Code, (ii) is tax-exempt under Section 501(c)(3) of the Code, (iii) has been determined by the Credit Agency to not be controlled by or affiliated with a for-profit entity, (iv) has as one of its charitable purposes the fostering of low-income housing, and (v) has filed all prior federal and state tax returns required for exempt organizations and will continue to timely files all such annual tax returns for so long as the Limited Partner is a Partner of the Partnership.

(ss) ~~Upon request of the Limited Partner, the Managing General Partner will take such actions and/or provide such information as is reasonably requested by the Limited Partner for the Project to meet the requirements of the Average Income Test and AIT Regulations Reserved.~~

Commented [PE24]: Same as (mm)

(tt) All non-housing services furnished by the Partnership will be without a separate fee to the tenants of the Project and will not be required as a condition of occupancy. The Partnership will not provide continual or frequent nursing, medical or psychiatric care services to tenants of the Project.

(uu) No part of the eligible basis of the Project will include any amount attributable to the ~~rehabilitation~~ construction of the Commercial Space. More than 80% of the gross rental income generated by the Building will be rental income from residential units, and the Managing General Partner will not charge rent for the Commercial Space that in the aggregate exceeds 20% of the gross rental income generated by the Building in which it is located.

(vv) The Partnership has engaged a third-party Energy Star certifier to ensure that upon completion of construction, each dwelling unit in the Project will meet (i) the most recent Energy Star Multifamily New Construction National Program Requirements (as in effect on either January 1, 2023, or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later) and (ii) the most recent Energy Star Multifamily New Construction Regional Program Requirements applicable to the location of such dwelling unit (as in effect on either January 1, 2023, or January 1 of three calendar years prior to the date the dwelling was acquired, whichever is later).

(ww) All of the Units in the Project will be Energy Efficient Homes.

(xx) The Project will receive the Energy Efficient Certification no later than thirty (30) days after Substantial Completion.

Commented [RC25]: By 8609, as per BLVD.

(yy) The provisions regarding manufactured homes and single-family homes under Section 45L of the Code are not applicable to the Project.

(zz) ~~No expenditures giving rise to the Energy Efficient Home Credits are taken into account under Section 47 of the Code in determining federal rehabilitation credits or under Section 48 of the Code in determining energy credits.~~

Commented [PE26]: What does this mean?

Commented [NK27R26]: We believe this is N/A

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(aaa) The Partnership is an "eligible contractor" for purposes of Section 45L of the Code and will construct the units in the Project and lease all units to tenants for residential use by the end of [].

5.11 Covenants of the Managing General Partner

The Managing General Partner covenants to the Limited Partner the following for the Term, and the Administrative General Partner covenants to the Limited Partner that it will not take any action contrary to the following during the Term:

(a) The Managing General Partner shall cause the Partnership to do all things necessary to maintain its status as a limited partnership in good standing and had, has, and shall continue to have full power and authority to acquire the Partnership Property and to develop, construct, operate, and maintain the Project in accordance with the terms of this Agreement and to enable the Partnership to engage in its business.

(b) The Managing General Partner shall not act in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner to be liable for Partnership obligations.

(c) The Partnership shall continue to take all action under the laws of the State of California and any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partner.

(d) The Managing General Partner shall, during and after the period in which it is a Partner, provide the Partnership with such information and sign such documents as are necessary for the Partnership to make timely, accurate and complete submissions of federal and state income tax returns.

(e) The Managing General Partner shall furnish to counsel for the Limited Partner promptly as and when requested in connection with the rendering of any legal opinion concerning federal income tax relating to the Limited Partner's investment in the Partnership, all documents requested by counsel for the Limited Partner.

(f) The Managing General Partner shall promptly inform the Limited Partner and the Administrative General Partner of any litigation, action, investigation, event, or proceeding that is pending or, to the best of its knowledge, is threatened which, if adversely resolved, could (i) have an adverse effect on the Partnership or the Partnership Property; (ii) have an adverse effect on the ability of the Managing General Partner or any of its Affiliates to perform their respective obligations under this Agreement; (iii) have an adverse effect on any adjacent property, which would have a material adverse effect on the Partnership Property or the Partnership's investment in the Partnership Property; (iv) have a material adverse effect on the financial condition of the Managing General Partner or any Guarantor; or (v) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

(g) The Managing General Partner shall promptly inform the Partnership and the Limited Partner, and the Administrative General Partner upon receiving any notice of or having

any knowledge of any violation with respect to the Partnership Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction, which would have a material adverse effect on the Partnership Property (including the Partnership's ability to transfer the Partnership Property in accordance with the terms of this Agreement) or the Project or the construction, rehabilitation, use, occupancy, or operation thereof.

(h) The Managing General Partner shall furnish to the Limited Partner and the Administrative General Partner, within five (5) business days of receipt thereof, a copy of any notice of default under the Mortgage Notes, the Mortgages, any of the Project Documents, or any of the Loan Documents given to the Partnership or the Managing General Partner.

(i) The Managing General Partner shall include the Limited Partner as a recipient of Notices under any (i) loan document, (ii) construction contract, or (iii) any other agreement pursuant to which a third party may obtain a lien against the Project.

(j) From and after Loan Conversion, and other than standard non-recourse carve-outs in the Loan Documents, the Managing General Partner agrees that neither it nor any of its Affiliates will at any time become subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2 with respect to any of the Loans. The Managing General Partner agrees that it will not cause the Limited Partner to become, and it will take all steps necessary to prevent the Limited Partner at any time from becoming, personally liable for payment or performance under the Mortgage Notes or the Mortgages. From and after Loan Conversion, other than standard non-recourse carve-outs in the Loan Documents, the sole recourse of the Mortgagees under the Mortgage Notes with respect to the principal thereof, interest thereon or any other obligation thereunder, shall be to the assets of the Partnership pledged thereunder and such Mortgage Notes shall contain similar nonrecourse provisions.

(k) Neither the managing General Partner nor any of its Affiliates nor the Partnership shall enter into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such charges or fees relating to the Loans, other than those approved by the Limited Partner; except with respect to the Loans, and customary non-recourse carve-outs in the Loan Documents, in no event shall the Managing General Partner, its Affiliates, or the Partnership enter into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Partnership or any of its Partners or Affiliates to personal liability or economic risk of loss as to the Loans nor shall the Managing General Partner make any loan that shall be personally enforceable by any lender of the Loans or that may in any way affect allocation of the Projected Credit to the Limited Partner.

(l) Except as expressly provided for herein, no Partner or Affiliate of any Partner shall make a loan to the Partnership. Any such Partner or Affiliate is referred to as a "Lender." For the purposes of this paragraph, "Affiliate" includes any person having an equity interest in any Partner that is a pass-through entity for federal income tax purposes. A Partner or an Affiliate may be a Lender if one of the following conditions is satisfied:

1. *Less than a Ten Percent (10%) Partner.*

(a) The Lender's or Affiliate's percentage Partnership Interest in each item of income, gain, loss, deduction and credit of the Partnership (directly or indirectly through a Partner of the Partnership) is less than ten percent (10%) for every year that the Lender or Affiliate is a Partner;

(b) The Limited Partner is informed of such relationship; and

(c) The loan made by such Partner or Affiliate will not (based on an analysis by accountants employed by the Limited Partner, or based on an opinion of counsel) affect the basis of any Partner in the Partnership, the basis of any partner in the Limited Partner, nor the allocation of any tax items among the Partners or among the partners of a Partner, under Section 752 or Section 704 of the Code, nor result in recapture of any tax credits previously allocated to the Partners, to such an extent that the amount and timing of tax credits and tax losses allowable to the Limited Partner and the partners thereof is less favorable than that assumed in the Projections; or

2. *Ten Percent (10%) or More Partner.* If a Lender's or Affiliate's percentage Partnership Interest in the Partnership (directly or indirectly through a Partner of the Partnership), determined as described in paragraph 1(a), above, is ten percent (10%) or more, then the Partner or Affiliate may make the loan if the Limited Partner Consents. As part of any request for such Consent, the Managing General Partner shall furnish to the Limited Partner, if the Limited Partner so requests, an analysis from the Accountants, or an opinion of counsel to the Partnership (unless the Limited Partner, elects to obtain an analysis from its accountant or an opinion of its counsel), to the effect that such loan will not affect the basis or allocations of tax items or recapture of tax credits of the Partnership, or of or among the Partners, or the partners or members thereof (as the case may be), as described in paragraph 1(c) above.

(m) The Managing General Partner will not cause or allow restrictions on the sale or refinancing of the Project, other than the restrictions set forth in this Agreement, the Loan Documents, the other Project Documents, under Section 42 of the Code, and as otherwise approved by Consent of the Limited Partner.

(n) The Managing General Partner will cause all of (i) the Partnership Property, (ii) the fixtures, maintenance supplies, tools, equipment and like property owned or to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, and (iii) the rents, revenues and profits earned from the operation of the Project, to be free and clear of all security interests and encumbrances except for the Regulatory Agreements, the Mortgages and other Loan Documents, and as otherwise set forth in the Schedule B of the Title Policy as of the Admission Date (or as subsequently approved by Consent of the Limited Partner).

(o) The Managing General Partner will cause the Partnership to operate in compliance with all applicable laws, rules and regulations.

(p) The Managing General Partner will cause the Partnership to keep all public utilities necessary to the operation of the Partnership Property, including, but not limited to, sanitary and storm sewers, water, gas (if applicable), and electricity, operating in working condition, to the extent required by law and pursuant to the residential lease agreement of any of the Units.

(q) The Managing General Partner will cause the Partnership Property, including each of the Units, to be operated in compliance with all applicable federal, state and local laws, rules and regulations including but not limited to zoning regulations, ordinances, and subdivision laws, rules, and regulations.

(r) The Managing General Partner will cause the Partnership and the Management Agent to maintain insurance against risks that are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons including, but not limited to, insurance of the type described in the Insurance Requirements attached as **Exhibit L**; *provided, however*, that: (i) in addition to such requirements, the Partnership shall at all times comply with the insurance requirements imposed by the Mortgagees; (ii) all such insurance policies are and shall be in full force and effect during the Term; and (iii) the Limited Partner shall be named as a certificate holder and an additional insured on each such policy and shall have the right to receive thirty (30) days' notice prior to any termination or reduction of coverage by the insurer.

(s) The Managing General Partner shall take all actions necessary to ensure that the Partnership Property contains no, and is not affected by the presence of, any Environmental Hazard and to ensure that the Partnership Property is not in violation of any federal, state, or local statute, law, regulation, rule, or ordinance, including any Environmental Law. The Managing General Partner shall promptly deliver to the Limited Partner any notice received from any source whatsoever of the existence or potential existence of any Environmental Hazard on the Partnership Property or of a violation of any federal, state, or local statute, law, regulation, rule or ordinance, including any Environmental Law with respect to the Partnership Property. If any Environmental Hazard is found to exist or be present, the Managing General Partner shall commence promptly the taking of action to assure it will be either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local statutes, laws, regulations, rules and ordinances, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents. If, at any time during the term of the Partnership the Limited Partner determines that the foregoing representations or covenants in this Agreement relating to the Environmental Hazards and Environmental Laws may not have been true when made, or may have become untrue, the Partnership shall promptly obtain an environmental audit of the Partnership Property. The scope of such audit and the company performing it shall be determined by the Managing General Partner with the Consent of the Limited Partner.

Prior to the Completion Date, the Managing General Partner shall satisfy the radon testing required by the procedures outlined in **Exhibit A-9** attached to this Agreement.

(t) In the event the Federal Drug Free Workplace Act of 1988 and the regulations promulgated thereunder, including without limitation, 54 Code of Federal Regulations 4956 (1989), as such Act and regulations may be amended, are applicable, the Managing General Partner shall comply with and will cause the Partnership and the Management Agent to comply with such Act and regulations.

(u) The Managing General Partner will comply and will cause the Partnership to comply with the restrictions, certifications and disclosure requirements contained in the Byrd Amendment, if such Act is applicable.

(v) The Managing General Partner will secure from the General Contractor a construction completion guarantee, a letter of credit, a one hundred percent (100%) payment and performance bond, or other assurances acceptable to the Limited Partner.

(w) The Managing General Partner shall investigate and report to the Limited Partner any proposal or offer of any Person, including the General Partner, to acquire the Partnership Property or the Interest of the Limited Partner.

(x) The Managing General Partner will cause the Partnership to comply in all material respects with all of the terms and conditions of the residential lease agreement for each of the Units.

(y) The Managing General Partner shall not employ any Person as an employee of the Partnership.

(z) The Managing General Partner will cause more than fifty percent (50%) of the Partnership's aggregate basis (including land) in the Partnership Property to be financed with the proceeds of the Bond Loan that are exempt from tax under Section 103 of the Code and subject to the volume cap under Section 146 of the Code (including fully drawing and expending such proceeds on the construction of the Project no later than the end of the first year of the Credit Period), and shall ensure that no portion of the Bond Loan will be repaid nor any portion of the Bond Loan will be redeemed prior to the later of (i) the date the Building is placed in service or (ii) the date sufficient proceeds of the Bond Loan have been disbursed to pay for Project costs in satisfaction of the Fifty Percent Test.

(aa) The Managing General Partner will cause the Project to be constructed, and thereafter operated, as low-income housing as required by the Code in order to qualify for and maintain the Credit and other tax benefits anticipated in connection therewith.

(bb) The Managing General Partner shall at all times during the Compliance Period and Extended Use Period rent the Credit Units to Qualifying Tenants, charge such tenants rental rates no greater than permitted under Section 42 of the Code, and in all other respects comply with the provisions of Section 42 of the Code and Treasury Regulations thereunder and any state or local law necessary to qualify for the Credit with respect to those Credit Units.

(cc) The Managing General Partner will (i) execute on behalf of the Partnership all documents necessary to elect, pursuant to Sections 734, 743, and 754 of the Code, to adjust the basis of the Partnership's property, if, in the sole opinion of the accountants for the Limited Partner, such election would be advantageous to the Limited Partner; (ii) provide to the accountants for the Limited Partner for review and approval before filing each IRS Form 8609, Low Income Housing Tax Credit Allocation Certification, for the Project; and (iii) make such elections on the IRS Form 8609, Low Income Housing Tax Credit Allocation Certification, which in the sole opinion of the accountants for the Limited Partner, are advantageous to the Limited Partner. In addition, the

General Partner shall obtain the Consent of the Limited Partner to make any election under the Code that would affect the amount, timing, availability, or allocation of Credits.

(dd) The Managing General Partner will not after the Admission Date permit the Partnership to accept any federal or non-federal grant of funds without the Consent of the Limited Partner.

(ee) No separate fee will be charged to the tenants of the Project for the use of any of the common area facilities (other than the coin-operated laundry facilities that may be leased by the Partnership and used on the premises and other than fees associated with electric vehicle charging stations).

(ff) Continual or frequent nursing, medical or psychiatric services will not be available to tenants in the Project.

(gg) The Project will not be operated as a hospital, nursing home, sanitarium, lifecare facility or intermediate care facility for the physically or mentally handicapped.

(hh) The Managing General Partner will obtain flood insurance if the Partnership Property is at any time determined to be in a Special Flood Hazard Area.

(ii) The Managing General Partner will include in all leases of Units to tenants an obligation of the tenant to immediately notify the property manager of any suspected water leaks, moisture problems, or mold in the dwelling units or common areas.

(jj) The Managing General Partner will place the Building in service in 2027.

(kk) The Managing General Partner will take all actions necessary or appropriate to prevent more than 90% of the Partnership Property from being treated as tax-exempt use property as defined in Section 168(h) of the Code.

(ll) The Managing General Partner shall cause the Partnership to depreciate the “residential rental property” (as defined in Code Section 168(e)(2)) contained within the Partnership Property over a 30 year term and the General Partner shall cause the Partnership to make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code, with such election being made no later than with respect to the first taxable year in which the first building in the Partnership Property is placed in service, in each case unless directed otherwise by the Limited Partner.

(mm) The Managing General Partner shall not permit the members of the Managing General Partner to convey, directly or indirectly, any ownership interest in Managing General Partner at any time without the Consent of the Limited Partner.

(nn) The Project will be treated as residential rental property under Sections 168(c) and 168(e)(2) of the Code.

(oo) The Managing General Partner will use its best efforts to lease the Units to achieve the rental income shown on the Projections.

(pp) The Managing General Partner shall obtain and maintain the Property Tax Exemption for the Project, and any savings to the Partnership attributable to the Property Tax Exemption shall be used to maintain the affordability of the units for the benefit of low income individuals in accordance with all applicable provisions of Section 214 of the State Tax Code, as amended. The General Partner shall at all times have a valid organizational clearance certificate from the BOE pursuant to CRT Section 254.6. Promptly following the Admission Date, the General Partner shall apply for, and diligently pursue, the Property Tax Exemption for the Project pursuant CRT Section 214(g), or any successor statute thereto, and shall obtain a Supplemental Clearance Certificate.

(qq) The Managing General Partner shall (i) annually conduct a physical inspection of the Project to ensure that it is being used as low-income housing meeting the requirements applicable to the Tax Credits and all the requirements of the BOE applicable to the Property Tax Exemption, (ii) submit, on an annual basis, the necessary certifications (BOE Form 267-LI or BOE Form 267-L2) to the Sacramento County assessor certifying that the Project meets all of the requirements of the BOE applicable to the Property Tax Exemption, and (iii) use its best efforts to qualify the Project for the Property Tax Exemption throughout the Compliance Period.

(rr) The Managing General Partner will promptly notify the Limited Partner of any participation of the Partnership in a “reportable transaction” within the meaning of Treasury Regulation §1.6011-4.

(ss) The Managing General Partner shall cause the Partnership to comply at all times with the terms of the Loan Documents and the Project Documents.

(tt) The Managing General Partner is a limited liability company that is owned entirely by “qualified non-profit corporations” exempt from federal income tax under Section 501(c)(3) of the Code, each of which has been determined by the Credit Agency not be controlled by or affiliated with a for profit entity and has as one of its charitable purposes the fostering of low-income housing. The General Partner will materially participate (within the meaning of Section 469(h) of the Code) in the development and operation of the Project throughout the Compliance Period.

(uu) The Managing General Partner shall cause the Partnership to make an election under Section 168(k) of the Code to elect out of “bonus depreciation” for the personal property and site improvements on the Partnership Property unless directed otherwise by the Limited Partner.

(vv) The Managing General Partner shall ensure that each Qualifying Tenant in a Credit Unit is charged a rental rate no greater than the maximum rent applicable for the designated imputed income limitation for such Credit Unit noted on the AIT Unit Tracking Schedule and shall enforce the Average Income Test Addendum to the Property Management Agreement (and for so long as it is in effect, the Compliance Consultant Agreement) in order to ensure that the Partnership remains in compliance with the Average Income Test and AIT Regulations.

(ww) [Without the Consent of the Limited Partner (which if not given within five (5) business days will be deemed given), the Managing General Partner shall not amend or terminate

the Compliance Consultant Agreement prior to the fifth anniversary of the date the Project achieves one hundred percent (100%) Qualified Occupancy.]

Commented [PE28]: Limited partner should have five days to respond

(xx) In the event the Davis-Bacon Act of 1931 and the regulations promulgated thereunder, as such Act and regulations may be amended, are applicable, the Managing General Partner will comply and will cause the Partnership to comply with such Act and regulations, and will provide supporting legal authority in the event such Act does not apply.

(yy) The Managing General Partner will use the proceeds of all Capital Contributions in accordance with the "Equity" page of the Projections.

(zz) The Managing General Partner will take such action as is required for the Partnership to qualify for the Energy Efficient Home Credit in compliance with Section 45L of the Code.

(aaa) The Managing General Partner agrees to comply with the following provisions regarding anti-corruption, notwithstanding any other provision of this Agreement to the contrary:

- Definitions:

Anti-Corruption Laws: All laws, rules, statutes, codes and regulations of any governmental entity applicable to the Managing General Partner, its Affiliates or the Partnership concerning or relating to corruption or bribery, including laws prohibiting an offer, payment, promise to pay, or authorization of the payment or giving of money or anything else of value, to anyone, while knowing or believing that all or some portion of the money or thing of value will be offered, given, promised to, or retained by a Government Official or any other person for the purposes of obtaining or retaining business, securing any improper advantage or the improper performance of that person's or Government Official's function, or misuse of that person's or Government Official's position.

Government Official: An officer, employee or official of a government, government owned or controlled entity, political party or public international organization, or a candidate for political office.

- There has been no violation by the Managing General Partner or its Affiliates of Anti-Corruption Laws in connection with the execution of the transaction documents.

- Without limitation, the Managing General Partner and its Affiliates (i) are in compliance with Anti-Corruption Laws, and (ii) shall remain in compliance with Anti-Corruption Laws.

- No action, suit or proceeding is pending or, to the Managing General Partner's knowledge, threatened, relating to any Anti-Corruption Laws.

- The Managing General Partner shall notify the Limited Partner if it becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation.

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○ Upon request by the Limited Partner, the Managing General Partner will provide information verifying its compliance with Anti-Corruption Laws.

5.12 No Compensation

Except as provided in the Fee Agreements and except for reimbursement to the Managing General Partner for its direct provision of social and supportive services to tenants of the Project, the Managing General Partner and its Affiliates shall not be entitled to receive any compensation in connection with its performance of its duties as Managing General Partner.

5.13 Obligation to Complete Construction

(a) The Managing General Partner shall diligently pursue and complete the construction and/or rehabilitation of the Partnership Property or cause the same to be completed in a good and workmanlike manner, defect-free, free and clear of all mechanics', materialmen's, or similar liens or claims of liens, and shall equip the Partnership Property or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Plans and Specifications and the terms and requirements of this Agreement, the Loan Documents and the Project Documents, and shall provide for, or cause to be provided for, all other actions and performance required to arrive at the Completion Date and shall meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits for all the Units in the Project and any commercial and/or community space. The Managing General Partner or its Affiliates shall timely obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the construction and/or rehabilitation, use, occupancy, and operation of the Partnership Property and the Project or a specified portion thereof. All improvements constructed or to be constructed on the Partnership Property shall be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Partnership Property.

The Managing General Partner shall use its best efforts in representing the Partnership during the course of construction of the Project and in the administration of the Construction Contract by (i) providing adequate on-site representation at regularly scheduled meetings and at intervals commensurate with the on-site construction activities, (ii) actively enforcing the terms of performance specified in the Construction Contract, (iii) providing the Limited Partner and the Administrative General Partner with timely notice of any issues of non-compliance by the General Contractor, and (iv) acting as necessary in the interest of the Partnership to ensure that construction of the Project will be completed as originally contemplated.

The Managing General Partner shall forward, on a monthly basis, all executed Construction Contract change orders, which shall be signed by the Architect and the General Contractor, to the Limited Partner and the Administrative Limited Partner. The Managing General Partner shall not approve any change order without the Consent of the Limited Partner which change order (together with any related change orders) (i) exceeds Fifty Thousand Dollars (\$50,000), (ii) extends by more than five (5) days the schedule in the Construction Contract, (iii) reduces the quality of construction materials, (iv) materially alters the design of the Project, (v) materially changes the scope of the work for the Project, (vi) adversely affects the appearance, structural integrity or quality of such work, (vii) reduces the floor area of the building or the aggregate number of rooms or units, or

(viii) would result in the aggregate amount of change orders not approved by the Consent of the Limited Partner exceeding Two Hundred Fifty Thousand Dollars (\$250,000) or the aggregate amount of all change orders exceeding an amount equal to fifty percent (50%) of the hard cost contingency in the approved construction budget. Notwithstanding the foregoing, the Managing General Partner must obtain the Consent of the Limited Partner as to any change order which has not been approved by the Architect. In the event that the Limited Partner fails to provide such Consent to the Managing General Partner within ten (10) business days of receipt by the Limited Partner of a change order request, the Limited Partner shall be deemed to have consented to the change order, provided that the Managing General Partner has complied with the terms of this paragraph.

In addition, the Managing General Partner shall cause to be completed and provided to the Limited Partner and the Administrative General Partner in a timely manner Construction Reports in the form attached as **Exhibit K** to this Agreement, and monthly lease-up progress reports in accordance with Section 13.03(a)(vii) of this Agreement.

(b) If the Designated Proceeds are insufficient to:

(i) Complete the construction and/or rehabilitation of the Project as required under Section 5.13(a) above, in the manner and within the time necessary to comply with all of the terms, covenants and conditions of the Partnership Agreement, the Loan Documents and the Project Documents, including all future amendments thereto;

(ii) Arrive at the Completion Date in conformity with the Loan Documents;

(iii) Discharge all Partnership liabilities and obligations arising out of any casualty not covered by insurance proceeds;

(iv) Meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits;

(v) Pay or provide for all requirements of the ongoing business operations of the Partnership applicable to the period prior to the later of (y) the Stabilization Date, or (z) Loan Conversion;

(vi) Pay or provide for all amounts necessary to correct defects, including all latent defects, discovered within one (1) year after the later of (y) the Completion Date and (z) for each Unit, initial occupancy of such Unit, including all obligations, expenses, costs, liabilities, or expenditures in respect thereof, applicable to the period prior to such date;

(vii) Arrive at the Stabilization Date; and

(viii) Achieve Loan Conversion.

then, in any of such events, the ~~Managing~~ General Partner shall directly pay all funds (“**Development Advances**”) that shall be necessary to accomplish the foregoing at such time as those costs and expenses become due and payable. If the Designated Proceeds are insufficient at any time to meet the payments required under this Section 5.13(b), the General Partner shall be

required to furnish promptly funds needed to meet such requirements, and such funds shall be returned to the ~~Managing~~ General Partner from any Designated Proceeds which thereafter become available. If Designated Proceeds are not sufficient to return all such funds paid by the ~~Managing~~ General Partner, then the shortfall shall be treated as a Development Advance pursuant to this Section. This is a guaranty of payment, not of collection. ~~[Any such Development Advances shall be deemed to be costs of the Managing General Partner and not of the Partnership.~~ Notwithstanding the foregoing, up to \$1,500,000 of such Development Advances (or such greater amount that is Consented to by the Investor Limited Partner) shall be made in the form of unsecured, non-interest bearing, cash-flow contingent loans unless, in the exercise of the Limited Partner's reasonable discretion after tax analysis, it is determined that such treatment would cause a reallocation of losses or Credits during the Compliance Period. Any Development Advances not reimbursed or treated as a loan pursuant to the foregoing provisions shall be deemed to be a cost of the ~~Managing~~ General Partner and not of the Partnership, in which case the payment thereof shall not constitute a loan to the Partnership and shall not be reimbursable by the Partnership.]

5.14 Operating Deficit Contributions

If, at any time or from time to time after the later of (i) the Stabilization Date, or (ii) Loan Conversion, an Operating Deficit exists, then the ~~Managing~~ General Partner shall contribute funds (an "***Operating Deficit Contribution***") to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit. The ~~Managing~~ General Partner's obligation to make Operating Deficit Contributions after such date to fund Operating Deficits which are not funded from the Operating Reserve, shall be limited to the "***Maximum Operating Deficit Contribution***," as shown on Exhibit A-2. Subject to compliance with the provisions of clause (i) of Exhibit A-6, funds in the Operating Reserve may be used prior to the ~~Managing~~ General Partner (or the Guarantors) making an Operating Deficit Contribution. The obligation of the ~~Managing~~ General Partner to make Operating Deficit Contributions shall terminate on the date that the following have occurred simultaneously: (i) the Project has operated at the Required Debt Service Coverage determined by audited financial statements for at least two (2) consecutive Fiscal Years, which consecutive year period shall have commenced no earlier than three (3) years after the first day of the year in which the later of the Stabilization Date is achieved and Loan Conversion occurs; (ii) the HAP Contract remains in full force and effect; and (iii) the balance in the Operating Reserve equals or exceeds the Operating Reserve Amount. Operating Deficit Contributions shall be repayable, without interest, solely from Cash Flow or as provided in Article VIII hereof.

5.15 Commercial Space

The Commercial Space may be leased by the Partnership or Managing General Partner on behalf of the Partnership to one or more commercial tenants for any use permitted by applicable laws for the jurisdiction in which the Partnership Property is located, provided, such use shall not have an adverse effect upon the quality of life for the tenants of the Units. In furtherance of the foregoing, the Managing General Partner shall not permit the use of the Commercial Space (i) for any unlawful purposes or in any unlawful manner, (ii) for any of the prohibited uses set forth on Exhibit ON, or (iii) ~~for any use which impairs or tends to impair the appearance or reputation of the Project or occasions discomfort, inconvenience or annoyance to any of the other tenants or occupants of the Units (whether through the transmission of noise or odors or otherwise). To the extent not paid by a commercial tenant, the Managing General Partner shall be solely responsible~~

~~for seeking and obtaining at its own expense any required permits and approvals, including zoning approvals, for any permitted use of the Commercial Space.~~ Notwithstanding anything to the contrary herein, (i) any proposed use of all or any portion of the Commercial Space shall be subject to the prior approval of the Limited Partner (which approval will not be unreasonably withheld, conditioned or delayed and shall be granted if the proposed use is otherwise consistent with the requirements of this Agreement as determined by the Limited Partner in its reasonable discretion and shall be deemed granted if not approved or disapproved within 15 days), and (ii) each Commercial Lease shall be a so-called “triple net” lease that provides for payment by the tenant of all taxes, insurance, utilities, and other expenses attributable to the tenant’s use and occupancy of the Commercial Space unless otherwise agreed to by the Limited Partner in its sole and absolute discretion.

5.16 Dealing with Affiliates; Fees

(a) The Managing General Partner may, for, in the name of and on behalf of, the Partnership, enter into agreements or contracts for performance of services for the Partnership with an Affiliate thereof and may authorize the Management Agent to enter into such agreements and contracts, and the Managing General Partner may obligate the Partnership to pay compensation for and on account of any such services and may authorize the Management Agent to so obligate the Partnership; *provided, however*, such compensation and services shall be at costs to the Partnership not in excess of those that would be incurred in making arms’-length purchases of comparable services on the open market.

(b) The Partnership shall pay fees to the Partners and their Affiliates, which fees, and the agreements governing them, are described on Exhibit A-4.

(c) The Partnership shall pay the Management Agent from gross rental income, a Management Fee pursuant to the Property Management Agreement attached as Exhibit F to this Agreement.

5.17 Obligation to Purchase Interest of Limited Partner

(a) The ~~Managing~~ General Partner shall be obligated, as provided in Section 5.17(b), to purchase the Limited Partner’s Interest for the total one hundred percent (100%) of Capital Contributions made to date by the Limited Partner plus interest at the Prime Rate plus two percent (2%) (such interest beginning to accrue with respect to any Installment of the Limited Partner’s Capital Contribution on the date on which such Installment is made), plus the costs and expenses (including reasonable attorneys’ fees) incurred, if any, in connection with the enforcement of these provisions, less the Credits allocated to the Limited Partner not subject to recapture, if:

(i) the Partnership has not met the Fifty Percent Test by the end of the first year of the Credit Period;

(ii) the Project has not been placed in service in accordance with the requirements of Section 42 of the Code by December 31, 2027;

(iii) the Partnership does not receive IRS Form(s) 8609 (with respect to the Federal Credit) by September 1st of the calendar year following the first year of the Credit Period

for each Building; provided, however, such date shall be extended to September 1st of the calendar year following the second year of the Credit Period for the first Building to start the Credit Period provided that ~~(1) all adjusters due under Section 3.03 have been paid in full, and (2)~~ the Limited Partner has received evidence, in form and substance reasonably acceptable to the Limited Partner, that the General Partner has submitted to the Credit Agency, on behalf of the Partnership, all materials required for issuance of IRS Form(s) 8609 and has diligently pursued the issuance of the same;

(i) at any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, any Loan is in default, after the expiration of any applicable notice and cure period (unless the lender of such Loan waived the default in writing in a manner reasonably acceptable to the Limited Partner), or an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

(ii) the failure of the Project to achieve the Minimum Set-Aside Test or the Rent Restriction Test under Section 42(g) of the Code prior to the end of the first year of the Credit Period;

(iii) Loan Conversion is not achieved within twelve (12) months following the Target Completion Date (or such longer period as permitted under the Loan Documents);

(iv) any Loan commitment is withdrawn and is not replaced by a comparable commitment acceptable to the Limited Partner within a reasonable period of time;

(v) the Project has not operated at Break-even for a period of three (3) consecutive calendar months within eighteen (18) months of the Completion Date;

(vi) the Credit reflected on IRS Form(s) 8609 is less than seventy-five percent (75%) of the Annual LIH Credit Allocation;

(vii) an Event of Bankruptcy with respect to a General Partner or the Guarantor occurs prior to the Completion Date; or

(viii) at any time prior to Loan Conversion, a determination is made by the IRS that the sole member of the ~~Managing~~ General Partner is no longer exempt from federal income tax under Section 501(c)(3) of the Code, or any other event occurs that results in any member of the ~~Managing~~ General Partner failing to constitute a "qualified non-profit organization" within the meaning of Section 42(h)(5)(c) of the Code.

(ix) the failure of the Partnership to timely submit or file any document that may be required by the Authority and/or under the Code or Treasury Regulations (as such may be amended from time to time) to maintain compliance with the Average Income Test.

(b) Upon the occurrence of any of the events specified in Section 5.17(a), the Managing General Partner shall, within ten (10) days thereafter, give Notice to the Limited Partner of the occurrence of such event and of the ~~Managing~~ General Partner's obligation to purchase the Limited Partner's Interest. The Limited Partner may, by Notice to the ~~Managing~~ General Partner given (i) not later than sixty (60) days after the Managing General Partner's Notice, or (ii) at any time

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following the occurrence of any of such events if the Managing General Partner has failed to give the required Notice, elect to require the ~~Managing~~ General Partner to purchase the Limited Partner's Interest, notwithstanding that the Limited Partner may have actual knowledge of the occurrence of any such event. If the Limited Partner elects to have its Interest purchased, the ~~Managing~~ General Partner shall purchase such Interest within ten (10) days after Notice from the Limited Partner of its election to have its Interest purchased. The Limited Partner may unconditionally waive at any time its right to require the ~~Managing~~ General Partner to purchase its Interest by reason of the application of any of the numbered clauses of Section 5.17(a). The Limited Partner's election not to have its Interest purchased by reason of the application of one such clause shall not constitute a waiver with respect to any future obligation of the ~~Managing~~ General Partner to purchase its Interest by reason of the application of any other such clause.

5.18 Reserves

(a) The Managing General Partner shall cause the Partnership to establish and maintain the Partnership reserves in the amounts, at the times, and subject to the terms and conditions described on Exhibit A-6.

(b) Notwithstanding any provision of this Agreement to the contrary, the Managing General Partner shall cause the Partnership to establish and maintain a Debt Service Reserve (as such term is defined in [Section 9.46(b)(iii)(B)] of the Bond Loan Documents), if needed in order to avoid a DSCR Default (as such term is defined in [Section 9.46(a)] of the Bond Loan Documents) and to prevent acceleration and foreclosure of the Bond Loan.

5.19 Proposed Budget

The Managing General Partner has delivered to the Limited Partner and the Administrative General Partner a copy of the budget for the current Fiscal Year. No later than December 1 of each year, the Managing General Partner shall submit to the Limited Partner a budget for the ownership and operation of the Project (the "**Proposed Budget**") reflecting the reasonably projected income and expenses for the following calendar year. The Limited Partner shall review the Proposed Budget to determine the reasonableness of the projected figures. The Proposed Budget as approved by the Limited Partner shall become the "**Budget**" for the following year. During the period that a budget is not approved, the General Partner shall continue to operate the Project in accordance with the latest approved Budget (except for uncontrollable costs such as real estate taxes, insurance premiums, utilities, and debt service) until a new Budget is approved by the Managing General Partner and the Limited Partner.

5.20 Action for Breach

The representations, warranties and covenants in Sections 5.10 and 5.11 are being made by the ~~Managing~~ General Partner to the Limited Partner in consideration for the investment in the Partnership by the Limited Partner. Upon the occurrence of any breach of any representation, warranty, covenant or agreement contained herein, the ~~Managing~~ General Partner shall diligently attempt to cure such breach. If such breach is not susceptible to cure, or if the ~~Managing~~ General Partner fails to pursue a cure diligently, or if within thirty (30) days no cure has been achieved, then the Limited Partner may pursue any available legal or equitable remedy against the ~~Managing~~

General Partner, without being required to dissolve the Partnership and notwithstanding the availability of any other remedy; *provided, however*, that with respect to any breach that results solely in a loss or reduction of the Credit, if such breach occurred despite the ~~Managing~~ General Partner's good faith, diligent efforts to prevent such breach, the Limited Partner shall be limited to its remedies under Sections 3.03, 5.17 and 9.02.

5.21 Participation by Non-Profit

Notwithstanding any provision of this Agreement to the contrary, at all times prior to expiration of the Compliance Period, the Managing General Partner shall be wholly owned by one or more "qualified non-profit corporations" exempt from federal income tax under Section 501(c)(3) of the Code and shall materially participate (within the meaning of Section 469(h) of the Code and Treasury Regulations promulgated thereunder) on a regular and continuous basis in the development and operation of the Project. The Managing General Partner shall ensure that each of its members maintains its federal tax-exempt status so that the Managing General Partner remains wholly owned by one or more "qualified non-profit organizations" within the meaning of Code Section 42(h)(5)(C). In the event that the IRS determines that any member of the Managing General Partner is no longer exempt from federal income taxation under Section 501(c)(3) of the Code, the Managing General Partner shall provide prompt Notice of such determination to the Limited Partner.

ARTICLE VI

Rights and Obligations of the Limited Partner

6.01 Management of the Partnership

The Limited Partner shall not take part in the management or control of the business of the Partnership or transact any business in the name of the Partnership. The Limited Partner shall not have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No action taken by the Limited Partner in the exercise of its rights under this Agreement shall give the Managing General Partner or the Partnership any right to claim the Limited Partner has acted as Managing General Partner in the exercise of such rights.

6.02 Limitation on Liability of the Limited Partner

Notwithstanding any other provision of this Agreement, the liability of the Limited Partner shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. Except as otherwise provided in this Agreement, the Limited Partner shall not have any other liability to contribute money to, or in respect of the liabilities, obligations, debts or contracts of the Partnership, nor shall the Limited Partner be personally liable for any liabilities, obligations, debts or contracts of the Partnership. The Limited Partner shall not be obligated to make loans to the Partnership.

6.03 Outside Activities

Nothing herein contained in this Agreement shall be construed to constitute the Limited Partner hereof the agent of any other Partner hereof or to limit in any manner the Limited Partner

in the carrying on of its own businesses or activities. The Limited Partner may engage in and possess any interest in other business ventures (including limited partnerships and limited liability companies) of every kind, nature and description, independently or with others, whether existing as of the date hereof or hereafter coming into existence, including, without limitation, acting as general partner or limited partner of other partnerships which own, directly or through interests in other partnerships, housing projects similar to, or in competition with, the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to any such other business ventures or to the income or profits derived therefrom and nothing shall be construed to render them partners in any such business ventures.

6.04 Execution of Amendments

The Managing General Partner shall cause the due execution, acknowledgment, and filing for record (and publication, if required by the Act) of any amendment to this Agreement or further instruments in accordance with the Act, and shall cause a copy of the endorsed copy thereof to be furnished to the Limited Partner.

6.05 Inspection of the Project

The Limited Partner and/or its agent or designee shall have the right to inspect the Project, including without limitation, inspection of the Units, at any time, and the Managing General Partner shall provide all reasonable assistance to the Limited Partner in such effort.

6.06 CTA Data

The Limited Partner shall furnish the General Partners with such information (including CTA Data, required updates thereto, or information reasonably required to support a determination, mutually agreed upon by the General Partners and the Limited Partner, that the Partnership is an Exempt Reporting Company) in its possession and reasonably requested from time to time by the General Partners to enable the General Partners to cause the Partnership to satisfy its obligations under applicable Transparency Laws. All such information shall, except as required to be disclosed to applicable governmental authorities under applicable Transparency Laws, be kept confidential by the General Partners and returned to the disclosing Limited Partner or destroyed as soon as practicable following its use for such disclosure purposes. The Limited Partner shall indemnify the General Partners from and against any fines imposed by FinCEN on the General Partners and directly arising from (x) any willfully inaccurate or willfully incomplete information furnished by the Limited Partner, regarding Beneficial Owners actually known to such Limited Partner, for the Partnership's compliance with applicable Transparency Laws and/or (y) the Limited Partner's willful failure to provide the General Partners any information actually known to such Limited Partner and necessary to permit the General Partners to cause the Partnership to file or update, amend or supplement any filing required under Transparency Laws in a timely manner.

ARTICLE VII

Allocations of Profits and Losses

7.01 Maintenance of Capital Accounts

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The Partnership shall maintain a Capital Account for each Partner. Such Capital Account shall be maintained in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). To each Partner's Capital Account there shall be credited (i) such Partner's Capital Contributions, (ii) the fair market value of any property such Partner contributes to the Partnership (net of liabilities securing such property that the Partnership assumes or takes such property subject to) and (iii) its distributive share of Net Profits and Gains, tax-exempt income and any item in the nature of income or gain allocated to such Partner under Section 7.02. To each Partner's Capital Account there shall be debited (i) the amount of cash and the fair market value (as of the date of distribution) of any Partnership property (net of liabilities securing the distributed property that such Partner assumes or subject to which such Partner takes the distributed property) distributed to such Partner pursuant to any provision of this Agreement, (ii) such Partner's distributive share of Net Losses and Loss and any items in the nature of expenses or deductions that are allocated to such Partner pursuant to Section 7.02, and (iii) such Partner's distributive share of any other expenditures which are not deductible by the Partnership or which are not allowable as additions to the basis of Partnership Property. During the Compliance Period, the Limited Partner agrees to provide the Managing General Partner with a copy of the Limited Partner's annual capital account analysis upon request.

7.02 Profits and Losses

(a) After giving effect to the special allocations set forth in Section 7.03, the Net Profits, Net Losses, Loss and Credits of the Partnership shall be allocated [five ten-thousands of one percent (0.005%)] to the Managing General Partner, [five ten-thousands of one percent (0.005%)] to the Administrative General Partner, and [ninety-nine and ninety-nine/one-hundredths percent (99.99%)] to the Limited Partner; *provided, however*, Partnership gross income shall be allocated to the General Partners in the amount of Net Cash Flow distributed to such General Partner under Section 8.01 and provided further that Gain shall be allocated among the Partners as follows:

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(i) To the Limited Partner until the balance in the Limited Partner's Capital Account equals the sum of (x) the amount of the federal income tax liability imposed on the Limited Partner and its partners from a transaction giving rise to Sale or Refinancing Proceeds assuming all such Persons are subject to the maximum federal corporate income tax rate in effect at the time of the allocation, and (y) the Credit Deficiency; and

(ii) The balance, among the Partners so that, to the extent possible, the ratio of (x) the balance of the Limited Partner's Capital Account in excess of the balance described in Section 7.02(a)(i) to (y) the balance in the General Partner's Capital Account in excess of the unrepaid portion of any Operating Deficit Contribution, Credit Adjuster Advance or Additional Advance is ninety-nine and ninety-nine one-hundredths (99.99) to one one-hundredth (0.01).

(b) For purposes of the allocations of Gain and Loss, a Partner's Capital Account shall be determined immediately prior to the event giving rise to the Gain and Loss as if, at such time, the books of the Partnership had been closed as though at the end of the taxable year.

7.03 Special Allocations and Limitations

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The following provisions shall apply notwithstanding the provisions of Section 7.02. In the event that there is a conflict between any of the following provisions, the earlier listed provision shall govern.

(a) [intentionally omitted].

(b) If there is a net decrease in Minimum Gain attributable to Nonrecourse Liabilities during any taxable year, each Partner who has a share of the Minimum Gain attributable to such Nonrecourse Liabilities (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)) shall be specially allocated items of Partnership income and gain for such year (and, if necessary, for succeeding years) equal to each Partner's share of the net decrease in Minimum Gain (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)(2)). Notwithstanding the preceding sentence, a Partner shall not be specially allocated items of Partnership income and Gain to the extent:

(i) Such Partner's share of the net decrease in the Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly recourse debt or Partner Nonrecourse Debt, and such Partner bears the economic risk of loss (within the meaning of Treasury Regulation Section 1.752-2) for the newly guaranteed, refinanced, or otherwise changed liability;

(ii) Such Partner contributes capital to the Partnership that is used to repay the Nonrecourse Liability, and such Partner's share of the net decrease in Minimum Gain results from the repayment; or

(iii) If the Commissioner of the IRS waives or excepts such an allocation pursuant to Treasury Regulation Sections 1.704-2(f)(4) or (5).

It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the minimum gain chargeback requirement of Treasury Regulation Section 1.704-2(f), and this Section 7.03(a) shall be interpreted consistently therewith.

(c) If there is a net decrease in Minimum Gain attributable to Partner Nonrecourse Debt during any taxable year, each Partner who has a share of the Minimum Gain attributable to such Partner Nonrecourse Debt (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)) shall be specially allocated items of Partnership income and Gain for such year (and, if necessary, for succeeding years) equal to such Partner's share of the net decrease in such Minimum Gain (as such share is determined pursuant to Treasury Regulation Section 1.704-2(g)(2)). Notwithstanding the preceding sentence, a Partner shall not be specially allocated items of Partnership income and Gain to the extent:

(i) The net decrease in such Minimum Gain arises because the liability ceases to be Partner Nonrecourse Debt due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Nonrecourse Liability; or

(ii) Treasury Regulation Section 1.704-2(i) otherwise so provides.

It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the minimum gain chargeback requirement of Treasury Regulation Section 1.704-2(i) and this Section 7.03(b) shall be interpreted consistently therewith.

(d) In the event a Partner unexpectedly receives in any taxable year any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), or (6) that cause or increase an Adjusted Capital Account Deficit of such Partner, items of Partnership income and Gain shall be specially allocated to such Partner in such taxable year (and, if necessary, in succeeding taxable years) in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the qualified income offset provision of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and Section 7.03(c) shall be interpreted consistently therewith.

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(e) No Net Losses, Losses or Partnership deductions for any taxable year shall be allocated to the Limited Partner to the extent such allocation would cause or increase an Adjusted Capital Account Deficit with respect to such Partner, and such Net Losses, Losses or Partnership deductions shall instead be allocated to the Managing General Partner.

(f) If in any taxable year there is a net increase during such year in the amount of Minimum Gain attributable to a Partner Nonrecourse Debt, any Partner bearing the economic risk of loss with respect to such debt (within the meaning of Treasury Regulation Section 1.752-2) shall be specially allocated items of Partnership loss or deduction in an amount equal to the excess of (i) such Partner's share of the amount of such net increase, over (ii) the aggregate amount of any distributions during such year to such Partner of the proceeds of such debt that are allocable to such increase in Minimum Gain. It is the intent that items to be so allocated shall be determined and the allocations made in accordance with the required allocation of "partner nonrecourse deductions" pursuant to Treasury Regulation Section 1.704-2(i), and this Section 7.03(e) shall be interpreted consistently therewith.

(g) The Administrative General Partner's interest in each material item of Partnership income, gain, loss, deduction, and credit will be equal to at least one one-hundredth of one percent (0.01%) of each such item at all times during the existence of the Partnership.

(h) The special allocations set forth in Sections 7.03(a), (b), (c), and (e) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations shall be taken into account in allocating other profits, losses and other items of income, gain, loss and deduction to the Partners so that, to the extent possible, the net amount of such allocations of profits and losses and other items shall be equal to the amount that would have been allocated to each Partner had the Regulatory Allocation not occurred. In the event that in any year the Regulatory Allocations alter the allocations of tax items to the Partners, to the extent possible, depreciation deductions shall nevertheless be allocated [99.99]% to the Limited Partner, [0.005]% to the Managing General Partner, and [0.005]% to the Administrative General Partner.

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(i) The respective interest of the Partners in the Net Profits, Net Losses, Gain, and Loss or items thereof shall remain as set forth above unless changed by amendment to this Agreement

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or by an assignment of a Partnership Interest authorized by the terms of this Agreement. Except as otherwise provided herein, for tax purposes, all items of income, gain, loss, deduction, or credit shall be allocated to the Partners in the same manner as are Net Profits from operations; *provided, however*, that with respect to property contributed to the Partnership by a Partner, such items shall be shared among the Partners so as to take into account the variation between the basis of such property and its fair market value at the time of contribution in accordance with Section 704(c) of the Code.

(j) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial fair market value (as used as book value of the property by the Partnership). In the event the book value of any Partnership property is adjusted upon: (i) acquisition of a Partnership interest by any Person in exchange for a capital contribution; or (ii) any non-pro rata distribution to Partners of Partnership property other than cash; subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value in the same manner as under Section 704(c) of the Code. Allocations pursuant to this Section 7.03 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Profits or Net Losses, other items, or distributions pursuant to any provision of this Agreement.

(k) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Treasury Regulation Section 1.752-3(a)(3), the Managing General Partner's interest in Partnership profits shall equal [0.005]%, the Administrative General Partner's interest in the Partnerships profits shall equal [0.005]%, and the Limited Partner's interest in Partnership profits shall equal [99.99]%.
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(l) In the event the Managing General Partner makes an Operating Deficit Contribution in a particular year, the Managing General Partner shall be specially allocated the expenses paid by the proceeds of such Operating Deficit Contribution, but in no event shall the Managing General Partner be allocated any depreciation deductions; *provided, however*, that no such allocation will be made to the extent it would result in more than 90% of the Partnership Property being treated as tax exempt use property under Section 168(h) of the Code.

(m) If any Partner's Capital Contribution is used to fund any syndication fees or expenses referred to in Section 709 of the Code, such Partner shall be specially allocated such fees or expenses.

(n) If an Interest in the Partnership is transferred or a Partner becomes a Partner during a taxable year (including the admission of the Limited Partner), net income or net loss (and any item of income, gain, loss, deduction or credit) for such taxable year allocable to the transferred or new Interest shall be allocated among the Partners on an interim closing of the books basis, based upon that portion of such taxable year during which each was recognized as owning such Interest and the amount of such Interest owned; *provided*, that such allocation must be in accordance with a method permissible under Section 706 of the Code and Treasury Regulations thereunder.

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(o) In the event that any fee payable to Managing General Partner or any Affiliate shall be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to such General Partner an amount of gross income equal to the amount of such distribution; *provided, however*, that no such allocation will be made to the extent it would result in more than 90% of the Partnership Property being treated as tax exempt use property under Section 168(h) of the Code.

(p) Nonrecourse deductions as defined in Treasury Regulation Section 1.704-2(b)(1) for any Fiscal Year shall be allocated [99.99]% to the Limited Partner, [0.005]% to the Managing General Partner, and [0.005]% to the Administrative General Partner.

(q) Any taxable income realized by the Partnership as a result of any donations or grants, whether in the form of property or cash, or discharge of indebtedness shall be allocated one hundred percent (100%) to the Managing General Partner; *provided, however*, that no such allocation will be made to the extent it would result in more than 90% of the Partnership Property being treated as tax exempt use property under Section 168(h) of the Code.

ARTICLE VIII

CASH DISTRIBUTIONS

8.01 Distributions of Net Cash Flow

Net Cash Flow, to the extent available, shall be distributed to and among the Partners, annually within one hundred eighty (180) days after the close of each Fiscal Year, as follows: [10]% to the Limited Partner, [~~89.99545~~] % to the Managing General Partner, and [~~0.00545~~] % to the Administrative General Partner.

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8.02 Distributions of Capital Proceeds

Any Capital Proceeds other than net proceeds upon liquidation of the Partnership resulting from the sale of the Partnership Property, which shall be governed by Article XII, shall be distributed to and among the Partners in the following amounts and order of priority:

(a) To the Limited Partner in an amount equal to the Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limit and/or arising from a Change in Law);

(b) To the Limited Partner in the amount of the maximum federal corporate income tax liability that would be imposed on the Limited Partner and its partners from the transaction giving rise to Sale or Refinancing Proceeds;

(c) To the Limited Partner in the amount of any unpaid Investor Services Fee;

(d) To pay any unpaid Deferred Development Fee;

(e) To pay any outstanding Deferred Property Management Fee;

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(f) To the ~~Managing-applicable~~ General Partner to repay any unrepaid portion of any Development Advance (to the extent such advance is treated as a loan under Section 5.14), Operating Deficit Contribution, or any Additional Advance;

(g) To pay any unpaid Partnership Administration Fee; and

(h) Of the balance remaining, [10]% to the Limited Partner, [~~89.99545~~]~~5~~% to the Managing General Partner, and [~~0.00545~~]~~5~~% to the Administrative General Partner.

ARTICLE IX

Admission of Successor and Additional General Partner; Removal and Withdrawal of General Partners

9.01 Admission of Successor or Additional General Partners

(a) No General Partner shall have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer, or assign all or any portion of its Interest, without the Consent of the Limited Partner. In the event that the Consent of the Limited Partner and all required consents and approvals of the Mortgagees and the Credit Agency have been obtained by the remaining General Partner(s) shall designate one or more persons that are “qualified non-profit organizations” within the meaning of Section 42(h)(5)(c) of the Code (or wholly owned subsidiary thereof) to be the successor to the withdrawing General Partner. In no event shall the Interests of the other Partners be affected thereby. The designated successor General Partner shall be admitted as such to the Partnership upon approval of the Limited Partner of such successor General Partner and upon satisfying the conditions of this Article IX and Section 15.01. Any voluntary withdrawal by a General Partner from the Partnership or any sale, transfer, or assignment by a General Partner of its Interest shall be effective only upon the admission in accordance with this Section 9.01(a) and Section 15.01 of a successor General Partner.

(b) The successor General Partner shall pay to the Partnership all costs and expenses incurred in connection with such substitution, including, without limitation, legal and other costs incurred in the review and processing of the assignment, in amending this Agreement, and in filing any necessary amended Certificate.

(c) The successor General Partner shall by its execution of this Agreement and as a condition precedent to receiving any Interest in the Partnership or the Partnership Property agree to be bound by this Agreement to the same extent and on the same terms as the predecessor General Partner.

(d) Upon the admission of the successor General Partner, an amendment to this Agreement reflecting such admission, and stating the agreement set forth in Section 9.01(c) and in all respects in compliance with the requirements of the Act shall be executed and an amendment to the Certificate shall be executed and filed in accordance with the Act, if necessary.

(e) Without limiting the generality of the foregoing, the General Partner expressly acknowledges and agrees that it has no right to voluntarily withdraw from the Partnership or voluntarily transfer its Interest in the Partnership unless and until a “qualified non-profit

organization” within the meaning of Section 42(h)(5)(c) of the Code (or wholly owned subsidiary thereof) has been appointed as the successor General Partner pursuant to the provisions of this Section 9.01 and all required consents and approvals have been obtained with respect to such successor General Partner.

9.02 Removal of a General Partner for Default; Removal of Management Agent or Accountants

(a) The Limited Partner shall have the right to remove any one or both of the General Partners as a Partner of the Partnership for any of the following reasons (each a “*Removal Default*”):

Commented [NK35]: Revise so that only the defaulting GP removed to the extent the default is attributable to one of the GPs

(i) A General Partner has committed an act or acts of gross negligence, willful misconduct, substantial mismanagement of the Project or Partnership, malfeasance, fraud, or an act or acts outside the scope of its authority, or has breached its fiduciary duties as a General Partner;

(ii) A General Partner has failed to make any required payment under this Agreement; or has breached any representation, warranty, agreement or covenant contained in this Agreement which breach has or is likely to have a material adverse effect on the Partnership or the Limited Partner; provided however, if such breach is capable of being cured and such General Partner effects such cure within thirty (30) days after Notice from the Limited Partner (which period may be extended to ninety (90) days in the Limited Partner’s reasonable discretion if such breach is capable of being cured within such ninety (90) day period and such General Partner is diligently pursuing such cure), a Removal Default shall not exist;

(iii) The Partnership has violated in any respect any provision of any Project Document or agreement with the Mortgagees or any governmental regulation, which violation has a material adverse effect on (a) the construction and/or rehabilitation, use, occupancy, or operation of the Partnership Property or the Project, (b) the ability of the Partnership to continue to operate the Project as housing eligible for the Credit, (c) the ability of the Partnership, the Managing General Partner or any of its Affiliates to perform their respective obligations under this Agreement or the Project Documents, or (d) the financial condition of the Partnership, the Managing General Partner or the Guarantor; and such violation is not cured within any applicable notice and cure period;

(iv) The occurrence of a default on any Loan made to the Partnership that is not cured within the applicable cure period;

(v) A General Partner or the Partnership has taken any action or failed to take any action that (A) is likely to cause the termination of the Partnership for federal income tax purposes, (B) is likely to cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violates any federal or state securities laws, (D) is likely to cause the Partnership to fail to qualify as a limited partnership under the Act, (E) is likely to cause a material reduction in the tax benefits or a material increase in the tax liability of the Limited Partner for which the Managing General Partner is responsible to make a Credit Adjuster Advance and the Managing General Partner fails to make the Credit Adjuster Advance in a timely manner

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in violation of Section 3.03 or (F) is likely to cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions; *provided, however*, with respect to any action or failure to act that is likely to cause any of the aforementioned events (each a “**Prohibited Event**”), if such action or failure to act is capable of being cured such that the Prohibited Event is no longer likely to occur, and the General Partners diligently proceeds to effect such cure within thirty (30) days after Notice from the Limited Partner, but in any event prior to the occurrence of the Prohibited Event, a Removal Default shall not exist;

(vi) During the Compliance Period, the Managing General Partner or the Management Agent operates the Partnership Property or the Project in a manner so as not to qualify as a “qualified low-income housing project” under Section 42(g)(1) of the Code;

(vii) The occurrence of material construction cost overruns and/or Operating Deficits, unless such overruns and/or Operating Deficits are funded in accordance with Section 5.13 and/or 5.14 and in such a manner so as not to materially adversely affect the Project and the allocation of Credits to the Limited Partner; provided, however, if such breach is capable of being cured and the General Partner effects such cure within thirty (30) days after Notice from the Limited Partner (which period may be extended to ninety (90) days in the Limited Partner's reasonable discretion if such breach is capable of being cured within such ninety (90)-day period and the General Partner is diligently pursuing such cure), a Removal Default shall not exist;

(viii) A filing of a foreclosure or other creditor's action or exercise of control over the Project by a lender or other creditor, or the filing of a bankruptcy petition or similar creditor's action by or against the Partnership, a General Partner or the Guarantor;

(ix) The Partnership's failure to maintain records as required under the low income housing tax credit requirements, or the Partnership's failure to provide timely reports to the Limited Partner as required pursuant to the provisions of this Agreement;

(x) The construction schedule set forth in the Project Documents is delayed by more than ninety (90) days; provided, however, if the Managing General Partner, no later than the expiration of the ninety (90) day period, provides the Limited Partner with a plan, acceptable to the Limited Partner in its sole discretion and agreed to in writing by the General Contractor, to cure the schedule delay and otherwise alleviate any adverse consequences to the Partnership as a result of the delay, including an updated construction schedule and an updated sources and uses schedule reflecting there are adequate sources to complete construction in accordance with such plan, a Removal Default shall not exist, and provided further that any costs associated with effecting such cure shall be paid by the Managing General Partner and treated as Development Advances in accordance with Section 5.13. Notwithstanding the foregoing, the Limited Partner's acceptance of the General Partner's plan shall not waive, or in any way alter or impede, the Limited Partner's rights under Section 3.03;

(xi) The General Partner withdraws or uses any Partnership Reserves, including the Operating Reserve and the Replacement Reserve, other than as permitted under this Agreement;

(xii) The occurrence of a default by a General Partner or an Affiliate under any Fee Agreement or the Property Management Agreement which has or is reasonably likely to have a material adverse effect on the Project, the Partnership or the Limited Partner, or the occurrence of a default by a Guarantor;

(xiii) The conveyance by the shareholders, partners or members of a General Partner, the Developer or the Guarantor of any change in ownership or change in control of a General Partner, the Developer or the Guarantor, without the Consent of the Limited Partner;

(xiv) The occurrence of any other event which under the Act requires the removal of a General Partner and such default is not cured to the satisfaction of the Limited Partner within thirty (30) days;

(xv) (A) A determination is made by the IRS that the sole member of a General Partner is no longer exempt from federal income tax under Section 501(c)(3) of the Code, or (B) a determination is made by the BOE that the members of a General Partner no longer meet the requirements of Section 214(g) of the State Tax Code, or (C) a General Partner is no longer an eligible limited liability company under BOE Rule 136; or (D) the Partnership fails to maintain the Property Tax Exemption in full force and effect and such failure remains uncured after the lesser of ninety (90) days or the cure period allowed by the applicable rules and regulations of the BOE; or

(xvi) A determination is made by the IRS that a General Partner is no longer wholly owned by one or more “qualified non-profit organizations” within the meaning of Section 42(h)(5)(c) of the Code or such qualified non-profit organizations fail to materially participate in the development and operation of the Project and such failure remains uncured after the lesser of 90 days or the cure period allowed by the applicable rules and regulations of the IRS.

If a Removal Default shall occur and the Limited Partner elects to remove a General Partner, the removal of such General Partner shall become effective immediately upon the later of (i) delivery of written Notice of such removal to the General Partner from the Limited Partner, or (ii) the expiration of the allowable cure period pursuant to this Section 9.02(a). No additional action shall be necessary for the removal of such General Partner.

(b) Notwithstanding the right to remove one or more General Partners pursuant to Section 9.02(a), in the event of a Removal Default, the Limited Partner shall, in addition to all other rights and remedies which the Limited Partner may have under this Agreement or otherwise available at law or in equity, and at Limited Partner’s sole discretion, have the right to cause its designee to be admitted as a Managing General Partner with the rights and obligations set forth in Section 5.01. Such admission shall occur immediately upon written notice of such designation from the Limited Partner, whereupon the designee shall hold a Percentage Interest as a Managing General Partner of 0.009% and the Managing General Partner shall hold a Percentage Interest as a Managing General Partner equal to 0.001%. Upon such admission of the Limited Partner’s designee as a Managing General Partner, the designee Managing General Partner shall file an amended Certificate of Limited Partnership indicating the designee as a Managing General Partner. The exercise of the Limited Partner’s rights to cause its designee to be admitted as a Managing General Partner shall not preclude (1) its rights to remove the Managing General Partner at a later

date, pursuant to Section 9.02, or (2) its rights to cause the Managing General Partner to repurchase the Limited Partner's Interests pursuant to Section 5.17 above.

(c) In accordance with Section 3.02(e), the Limited Partner shall have no obligation to make any Additional Capital Contribution at any time that a General Partner is in default under this Agreement.

(d) Upon the removal of a General Partner for any reason pursuant to Section 9.02(a), the remaining or successor General Partners shall cause the Partnership to redeem the removed General Partner's Interest for One Hundred Dollars (\$100), and such removed General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Partnership, and any fee that has been earned by the removed General Partner and its Affiliates, pursuant to this Agreement, as of the occurrence of the Removal Default, shall be assignable to the Limited Partner's designee, except the Development Fee, which shall be governed by Section 9.02(e). In addition, except as otherwise provided in this Agreement, upon the removal of a General Partner for any reason pursuant to Section 9.02(a), all agreements between the Partnership and the removed General Partner or any Affiliates of such General Partner including the Partnership Administration Agreement may, at the election of the Partnership, be terminated or assigned to the Limited Partner's designee and the Partnership shall have no further obligation under such agreements if terminated.

(e) Notwithstanding the removal of a General Partner, the removed General Partner(s) shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner of the Partnership before such removal shall become effective, and, in addition, the obligations and liabilities of the Managing General Partner set forth in Section 9.04 ; *provided, however*, that if amounts otherwise payable to the ~~Managing~~ General Partner or its Affiliates as a Development Fee are applied by the Partnership to meet ~~the Managingsuch~~ General Partner's obligations stated in Sections 5.13 and 5.14 of this Agreement, such application shall be treated as payment of such Development Fee, followed by satisfaction by the ~~Managing~~ General Partner of an equal amount of the ~~Managing~~ General Partner's liability to the Partnership and shall serve to reduce any such liabilities of the ~~Managing~~ General Partner or any successor, except for any liability incurred as a result of its gross negligence, misconduct, fraud or breach of its fiduciary duties as ~~Managing~~ General Partner of the Partnership. If the ~~Managing~~ General Partner is removed as a Partner of the Partnership, then, immediately prior to such removal, the ~~Managing~~ General Partner shall be deemed to have made a Capital Contribution to the Partnership in an amount equal to any unpaid installments of the Development Fee and the Partnership shall be deemed to have made a payment in an equal amount to pay off such amount of the Development Fee. The Developer shall look only to this obligation of the ~~Managing~~ General Partner for the payment of the Development Fee and not to any Partnership assets. Further, upon any such removal of a General Partner, at the election of the Partnership, either (i) the ~~Managing~~ General Partner shall be deemed to make a Capital Contribution to the Partnership in an amount equal to the balance, including interest, of any Sponsor Loan or other loans from the removed ~~Managing~~ General Partner, the Sponsor or any Affiliate of either entity and the Partnership shall thereupon make a payment in an equal amount to pay off the amount due on such loans, or (ii) the ~~Managing~~ General Partner shall be deemed to assign each Sponsor Loan or other loans from the removed ~~Managing~~ General Partner, the Sponsor or any Affiliate of either entity to the Limited Partner's designee, and the Limited Partner's designee will thereafter be the owner and payee of each such loan, and the Partnership shall have

no further obligation for payments to the ~~Managing~~ General Partner, Sponsor or Affiliate under such loan.

The Limited Partner's right to remove the General Partners shall be in addition to any other rights or remedies the Partnership or the Limited Partner may have as the result of a General Partner's breach of this Agreement *provided, however*, that with respect to any breach that results solely in a loss or reduction of the Credit, if such breach occurred despite the General Partner's good faith, diligent efforts to prevent such breach, the Limited Partner shall be limited to its remedies under Sections 3.03 and 9.02(a).

(f) Upon removal of a General Partner, the Limited Partner shall have the right, without the consent of any other Partner, to designate a successor General Partner and the Limited Partner may, within ninety (90) days of the sole General Partner's removal, elect to continue the business of the Partnership. If the removal of a General Partner gives the Partnership the right to terminate the Management Agreement, then the Limited Partner may terminate the Management Agreement, and may negotiate a new Management Agreement on behalf of the Partnership. In the event a General Partner shall be removed in accordance with the provisions of Section 9.02(a), such removal shall be "cause" for the termination of the Management Agreement.

(g) The removed General Partner shall be liable for all costs and expenses, including reasonable attorney fees, incurred in the admission of a successor General Partner and for all other costs, expenses, or damages incurred by the Partnership as a result of the removal which amounts may be offset against any amounts due to the removed General Partner due under Section 9.02(c).

(h) If (i) a default shall occur by the Management Agent under the Management Agreement which default could reasonably have a material adverse effect on the Limited Partner or the Partnership, and which default gives the Partnership the right to terminate the Management Agreement (a "**Management Agreement Default**") and (ii) the Managing General Partner does not provide notice to the Management Agent within fifteen (15) days of the Partnership's right to do so that the Management Agreement will be terminated, the Limited Partner may require the Managing General Partner to terminate the Management Agreement. If the Managing General Partner does not provide notice to the Management Agent that the Management Agreement will be terminated within ten (10) days of the Limited Partner's request, the Limited Partner shall have the right, on behalf of the Partnership, to terminate the Management Agreement. If the Management Agreement is terminated as provided in this Section 9.02(h), the Managing General Partner shall proceed to retain a new Management Agent, and the new Management Agent and the new Management Agreement shall be subject to the Consent of the Limited Partner. In addition, the Managing General Partner shall, either on its own or upon the written request of the Limited Partner, promptly terminate the Management Agreement if cause for such termination exists under the Management Agreement. As used herein, "cause" shall include, but not be limited to, any one of the following: (i) the failure of the Management Agent to perform, keep or fulfill any of its duties under the Management Agreement or to comply with the covenants, undertakings, obligations or conditions set forth in the Management Agreement, and the continuance of any such default for a period of thirty (30) days after notice of such failure (except in the event of Management Agent's willful misconduct, in which case no notice shall be required), (ii) the Management Agent has operated the Project in a manner so as not to qualify as a "qualified low-income housing project" under Section 42(g)(1) of the Code, (iii) failure to materially comply

with the record keeping, tenant qualification and rental requirements of the regulatory agreement, and Code Section 42 and the regulations, rulings and policies related thereto, (iv) any serious problem or repair requiring immediate action by the Management Agent which has not been remedied, (v) material mismanagement of the Project. “Cause” shall also include the following unless such occurrences are beyond the control of the Management Agent: (i) failure of the Project to generate at least 90% of the Projected Credits in any calendar year, (ii) the occurrence of a vacancy rate for the Project in excess of ten percent (10%) for any six (6) consecutive month period, or (iii) the occurrence of Operating Deficits for three (3) consecutive months.

(i) The Limited Partner shall have the right to require the Managing General Partner to replace the Accountant or to obtain additional accounting services if there is financial mismanagement of the Partnership, including the failure to provide the reports required under this Agreement on a timely basis.

(j) Upon a removal of the Managing General Partner pursuant to the provisions of this Section 9.02, the Limited Partner may, in its sole and absolute discretion, designate a successor Managing General Partner that is a “qualified non-profit organization” within the meaning of Section 42(h)(5)(c) of the Code (or wholly owned subsidiary thereof).

9.03 Event of Bankruptcy of a Managing General Partner

(a) A Managing General Partner shall cease to be a Managing General Partner upon an Event of Bankruptcy with respect to such Managing General Partner, or upon the occurrence of such Managing General Partner’s insolvency. Upon such an Event of Bankruptcy, or such insolvency, the remaining or successor Managing General Partner shall cause the Partnership to redeem the Managing General Partner’s Interest for One Hundred Dollars (\$100) and such Managing General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Partnership; *provided, however*, such Managing General Partner or its Affiliates, as the case may be, shall be entitled to receive any fee, pursuant to this Agreement, that has been earned by the Managing General Partner or its Affiliates, as the case may be, as of the time of such Event of Bankruptcy or insolvency, which fee shall be offset by any amount owed to the Partnership and/or the Limited Partner by the Managing General Partner or its Affiliates. In addition, upon any sale by a Managing General Partner under this Section 9.03(a), all agreements between the Partnership and any Affiliates of such Managing General Partner may, at the election of the Partnership, be terminated and the Partnership shall have no further obligation under any such agreements.

(b) If, at the time of an Event of Bankruptcy with respect to a Managing General Partner, such Managing General Partner was the sole Managing General Partner, the Limited Partner shall have the right, in its sole discretion, to designate the successor Managing General Partner and the Limited Partner may, within the maximum number of days permitted by the Act after the Managing General Partner’s ceasing to be a Managing General Partner of the Partnership, elect to continue the business of the Partnership.

9.04 Liability of a Removed or Withdrawn Managing General Partner

Any Managing General Partner who for any reason voluntarily or involuntarily withdraws or is removed from the Partnership or sells, transfers, or assigns its Interest shall be and remain liable for all obligations, liabilities, and guarantees incurred by it as a Managing General Partner and for all acts and/or omissions occurring prior to the time when the withdrawal, removal, sale, transfer, or assignment becomes effective. Notwithstanding anything to the contrary in this Agreement, the Managing General Partner shall be and remain liable for any obligation or liability to the Limited Partner and the Partnership that may arise at any time under Section 5.13 regardless of whether the Managing General Partner is a general partner in the Partnership.

9.05 Restrictions on Transfer of Managing General Partner's Interest

Notwithstanding anything to the contrary in this Article IX, the assignment or transfer of a Managing General Partner's Interest shall at all times be subject to any additional restrictions applicable to an assignment or transfer of the Interest of a Limited Partner as set forth in Article X hereof. No assignee or transferee of all or any part of the Interest of a Managing General Partner shall have any right to become a Managing General Partner except as provided in this Article IX.

9.06 Continuation of the Business of the Partnership

(a) If, at the time of an event described in Section 9.02 or Section 9.03 or any other event described in the Act with respect to a Managing General Partner, such Managing General Partner was not the sole Managing General Partner, the remaining Managing General Partner(s) shall continue the business of the Partnership and shall immediately: (i) give Notice to the Limited Partner of such event; and (ii) make any amendments to this Agreement and execute and file for recording any amendments or other documents or instruments necessary to reflect the termination of the Interest of the Managing General Partner as to which such event has occurred and such Managing General Partner's having ceased to be a Managing General Partner and in order to comply with the requirements of the Act.

(b) A Person shall be admitted as a successor or additional Managing General Partner with the Consent of the Limited Partner if an amendment to the Certificate evidencing the admission of such Person as a Managing General Partner shall have been filed for recordation. Each Managing General Partner hereby agrees to execute promptly any such amendment to the Certificate, if required, in the event of its withdrawal or removal pursuant to the provisions of this Article IX, and, in addition, hereby appoints Enterprise as its attorney-in-fact to execute any such amendment on its behalf and in its place and stead in the event of its withdrawal or removal. The election by the Limited Partner to remove any Managing General Partner under Section 9.02 shall not limit or restrict the availability and use of any other remedy that the Limited Partner or any other Partner might have with respect to any Managing General Partner in connection with its undertakings and responsibilities under this Agreement, and they are understood by the parties hereto to be permitted by the Act as the exercise of powers not constituting participation in the control of the business so as to convert the limited partner interest of the Limited Partner into a general partner interest for any purpose or to any extent.

ARTICLE X

Assignability of Interests of Limited Partner

10.01 Substitution and Assignment of a Limited Partner's Interest

(a) A Limited Partner may not sell, transfer, assign, pledge, or otherwise dispose of all or any part of its Interest without the Consent of the Managing General Partner, the granting or denying of which shall not be unreasonably withheld, conditioned or delayed, subject to the payment by such Limited Partner or its assignee of all costs of such assignment including the costs of filing an amendment to the Certificate, if applicable; provided, however, that, subject to Section 14.04, the Limited Partner shall have the absolute right to transfer up to one hundred percent (100%) of its Interest, without the Consent of the Managing General Partner, to (i) any entity in which Enterprise serves as general partner or managing member or, directly or indirectly, controls the general partner or managing member, and (ii) to any entity after the payment of its entire Capital Contribution obligation (each, a "**Permitted Transfer**"), in each such case subject to the payment by such Limited Partner or its assignee of all costs of such assignment including the costs of filing any amendment to the Certificate, if applicable. Notwithstanding the foregoing clause (ii), above, the Consent of the Managing General Partner shall be required for any transfer of a Limited Partner's Interest pursuant thereto to (1) any entity that is listed as a prohibited/debarred party by the Authority; (2) any entity, if the Managing General Partner reasonably determines that such entity (or any of its Affiliates) has engaged, at any time during the preceding five (5) years, in ~~a pattern or practice of~~ impeding, denying, or unreasonably delaying another entity's exercise of a purchase option, right of first refusal granted in accordance with Section 42(i)(7) of the Code, or other similar arrangement in connection with qualified low-income housing projects under Section 42(g) of the Code located in any jurisdiction in the United States; or (3) any entity that has not (A) invested in ten (10) individual transactions or (B) invested over \$200,000,000 of tax credit equity for each of the preceding five (5) years; provided, however, that Consent of the Managing General Partner will not be unreasonably withheld, conditioned or delayed with respect to a transfer to an entity described in clause. For the avoidance of doubt, nothing herein shall be construed as limiting the right of the Limited Partner to transfers its Interest in the Partnership, either directly or indirectly to Affiliates of Enterprise, Federal Home Loan Mortgage Corporation, or to any Entity that is otherwise controlled by or under common control with Enterprise, and/or Federal Home Loan Mortgage Corporation.

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(b) The Managing General Partner, at the sole expense of the assigning Limited Partner, shall cooperate in good faith to effect a Permitted Transfer as expeditiously as possible, including without limitation the execution of appropriate amendments to, or updates of, the Project Documents and/or any other documents which the assigning Limited Partner reasonably determines necessary or appropriate to accomplish such Permitted Transfer, including, but not limited to, any amendments, updated corporate opinion, authorizing resolutions of the Managing General Partner and any other documents reasonably deemed necessary and appropriate by the Limited Partner. The Partnership shall not be required to recognize any such assignment until the instrument conveying such Interest has been delivered to the Managing General Partner for recordation on the books of the Partnership. If an assignee of the Limited Partner pursuant to this Section 10.01(a) does not become a Substitute Limited Partner pursuant to Section 10.01(b), the Partnership shall not recognize the assignment, and the assignee shall not have any rights hereunder or any rights exercisable against the Partnership to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner would have been entitled if no such assignment had been made by the Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if there were no assignment.

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(c) An assignee of the Interest of a Limited Partner, or any portion thereof, shall become a Substitute Limited Partner entitled to all the rights of a Limited Partner if, and only if:

(i) The assignor grants to the assignee such right;

(ii) Except for those transfers permitted under Section 10.01(a), the Managing General Partner, with the Consent of the Limited Partner, consents to such substitution, the granting or denying of which consent shall not be unreasonably withheld;

(iii) The assignor or assignee pays to the Partnership all costs and expenses incurred by the Partnership in connection with such substitution, including, without limitation, legal fees and costs incurred in the review and processing of the assignment, and in amending, if necessary, the Partnership's then current Agreement, and any and all transfers taxes imposed by governmental authorities on the Partnership as a result of such assignment;

(iv) The assignee executes and delivers such instruments, in form and substance satisfactory to the Managing General Partner, as the Managing General Partner may deem necessary or desirable to effect such substitution and to confirm the agreement of the assignee to be bound by all of the terms and provisions of this Agreement.

(d) Upon the admission of any Substitute Limited Partner, an amendment to this Agreement, reflecting such admission, shall be executed by the Partners. Such amendment shall reflect the name, address and Capital Contribution of such Substitute Limited Partner, and anything else required by the Act, and shall set forth the agreement of such Substitute Limited Partner to be bound by all the provisions of this Agreement. The Managing General Partner shall file such amended Certificate as the Act requires.

(e) The Partnership and the Managing General Partner shall be entitled to treat each Person set forth on Exhibit A as the absolute owner of its Interest in all respects, and shall incur no liability for distributions of cash or other property made in good faith to such owner until such time as a written assignment of such Interest has been received and accepted by the Managing General Partner and recorded on the books of the Partnership. The Managing General Partner may refuse to accept an assignment until the end of the next successive quarterly accounting period.

(f) Beginning after the end of the Credit Period, the Limited Partner shall have the option to withdraw from the Partnership without the Consent of the Managing General Partner. In addition, beginning after the end of the Credit Period, the Limited Partner may, in its sole and absolute discretion, elect to cause the Managing General Partner or its designee to purchase the Limited Partner's entire Interest in the Partnership for one hundred dollars (\$100.00), but only if the Managing General Partner provides adequate protection against the possibility of tax credit recapture prior to the end of the Compliance Period, which protection may include, but shall not be limited to, indemnification from a credit-worthy entity acceptable to the Limited Partner and/or a recapture bond. The Managing General Partner agrees that the Partnership will continue to use and operate the Property as affordable housing in accordance with the requirements of Section 42 of the Code for the remainder of the Compliance Period. In the event of a transfer of the Limited Partner's Interest in accordance with this Section, the Limited Partner and the assignee shall

execute and deliver such instruments, in form and substance satisfactory to the Managing General Partner and the Limited Partner, as may be necessary to effect such transfer.

(g) Notwithstanding the foregoing provisions of Section 10.01, the Partners specifically acknowledge that: (i) pursuant to the terms and provisions of the Transfer Agreement attached hereto as **Exhibit M**, Wincopin Circle LLLP contemplates the transfer of its Interest to an entity in which Enterprise is the general partner, managing member or directly or indirectly controls the general partner or managing member, (ii) all Partners hereby consent to such transfer and the insertion of the name of the transferee as the transferee thereunder, (iii) such transfer shall be effective on such date as provided in the Transfer Agreement and shall constitute on such date a valid amendment to this Agreement, (iv) the transferee of the Interest of the Limited Partner pursuant to the Transfer Agreement shall be automatically admitted to the Partnership as a Substitute Limited Partner on the effective date of the Transfer Agreement, and (v) until such time as such Transfer Agreement is fully executed, Wincopin Circle LLLP may pledge its Interest to a third party lender to secure any loan (a “**Wincopin Loan**”) made to Wincopin Circle LLLP which loan is used to finance any capital contributions made to the Partnership by Wincopin Circle LLLP. In the event that Wincopin Circle LLLP shall default under the terms of a Wincopin Loan and the lender thereunder shall exercise its remedies under such pledge, then such lender or any entity to which such lender may transfer Wincopin Circle LLLP’s Interest shall become a permitted transferee and shall be admitted to the Partnership as a Substitute Limited Partner. Wincopin Circle LLLP shall cause a copy of the fully executed Transfer Agreement to be delivered to the Managing General Partner.

ARTICLE XI

Management Agent

11.01 Managing General Partner to Engage Management Agent

The Managing General Partner shall have responsibility for engaging a management agent (which may be an Affiliate of the Managing General Partner) acceptable to the Limited Partner, and, to the extent required by the applicable Project Documents, the approval of any Mortgagee or governmental authority having jurisdiction over the Project. The Management Agent shall manage and operate the Partnership Property in accordance with this Agreement and in accordance with the applicable Project Documents. The Property Management Agreement shall include and incorporate the Average Income Test Addendum. The Property Management Agent shall be entitled to receive a reasonable and competitive management fee not to exceed the lesser of (i) [8.46]% of effective gross income of the Project or (ii) the maximum amount permitted by the Credit Agency or any Mortgagee (the “**Property Management Fee**”). The Property Management Agreement shall provide that if the Managing General Partner is removed pursuant to Section 9.02, or if the Managing General Partner withdraws from the Partnership, and the Management Agent is an Affiliate of such removed or withdrawing General Partner, the Property Management Agreement will terminate upon written notice from the Limited Partner or from any designee Managing General Partner designated under Section 9.02(b). Any removal of the Management Agent in accordance with Article IX hereof or hiring of a new Management Agent shall be made only upon obtaining the consents or approvals, if any, required by the Loan Documents, the Project Documents or this Agreement. If the Managing General Partner shall at any time select a

management agent other than the Management Agent, such successor to the Management Agent may (subject to the Consent of the Limited Partner and to any required consent or approval of the Mortgagees) be an Affiliate of the Managing General Partner, but shall not be the Managing General Partner. The Management Agent shall be entitled to receive such management fees as are included in the Budget and that comply with the applicable Project Documents. Any successor Management Agent shall be entitled to receive such management fees as may be agreed upon between the Managing General Partner and such successor Management Agent consistent with the Budget, and that comply with the applicable Project Documents. If at any time the Management Agent is an affiliate of the Sponsors, Operating Revenue is insufficient to pay Project Expenses, payment of the Property Management Fee will be deferred to the extent necessary to pay currently all Project Expenses (the “*Deferred Property Management Fee*”). Any portion of the Property Management Fee that has been deferred in accordance with the preceding sentence shall accrue without interest and shall be repaid from available Cash Flow in accordance with the priorities set forth in Exhibit A-4 and from Capital Proceeds.

ARTICLE XII

Dissolution of Partnership

12.01 Dissolution

The Partnership shall be dissolved, and the business of the Partnership shall be terminated in accordance with the Act, upon the occurrence of any of the following events:

(a) The dissolution, liquidation, withdrawal, removal and/or Event of Bankruptcy of a General Partner, under such circumstances where no other remaining General Partner desires to continue the Partnership; *provided, however*, that the Partnership shall not be dissolved as aforesaid if the Limited Partner shall, within the maximum number of days permitted by the Act, elect to continue the Partnership and the Partnership business, and shall designate a successor General Partner, which upon its admission to the Partnership shall immediately obtain all of the General Partner’s rights to receive Net Cash Flow, Sale and Refinancing Proceeds, and the unpaid portion of any fees pursuant to this Agreement, to the extent not already earned by the General Partner, for a purchase price of One Hundred Dollars (\$100);

(b) An election to dissolve the Partnership made in writing by all of the Partners in accordance with the Act;

(c) The sale or other disposition of all or substantially all of the Partnership Property;

(d) The expiration of the Term; or

(e) The occurrence of any other event causing the dissolution of a limited partnership under the laws of the State of California.

12.02 Distribution of Partnership Assets

Upon the dissolution of the Partnership, the Partnership business shall be wound up and its assets liquidated; and the net proceeds of such liquidation shall be distributed in the following order of priority (but in all events in accordance with the Act):

(a) To the payment of the debts and liabilities of the Partnership (including any amounts that may be owed to any Partner) and the expenses of liquidation;

(b) To establishing any reserves that the Managing General Partner or liquidator, in accordance with sound business judgment, deems reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership, which reserves may be paid over to an escrow agent to be held by such agent for the purpose of (A) distributing such reserves in payment of the aforementioned contingencies, and (B) upon the expiration of such period as the Managing General Partner or such liquidator may deem advisable, distributing the balance thereof in the manner provided in this Section 12.02; and

(c) To the Partners in accordance with the then remaining balances in their respective Capital Accounts after all allocation of gain and all Capital Account adjustments have been made pursuant to Article VII.

Notwithstanding any other provision of this Agreement, upon Liquidation of a Partner's entire Interest in the Partnership, whether in liquidation of the Partnership or otherwise, such Partner shall receive a distribution in accordance with the positive balance in its Capital Account no later than the end of the taxable year of such Liquidation or, if later, within ninety (90) days of such Liquidation.

12.03 Termination of the Partnership

The Partnership shall terminate when all Partnership Property shall have been disposed of (except for any liquid assets not so disposed of), and the net proceeds therefrom, as well as any other liquid assets of the Partnership, have been distributed to the Partners as provided in this Article XII and in accordance with the Act.

ARTICLE XIII

Accounting and Reports

13.01 Bank Accounts

The Managing General Partner shall deposit the funds of the Partnership in the name of the Partnership in such separate bank account or accounts, and with such bank or banks whose deposits are insured by an agency of the federal government, as shall be determined by, and in the sole discretion of, the Managing General Partner. The Managing General Partner shall arrange for the appropriate conduct and operation of such account or accounts.

13.02 Books of Account

There shall be kept at the principal office of the Partnership true, correct, and complete books of account, maintained in accordance with generally accepted accounting principles,

consistently applied, in which shall be entered fully and accurately each and every transaction of the Partnership. For federal income tax and financial reporting purposes, the Partnership shall use the accrual method of accounting. Each Partner shall have access thereto to inspect and copy such books of account at all reasonable times. Any Partner shall further have the right to a private audit of the books and records of the Partnership, provided that such audit is made at the expense of the Partner desiring the same and is made at reasonable times during normal business hours after due Notice. The Partnership shall retain all books and records for the longer of (i) the period required under this Agreement or (ii) the longest of the period required by applicable laws and regulations, Section 42 of the Code, the Project Documents and Loan Documents.

13.03 Reports

(a) The Managing General Partner shall cause to be prepared and delivered to the Limited Partner and the Administrative General Partner and, when required, shall cause the Partnership to file with relevant governmental agencies, each of the following:

(i) *Quarterly Financial Reports of the Partnership.* As soon as available and in any event not later than fifteen (15) days after the end of the first, second and third quarters of each year to be completed and transmitted electronically to the Limited Partner via the designated reporting website:

(A) unaudited financial statements of the Partnership, certified by the Managing General Partner as presenting fairly the financial condition of the Partnership at the date of such statements including (1) the balance sheet as of the end of such quarter, and (2) the year-to-date statement of operations, if any. Such unaudited financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis; and

(B) copies of (1) reserve activity, (2) status report and narrative description of material developments, (3) vacancy report and (4) monthly occupancy reports.

(ii) *Annual Audited Financial Statements of the Partnership.* As soon as available and in any event not later than forty-five (45) days after the end of each year in draft form and not later than sixty (60) days after the end of each year in final form to be completed using the Limited Partner's standard template and transmitted electronically to the Limited Partner via the designated reporting website (except that bank statements and rent rolls can be submitted electronically or as hard copy).

(A) the audited financial statements of the Partnership, as of the end of such year, including the balance sheet, and the related statement of operations, statement of changes in Partners' Capital Accounts and statement of cash flows with the report of the Accountants thereon to the effect that such statements present fairly the financial position at the end of such year and the results of its operations and changes in financial position for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis; notwithstanding anything to the contrary in this Agreement, the Managing General Partner shall provide the Limited Partner at least fifteen (15) days to review such financial statements; provided that drafts not timely received may require a longer review period, and provided further all such financial statements are subject to the approval of the Limited Partner; upon such approval, the

Managing General Partner shall immediately provide such statements in final form; and copies of (1) the rent rolls for the Project indicating the rent, family size, family income and area median income for each tenant, (2) the bank statements, (3) status report and narrative description of material developments, (4) vacancy report, and (5) the AIT Unit Tracking Schedule.

(iii) *Annual Financial Statements and tax returns of the Managing General Partner and the Sponsors.*

(A) As soon as available and in any event not later than one hundred eighty (180) days after the end of each Sponsor's fiscal year, prepared on a "consolidating" basis (or with supplemental consolidating schedules attached), the audited financial statements of such Sponsor as of the end of each such fiscal year, including the balance sheets, related statement of operations, statement of changes in Partners' Capital Accounts or retained earnings, and statements of cash flows, with the report of a certified public accountant thereon to the effect that such statements present fairly the financial position at the end of such year and the result of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

(B) Upon request, as soon as available and in any event not later than one hundred eighty (180) days after the end of the Managing General Partner's fiscal year, the financial statements of the Managing General Partner as of the end of each such fiscal year, including the balance sheet, related statement of operations, statement of changes in Partners' Capital Accounts and statement of cash flows.

(iv) *Annual Partnership Return.* As soon as available and in any event not later than forty-five (45) days after the end of each fiscal year, in draft form and not later than sixty (60) days after the end of each fiscal year in final form, all information necessary for the preparation of the Limited Partner's federal income tax return for each fiscal year in respect of income, gains, losses, deductions, or credits and the allocation thereof to each Partner, including a Schedule K-1 (or other comparable form subsequently required by the IRS) and a copy of the federal "Partnership Return" and any state or local partnership tax return required to be filed by the Partnership. Notwithstanding anything to the contrary in this Agreement, the Managing General Partner shall provide the Limited Partner at least fifteen (15) days to review the federal "Partnership Return", provided that drafts not timely received may require a longer review period, and provided further that such federal "Partnership Return" is subject to the approval of the Limited Partner. Upon such approval, the Managing General Partner shall immediately provide such tax returns to the Limited Partner in final form.

(v) *Periodic Reports Requiring Limited Partner Approval.* Any and all periodic reports required to be provided to the Limited Partner by any federal, state, or local government agency having jurisdiction over the Project, the Partnership Property, or the Partnership.

(vi) *Notice of Defaults, IRS Proceedings and Significant Developments.* Immediately upon receipt thereof (A) notice of any default under any Loan or financial obligation of the Partnership, (B) notice of any IRS proceeding involving the Partnership, or (C) any payment or draw made under any operating deficit guaranty, construction completion guaranty,

performance bond or letter of credit, and any other significant developments affecting the Partnership, its business or assets.

(vii) *Construction and Lease-Up Progress.* With each construction draw submitted to the Limited Partner (regardless of whether such draw requires an equity Installment), but in no event less than once a month, a report on the progress of construction in the form attached as **Exhibit K** to this Agreement. If the Managing General Partner determines that the actual amount with respect to any line item in the then approved budget for the development of the Project is or likely will be less than the amount of such line item as set forth in the then approved budget for the development of the Project (a “*Cost Savings*”), the Managing General Partner will notify the Limited Partner of such Cost Savings and such Cost Savings will be utilized only as approved by the Limited Partner and by any lender or any governmental authority whose approval to such use is required.

As soon as available, and in no event later than fifteen (15) days after the end of each month, a monthly report on the progress of lease-up submitted electronically in accordance with Enterprise’s lease-up tracking procedures.

(viii) *Tenant Income Certifications.* As soon as available, and in no event later than sixty (60) days after a Unit is qualified, copies of all initial Tenant Income Certifications.

(ix) *Cost Certification.* As soon as available, and in no event later than ninety (90) days after the Completion Date, the Cost Certification prepared by the Accountants.

(x) *Deficits; Draws on Bonds, Guaranties, or Reserves.* Within five (5) business days of the exercise thereof, notice of any draw, call or demand for payment of any Operating Deficit, contractor performance bonds or construction completion guarantee, and any draw on the Operating Reserve.

(xi) *Nonrecourse Liabilities.* As soon as possible, notice of any contemplated repayment or guarantee of any nonrecourse obligation of the Partnership or any other conversion of such nonrecourse obligation to a recourse obligation.

(xii) *Filings.* Within ten (10) days of filing or receipt, copies of all annual reports or other filings (including the Extended Use Agreement) submitted to the Credit Agency and copies of all IRS Forms 8823 or correspondence with the Credit Agency with respect to the Partnership or the Project.

(xiii) *Information Requested by the Limited Partner.* Such other information regarding the state of the business, financial condition and affairs of the Partnership, as the Limited Partner or the Administrative General Partner, from time to time, may reasonably request, including, but not limited to, a certification by the Managing General Partner that (A) all Loan payments and taxes and insurance payments with respect to the Project are current as of the date of the year-end report, (B) there is no default under any material provision of the Loan or Project Documents or this Agreement, or if there is any default, a description thereof, and (C) there is no building, health or fire code violation or, to the best of its knowledge, similar violation of a governmental law, ordinance or regulation against the Project or, if there is such violation, a description thereof.

(b) The Managing General Partner shall promptly respond to all reasonable requests for information made by the Limited Partner.

(c) The Managing General Partner shall deliver to the Limited Partner from time to time, and within ten (10) days after request therefor, all such further statements and information as the Limited Partner may request in order to enable the Limited Partner to determine or verify the amounts of all payments that the Managing General Partner shall be required to make to the Partners and the amounts of credits, and all such statements and information needed by the Limited Partner in connection with reports and forms required to be filed by the Limited Partner pursuant to federal or state securities law.

(d) In the event that the Partnership's annual audited financial statements or tax returns provided for in Sections 13.03(a)(ii) and (iv) are not provided within the time frames set forth therein, the Managing General Partner shall be obligated to pay to the Limited Partner the sum of Fifty Dollars (\$50) per day for the first thirty (30) days and, thereafter, One Hundred Dollars (\$100) per day, as liquidated damages, for each day from the date upon which such statements or returns are due until the date upon which such statements or returns are provided to the Limited Partner in a form acceptable to the Limited Partner. In the event the statements or returns are not provided on a timely basis, the Limited Partner may direct the Managing General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Limited Partner.

(e) The Managing General Partner shall (or shall cause the Management Agent to) provide the Limited Partner (and, for so long as a Compliance Consultant Agreement is in effect, the Compliance Consultant) with: (i) the AIT Unit Tracking Schedule on a monthly basis during the Lease-up Period; (ii) an updated AIT Unit Tracking Schedule no later than thirty (30) days after the Project has achieved 100% Qualified Occupancy and on an annual basis thereafter, no later than thirty (30) days after the end of the Owner's fiscal year; (iii) an updated AIT Unit Tracking Schedule no later than thirty (30) days after any change to a Credit Unit's imputed income limit designation for purposes of satisfying the Average Income Test and maintaining compliance with the AIT Regulations; (iv) throughout the Compliance Period, no later than 60 days after the end of the fiscal year, an annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test and AIT Regulations; (v) any report required by the Authority and/or the IRS regarding compliance with the Average Income Test and AIT Regulations, simultaneously with submission to the Authority and/or the IRS; (vi) within ten (10) days of the Limited Partner's request, for so long as the Compliance Consultant Agreement is in effect, such other reporting documentation as may be required under such Compliance Consulting Agreement, including any written analyses and findings prepared by the Compliance Consultant; and (vii) such other reports or documents required by the Average Income Addendum to Property Management Agreement.

13.04 Partnership Representative

(a) **Defined Terms.** For purposes of this Section 13.04, the following terms shall have the meanings set forth below:

Administrative Adjustment Request: An administrative adjustment request under Code Section 6227.

Adjustment Year: The Partnership taxable year in which (i) in the case of an adjustment pursuant to the decision of a court in a proceeding brought under Code Section 6234, such decision becomes final, (ii) in the case of an Administrative Adjustment Request, such Administrative Adjustment Request is made, or (iii) in any other case, a notice of final Partnership Adjustment is mailed under Code Section 6231 or, if the Partnership waives the restrictions under Code Section 6232(b) (regarding limitations on assessment), the date the waiver is executed by the IRS.

Adjustment Year Partner: Any Person who held an interest in the Partnership at any time during an Adjustment Year.

Former Partner: Any Person who was a Reviewed Year Partner but is not an Adjustment Year Partner.

Imputed Underpayment: Has the meaning set forth in Section 6225 of the Code.

Indirect Partner: Any Person who has an interest in the Partnership through its interest in one or more Pass-Through Partners.

Partnership Adjustment: Any adjustment to any “partnership-related item”, as such term is defined in Code Section 6241(2), or any Partner’s distributive share thereof, in any case as described in any applicable Regulations or other guidance prescribed by the IRS.

Pass-through Partner: A pass-through entity that holds an interest in the Partnership, including a partnership (as described in Treas. Reg. § 301.7701-2(c)(1) including a foreign entity that is classified as a partnership under Treas. Reg. § 301.7701-3(b)(2)(i)(A) or (c), an S corporation, a trust (other than a trust described in the next sentence) and a decedent’s estate. For purposes of this definition, a pass-through entity does not include a disregarded entity described in Treas. Reg. § 301.7701-2(c)(2)(i) or a trust that is wholly owned by only one Person, whether the grantor or another Person, and the trust reports the owner’s information to payors under Treas. Reg. § 1.671-4(b)(2)(i)(A).

Reviewed Year: The Partnership taxable year to which a Partnership Adjustment relates.

Reviewed Year Partner: Any Person who held an interest in the Partnership at any time during the Reviewed Year.

Revised Partnership Audit Rules: Subchapter 63C of the Code (as amended by the Bipartisan Budget Act of 2015, P.L. 114-74 and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and sections 201 through 207 of the Tax Technical Corrections Act of 2018, contained in Title II of Division U of the Consolidated Appropriations Act of 2018, P.L. 115-141), and the Treasury Regulations promulgated thereunder, as amended from time to time.

Taxes: Any tax, penalties, additions to tax, additional amounts, and interest as described in Section 6226 of the Code.

(b) **Partnership Representative**

(i) **Appointment and Designation.** The Partners hereby authorize the Partnership to appoint the Managing General Partner as the initial partnership representative of the Partnership pursuant to Section 6223(a) of the Code (the “**Partnership Representative**”). The Managing General Partner shall be appointed the Partnership Representative for each taxable year of the Partnership provided that if an event or circumstance has occurred which, with the giving of notice or the passage of time, would constitute a Removal Default hereunder or a default by the Partnership Representative or Designated Individual of its/his/her duties and obligations under this Section 13.04, the Consent of the Limited Partner must be obtained before the Partnership Representative is appointed for any taxable year of the Partnership. The Partnership Representative shall timely designate an individual to serve as the sole individual through whom the Partnership Representative will act for purposes of the Revised Partnership Audit Rules (the “**Designated Individual**”) with the Consent of the Limited Partner. No later than the effective date of the designation of the Designated Individual as the Designated Individual or of the Partnership Representative as the Partnership Representative, such Designated Individual or Partnership Representative, as applicable, must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Section 13.04 prior to and as a condition of such designation.

(ii) **Resignation; Revocation.** The Managing General Partner (and any successor Partnership Representative) may resign as the Partnership Representative by written notice to the Partnership, the Limited Partner, and the IRS. Notice of such resignation shall be given to the IRS in the time and manner prescribed by the IRS. The resigning Partnership Representative shall designate a successor Partnership Representative only as directed by or with the Consent of the Limited Partner. Upon removal of the Managing General Partner for any reason pursuant to the provisions of Section 9.02(a) of this Agreement or, with the Consent of the Limited Partner, in the event of a default by the Partnership Representative or Designated Individual of its/his/her duties and obligations under this Section 13.04, the Partnership shall revoke the designation of the Managing General Partner as the Partnership Representative for all taxable years during which such designation was in effect by written notice to the Partnership Representative and the IRS. The designation of the Designated Individual as the Designated Individual shall automatically terminate on the effective date of the resignation or revocation of the applicable entity as Partnership Representative. Notice of such revocation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of another Person selected by the Limited Partner as the successor Partnership Representative for the Partnership taxable year for which the designation was in effect and the designation of another Person selected by the Limited Partner as the successor Designated Individual for the Partnership taxable year for which the designation was in effect. In furtherance hereof, the Managing General Partner hereby constitutes and appoints the Limited Partner, with full power of substitution, its true and lawful attorney-in-fact in its name, place and stead to carry out fully the provisions of this Section 13.04(b)(ii) and take any action which the Limited Partner may deem necessary or appropriate in connection herewith. The power of attorney hereby granted shall be deemed to be coupled with an interest, shall be irrevocable and shall survive and shall not be affected by the subsequent

incapacity, dissolution, resignation, revocation or other termination of the Managing General Partner as the Partnership Representative.

(iii) Successor Partnership Representative. Any successor Partnership Representative must have a substantial presence in the United States, have been Consented to by the Limited Partner, and otherwise satisfy all statutory and regulatory requirements imposed by the Revised Partnership Audit Rules. The Person so designated must agree in writing to be bound by the terms of this Section 13.04 and shall not take any action in its capacity as Partnership Representative until the resignation and/or revocation of the prior Partnership Representative becomes effective under the Code or Treasury Regulations.

(iv) Notice of Communications. The Partnership Representative shall give the Partners prompt notice of any inquiry, notice, or other communication received from the IRS or other applicable tax authority regarding the tax treatment of the Partnership or the Partners, and shall, to the extent possible, give the Partners prior notice of and a reasonable opportunity to review and comment upon any written communication the Partnership Representative intends to make to any such taxing authority in connection with any examination, audit or other inquiry involving the Partnership. Without limiting the generality of the foregoing, the Partnership immediately shall send to all of the Partners copies of any notice of a proposed or final Partnership Adjustment received by the Partnership and/or the Partnership Representative from the IRS.

(v) Duties and Limitations on Authority. The Partnership Representative and any Designated Individual shall have all power and authority of a partnership representative and designated individual, respectively, as set forth in Section 6223 of the Code, and shall represent the Partnership and its Partners in all dealings with the IRS and state and local taxing authorities, provided, however, that, except as specifically provided in Section 13.04(c) below, the Partnership Representative shall not, without the Consent of the Limited Partner, have any power or authority to do any or all of the following:

- (A) make an election to opt out of the application of the Revised Partnership Audit Rules to the Partnership;
- (B) make a Push-Out Election;
- (C) file an Administrative Adjustment Request;
- (D) select any judicial forum for the litigation of any Partnership tax dispute; or
- (E) take any other action (or fail to take any action) that might reasonably be expected to require the payment of any material Taxes by the Partnership or the Limited Partner, or otherwise have a material adverse impact on the tax or economic position of the Partnership or the Limited Partner.

(vi) Fiduciary Relationship. The relationship of the Partnership Representative to the Limited Partner shall be that of a fiduciary, and the Partnership

Representative shall have a fiduciary obligation to perform its duties in such manner as will serve the best interests of the Limited Partner.

(vii) Indemnification. To the extent of available funds, the Partnership shall indemnify the Partnership Representative against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the Partnership Representative in its capacity as the Partnership Representative, and not its capacity as a Partner or a Former Partner, in connection with any audit or administrative or judicial proceeding in which the Partnership Representative is involved solely by reason of being the Partnership Representative of the Partnership, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the Partnership Representative and were the result of a course of conduct which the Partnership Representative, in good faith, reasonably believed to be in the best interests of the Partnership and the Limited Partner and within the scope of its authority under this Section 13.04.

(c) Modifications and Partnership Elections

(i) Modifications to Imputed Underpayment. If the Partnership and/or Partnership Representative receives notice of a proposed Partnership Adjustment from the IRS, the Partnership Representative shall so notify the Partners in accordance with the provisions of Section 13.04(b)(iv) above and, if requested to do so by the Limited Partner, shall request modification of the Imputed Underpayment proposed in such notice in accordance with any applicable Treasury Regulations, forms, instructions, and other guidance prescribed by the IRS. Any such request by the Limited Partner shall describe the modifications or adjustment factors that the Limited Partner believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification. Unless an extension of time is granted by the IRS, all information required to support a requested modification shall be submitted by the Limited Partner to the Partnership Representative no later than one hundred eighty (180) days after the Limited Partner receives notice of the proposed Partnership Adjustment from the Partnership Representative, and the Partnership Representative shall submit such information to the IRS no later than two hundred seventy (270) days after the date the proposed Partnership Adjustment notice was mailed by the IRS.

(ii) Amended Returns. If requested to do so by the Limited Partner, the Partnership Representative shall request a modification of an Imputed Underpayment based on an amended return (or, to the extent permitted by law, any similar statement) filed by a Partner (or Indirect Partner) that takes account of all of the Partnership adjustments properly allocable to such Partner (or Indirect Partner). Any such request shall be accompanied by an affidavit from the requesting Partner (or Indirect Partner) signed under penalties of perjury that the requesting Partner (or Indirect Partner) has either filed each required amended return (or similar statement) or provided all information to the IRS as requested pursuant to Code Section 6225(c)(2)(B)(iii), and paid all Taxes due as a result of taking into account the adjustments in the first affected year and all modification years, as such terms are defined and applied in any applicable Regulations, forms, instructions, and other guidance prescribed by the IRS.

(iii) Reallocation Adjustment. In the case of a Partnership Adjustment that reallocates the distributive share of any tax item from one Partner to another, the Partnership

Representative shall be required to submit the modification request to the IRS under this Section 13.04(c) only if all Partners (or Indirect Partners) affected by such adjustment (“Affected Partners”) provide the affidavit(s) described in clause (ii) above or the Partnership Representative is notified by the IRS that one or more Affected Partners have taken (or will take) into account their allocable share of the adjustment through other modifications approved by the IRS (such as, but not limited to, a closing agreement).

(iv) Push-Out Election. If the Partnership receives notice of a final Partnership Adjustment from the IRS, the Partnership Representative shall so notify the Partners and any Former Partners in accordance with the provisions of Section 13.04(b)(iv) above and, if the Consent of the Limited Partner has been obtained, shall make an election (a “Push-Out Election”) under Section 6226 of the Code with respect to one or more Imputed Underpayments set forth in the final Partnership Adjustment notice. Except as hereinafter provided, if a Push-Out Election is made, each Reviewed Year Partner shall take into account its allocable share of the Partnership Adjustments that relate to the specified Imputed Underpayment and shall be liable for any Taxes as described in Section 6226 of the Code and any applicable Treasury Regulations or other guidance prescribed by the IRS. Notwithstanding the foregoing, to the extent permitted by law, any Reviewed Year Partner that is a partnership or S corporation may, at its option and in accordance with any applicable Treasury Regulations or other guidance prescribed by the IRS, elect (in lieu of paying its allocable share of such Partnership Adjustments) to push out the liability for Taxes attributable to such Partnership Adjustments to its Partners (including Indirect Partners). Any Push-Out Election shall be filed within forty-five (45) days of the date the notice of final Partnership Adjustment is mailed by the IRS and shall be in such form, and shall contain such information, as required by any applicable Regulations, forms, instructions and other guidance prescribed by the IRS. If a Push-Out Election is made, the Partnership Representative shall furnish to each Reviewed Year Partner and the IRS, for each Reviewed Year within sixty (60) days after the date all of the Partnership Adjustments to which the statement relates are finally determined, a statement that includes all items and information required under any applicable Regulations, forms, instructions, and other guidance prescribed by the IRS. Furthermore, in the event that the Managing General Partner makes a Push-Out Election against the advice of the Limited Partner, the General Partner will be obligated to reimburse to the Limited Partner, within ten (10) days’ demand, the additional interest (which additional interest shall be the incremental percentage increase described in Section 6226(c)(2)(C) of the Code) paid by the Limited Partner as a result of the Push-Out Election but only to the extent that the total underpayment (including interest and penalties) paid by the Limited Partner exceeds what the Limited Partner’s proportional share of the Partnership’s imputed underpayment (including interest and penalties) would have been had a “push-out” election not been made.

(v) Reimbursement of Allocable Share of Imputed Underpayment. If the Partnership becomes obligated to make an Imputed Underpayment under Code Section 6225(a), each of the Partners (including any Former Partner) to whom such liability relates shall be obligated, within thirty (30) days after written notice from the Managing General Partner, to pay an amount that, on an After-Tax Basis if such payment is treated as an indemnity payment under this Section 13.04(c)(v), is equal to its allocable share of such amount to the Partnership; provided, however, that if and to the extent that the Partnership’s liability results from a loss, disallowance or recapture of Credits for which a Credit Adjuster Advance is due to such Person and has not been paid, the amount otherwise payable by such Person to the Partnership under this Section

13.04(c)(v) shall be reduced by the amount of any unpaid Credit Adjuster Advance payable to such Person so that the Partnership will bear the portion of the Imputed Underpayment equal to such reduction. Any amount not paid by a Partner (or Former Partner) within such 30-day period shall accrue interest at Prime Rate plus 2% until paid. Any such payment made by any Partner shall be treated as a Capital Contribution; provided, that such payment will be treated as an indemnity payment if the Limited Partner determines in its sole discretion that treatment as a Capital Contribution would result in a reallocation of tax losses or Credits. Any such payment made by any Former Partner shall be treated as an indemnity payment and not as a Capital Contribution or loan to the Partnership.

(vi) Withholding. Notwithstanding anything to the contrary contained herein, the Managing General Partner shall cause the Partnership to withhold from any distribution or payment due to any Partner (or Former Partner) under this Agreement any amount due to the Partnership from such Partner (or Former Partner) under clause (v) above. Any amount(s) so withheld shall be applied by the Partnership to discharge the obligation in respect of which such amount was withheld. All amounts withheld pursuant to the provisions of this Section 13.04(c)(vi) with respect to a Partner (or Former Partner) shall be treated as if such amounts were distributed or paid, as applicable, to such Partner (or Former Partner).

(vii) Indemnity. To the extent that a portion of the Taxes imposed under Code Section 6225(a) relates to a Former Partner, the Managing General Partner shall require such Former Partner to indemnify the Partnership for its allocable portion of such tax (including any penalties, additions to tax, additional amounts, and interest) to the extent such amounts have not been withheld pursuant to the provisions of Section 13.04(c)(vi). Each Partner acknowledges that, notwithstanding the transfer or liquidation of all or any portion of its Interest in the Partnership, it shall remain liable for Taxes with respect to its allocable share of income and gain of the Partnership for the Partnership's taxable years (or portions thereof) prior to such transfer or liquidation unless otherwise agreed to in writing by the Partners during the taxable year(s) (or portion thereof) to which the Taxes relate and all Former Partners during the Partnership's taxable year(s) (or portion(s) thereof) to which the Taxes relate.

(viii) If the IRS assesses a tax upon any Partner or Former Partner pursuant to Code Section 6232(f) with respect to one or more Imputed Underpayments (and interest and penalties thereon) set forth in the final Partnership Adjustment notice with respect to which a Push-Out Election is not made by the Partnership, such Partner or Former Partner shall be liable for such amount (as such amount may be subsequently reduced pursuant to Code Section 6232(f)(4) to reflect payments made by the Partnership with respect to the applicable Imputed Underpayment).

(ix) Continuing Obligations. Whether the liability is assessed to the Partnership or the Partners (or Former Partners), the parties hereto acknowledge and agree that nothing in this Section 13.04(c) is intended, nor shall it be construed, to modify or waive any obligations of the Managing General Partner under this Agreement including, without limitation, the obligation to make a payment pursuant to the provisions of Section 3.03.

(d) Consistent Tax Treatment. Except as hereinafter provided, each Partner agrees that its treatment on its own federal income tax return of each item of income, gain, loss, deduction, or credit attributable to the Partnership shall be consistent with the treatment of such items on the

Partnership return, including the amount, timing, and characterization of such items. Notwithstanding the foregoing general requirement, any Partner may file a statement identifying certain items that are inconsistent (or that may be inconsistent) in accordance with any applicable Treasury Regulations, forms, instructions, or other guidance provided by the IRS. Any such statement shall be attached to the Partner's tax return on which the item is treated inconsistently.

(e) **Tax Counsel or Accountants.** The Partnership Representative shall employ experienced tax counsel and/or accountants to represent the Partnership in connection with any audit or investigation of the Partnership by the IRS or any other taxing authority and in connection with all subsequent administrative and judicial proceedings arising out of such audit. Such counsel and/or accountants shall be responsible for representing the Partnership; it shall be the responsibility of the Partners, at their expense, to employ tax counsel or accountants to represent their respective separate interests.

(f) **Survival.** The obligations of each Partner or Former Partner under this Section shall survive the transfer, redemption or liquidation by such Partner of its Partnership Interest and the termination of this Agreement or the dissolution of the Partnership.

(g) **Amendments.** Upon the promulgation of revised Treasury Regulations implementing the Revised Partnership Audit Rules or upon further amendment of the Revised Partnership Audit Rules, the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 13.04, while conforming with the applicable provisions of the revised partnership audit procedures. The Partners agree to work together in good faith to make elections and amend this Agreement (if any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative.

(h) **State and Local Income Tax Matters.** The provisions of this Section 13.04 shall also apply to state and local income tax matters affecting the Partnership to the extent the terms and conditions hereof have any application to audit procedures at the state and local level.

ARTICLE XIV

Buyout Options and Right of First Refusal

14.01 Buyout Options

(A) **Purchase of the Limited Partner's Interest.**

Beginning after the end of the Compliance Period, and only if at such time or times the Managing General Partner has satisfied all obligations under this Agreement to the Limited Partner, the Managing General Partner is not in default under any of the Project Documents, the Loan Documents or this Agreement, and no Event of Bankruptcy has occurred or is impending with respect to the Managing General Partner or the Guarantor, the Managing General Partner shall have the option (the "***LP Interest Option***") for an Affiliate to purchase the Limited Partner's entire Interest in the Partnership for the "***LP Interest Price***." The LP Interest Price shall equal (i) the greater of (a) the fair market value of the Limited Partner's Interest subject to continued use of the Project for low-income housing for at least fifteen (15) years after the end of the Compliance

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Period, and at least through the end of the Extended Use Period (the “**LP Interest FMV**”) as of the date of the LP Option Notice or (b) One Dollar (\$1) plus all federal, state and local taxes attributable to such sale, including those incurred or to be incurred by the partners, direct or indirect, of the Limited Partner in excess of the amount shown in the projections (“**LP Interest Taxes**”), (ii) plus an amount equal to any Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limit and/or arising from a Change in Law) and any other unpaid amounts that may be owed to the Limited Partner under this Agreement.

Additionally, the Managing General Partner shall have the option to purchase the Limited Partner’s Interest for the LP Interest Price beginning the first calendar year after all Credits have been delivered if, in addition to satisfaction of the conditions above, (i) the Limited Partner (a) approves such exercise, in its sole and absolute discretion, or (b) determines, in its sole and absolute discretion, that the Partnership will provide the Limited Partner an internal rate of return calculated utilizing the same methodology as the Projections were calculated, but revised to reflect the actual delivery of Credits and losses to the Limited Partner through the exercise of the LP Interest Option, in an amount at least equal to the internal rate of return as shown on the Projections, even after the exercise of the LP Interest Option; (ii) the Limited Partner determines that an exercise of the LP Interest Option after the Partnership has received all Credits available to it will not result in any negative tax consequences to the Limited Partner; (iii) to the extent required by the Limited Partner in its sole and absolute discretion, the Managing General Partner provides adequate protection against the possibility of tax credit recapture prior to the end of the audit period applicable to the Compliance Period, which protection may include, but shall not be limited to, a guaranty or indemnification from a credit-worthy entity acceptable to the Limited Partner, and (iv) the Managing General Partner and/or the Partnership shall pay to the Limited Partner all unpaid fees, loans, credit adjuster distributions, and credit adjuster payments owed to the Limited Partner.

In order to exercise the LP Interest Option the Managing General Partner, or its approved designee, shall provide written notice to the Limited Partner (the “**LP Option Notice**”) which shall include a proposed LP Interest Price (with a copy of the appraisal and computations of both the LP Interest FMV and LP Interest Taxes). The LP Interest FMV shall be determined by an independent appraiser selected by the Managing General Partner who shall prepare an appraisal of the Limited Partner’s interest, which appraisal may take into account any factors that the independent appraiser deems, in its sole and absolute discretion, relevant in determining the LP Interest FMV, including, but not limited to, appropriate discounts for recorded, regulatory, and recorded income and rent restrictions typically applied to the valuation of a limited partner’s interest, as well as deferred maintenance and capital needs requirements set forth in a physical needs assessment.

The computation of the LP Interest FMV shall be subject to the Consent of the Limited Partner (which will not be unreasonably withheld). The Limited Partner shall have fifteen (15) days following the date on which the Limited Partner confirms in writing receipt of the Buyout Notice in which either to accept the LP Interest FMV set forth in the Buyout Notice or to notify the Managing General Partner of its desire to appoint a second appraiser to evaluate the LP Interest FMV. In the event that the Limited Partner fails to notify the Managing General Partner within the aforesaid thirty (30) day period that the Limited Partner desires to appoint a second appraiser, the Limited Partner shall be deemed to have rejected the Buyout Price, in which event the Limited Partner shall be deemed to have notified the Managing General Partner of its desire to appoint a

second appraiser. In the event that the Limited Partner notifies the Managing General Partner of its desire to appoint a second appraiser, the Limited Partner shall appoint such appraiser within thirty (30) days after it notifies the Managing General Partner of its election or the initial thirty day period has lapsed (the “**Appraiser Selection Period**”), and the two appraisers shall together appoint a third appraiser within thirty (30) days after the appointment of the second appraiser. The second and third appraisers shall be from a list of qualified MAI appraisers experienced with multifamily affordable housing and the Project’s market area proposed by the Managing General Partner and approved by the Limited Partner. In the event the Limited Partner fails to notify the Managing General Partner of its desire to appoint a second appraiser and does not so appoint one during the Appraiser Selection Period, the appraisal of the Managing General Partner’s appraiser will be the LP Interest FMV. If three appraisers are appointed, the three appraisers so appointed shall each determine the LP Interest FMV within fifteen (15) days after the appointment of third appraiser, and the LP Interest FMV shall be the average of the three appraisers’ determinations; provided that if one or more of the appraisers’ determinations is more than ten percent (10%) higher or lower than the average of the three determinations, such appraiser’s determination shall be disregarded in determining the LP Interest FMV, and provided, further, that if none of the appraisers’ determinations is equal to or less than ten percent (10%) higher or lower than the average of the three determinations, the LP Interest FMV shall be the middle of the three determinations. If the revised LP Interest FMV is greater than the original LP Interest FMV (which accompanied the Buyout Notice) by ten percent (10%) or more, the Managing General Partner may rescind the Buyout Notice so long as the Managing General Partner pays all expenses of the Limited Partner, including the costs of determining the LP Interest FMV.

In the event the Managing General Partner has not provided an LP Option Notice to the Limited Partner as required by this Section 14.01(a) not later than 24 months after the end of the last-expiring Compliance Period applicable to the Building in the Project, the Managing General Partner’s right to exercise the LP Interest Option shall terminate.

The LP Interest Option shall be subject and subordinate to the liens and security interests granted pursuant to the Loan Documents.

(B) Purchase of the Project.

Beginning after the end of the last-expiring Compliance Period applicable to the Building in the Project and ending 24 months thereafter, and only if at such time or times the Managing General Partner has satisfied all obligations under this Agreement to the Limited Partner, the Managing General Partner is not in default under any of the Project Documents, the Loan Documents or this Agreement, and no Event of Bankruptcy has occurred or is impending with respect to the Managing General Partner or the Guarantor, the Managing General Partner, or its approved designee, shall have the option (the “**Project Option**”) to purchase the Project for the “**Project Price**.” The Project Price shall equal (i) the greater of (a) the appraised value of the Project, or (b) the total amount of any taxes payable by the Limited Partner (“**Project Taxes**”) due to the sale plus debt on the Project plus (ii) an amount equal to any Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limited and/or arising from a Change in Law) and any other unpaid amounts that may be owed to the Limited Partner under this Agreement.

In order to exercise the Project Option the Managing General Partner shall provide written notice to the Limited Partner (the “**Project Option Notice**”) which shall include a proposed Project

Price (with a copy of the appraisal and computations of both the Project FMV and Project Taxes). The Project FMV shall be determined by an independent appraiser selected by the Managing General Partner, or its approved designee, who shall prepare an appraisal of the Project, which appraisal may take into account any factors that the independent appraiser deems, in its sole and absolute discretion, relevant in determining the Project FMV including, but not limited to, appropriate discounts typically applied to the valuation of a project, and deferred maintenance and capital needs requirements set forth in a physical needs assessment.

The computation of the Project FMV shall be subject to the Consent of the Limited Partner (which will not be unreasonably withheld). In the event that the Limited Partner fails to notify the Managing General Partner of such Consent of the Limited Partner within thirty (30) days of receipt of the Project Option Notice it shall be deemed to have rejected the computation. The closing of the sale of the Project to the Managing General Partner shall occur within thirty (30) days after the Limited Partner consents to the computation of the Project Price. The entire Project Price shall be paid to the Limited Partner at the closing in cash or immediately available funds. All costs associated with the exercise of the Project Option other than the Limited Partner's attorney fees, including the costs of the appraiser appointed by the Managing General Partner, the Accountants' fees and any filing fees and transfer taxes attributable to the Managing General Partner's exercise of the Project Option shall be paid by the Managing General Partner.

In the event the Managing General Partner, or its approved designee, has not provided a Project Option Notice to the Limited Partner as required by this Section 14.01(b) not later than two (2) years after the end of the Compliance Period, the Managing General Partner's right to exercise the Project Option shall terminate.

The Project Option shall be subject and subordinate to the liens and security interests granted pursuant to the Loan Documents.

14.02 Right of First Refusal

In accordance with the Right of First Refusal Agreement attached as Exhibit J to this Agreement, and provided there is no Removal Default with respect to the Managing General Partner, the Partnership will not transfer, sell, alienate, assign, give, bequeath or otherwise dispose of the Partnership Property to any Person without first offering the Partnership Property for a period of ninety (90) days to MHC (if it then qualifies as an organization described in Section 42(i)(7)(A) of the Code) (the "**Purchaser**") at a price equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Partnership Property, all other loans from the Managing General Partner or its Affiliates, and any accrued interest on any of such debt, (ii) all federal, state and local taxes attributable to such sale, including those incurred or to be incurred by the partners, direct or indirect, of the Limited Partner, (iii) an amount equal to any Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limited and/or arising from a Change in Law), and (iv) any other unpaid amounts that may be owed to the Limited Partner under this Agreement; *provided, however*, that such right of first refusal shall comply with Section 42(i)(7) of the Code, as amended, and as reasonably interpreted by the Limited Partner. In the event MHC has not exercised its Right of First Refusal within 24 months after the end of the Compliance Period, MHC's Right of First Refusal shall terminate.

14.03 Subordination of Buyout Options and Right of First Refusal

All options and rights of first refusal granted in this Article XIV are unconditionally subject and subordinate at all times to the liens of the Mortgages (including all amendments, modifications, supplements, renewals or extensions thereof) securing the Loans. Each holder of a Mortgage, and its successors and assigns, is hereby made an express third-party beneficiary of this Section 14.03, which shall not be amended, modified or terminated without the prior written consent of each Mortgagee.

ARTICLE XV

Miscellaneous Provisions

15.01 Amendments to Agreement

(a) Each Partner, including any additional Limited Partner and Substitute Limited Partner, additional Managing General Partner, and successor Managing General Partner, shall become a signatory hereto by signing counterpart signature pages to this Agreement or an amendment to this Agreement or by granting a power of attorney to the Managing General Partner therefor, and by signing any other instrument or instruments deemed necessary by the Managing General Partner. By so signing, each Partner, including any additional Limited Partner and Substitute Limited Partner, additional Managing General Partner, or successor Managing General Partner, as the case may be, shall be deemed to have adopted, and to have agreed to be bound by, all the provisions of this Agreement.

(b) No amendments shall be adopted pursuant to this Section 15.01 unless the adoption of such amendment does not affect the limited liability of the Limited Partner under the Act or the status of the Partnership as a partnership for federal income tax purposes, or cause loss or recapture of the Credit for any Partner that has not transferred its Partnership Interest.

(c) In making any amendments, there shall be prepared and timely filed for recordation by the Managing General Partner all documents and certificates required, if any, to be prepared and filed under the Act and under the laws of any other jurisdiction in which the Partnership is then formed or qualified.

(d) The proposal of an amendment may only be made:

(i) By the Managing General Partner, upon Notice to the Limited Partner which shall include (A) the text of the amendment and (B) a statement of the purpose of the amendment.

(ii) By the Limited Partner, upon Notice to the Managing General Partner which shall include (A) the text of such amendment and (B) a statement of the purpose of the amendment.

(e) Amendments to this Agreement shall become effective only upon the Consent of the Managing General Partner and the Consent of the Limited Partner unless such Consent has been given under the terms of this Agreement. Consent may be withheld in the sole discretion of any Partner.

15.02 Notices

All Notices to be given under this Agreement shall be sent to the Persons shown on Exhibit A-5. Any Partner may change its Notice address by providing Notice thereof to all other Partners.

15.03 Intentionally Omitted

15.04 Action for Breach

The representations, warranties, covenants, agreements, and duties of the Managing General Partner contained in this Agreement are being made in order to induce, and in consideration of, the Limited Partner's acquisition of its Interest. Upon the breach of any representation, warranty, covenant, agreement, or duty, the Limited Partner may pursue any available legal or equitable remedy against the Managing General Partner without being required to dissolve the Partnership and notwithstanding the availability of any other remedy.

15.05 Consent and Voting

No vote or Consent of the Limited Partner shall ever be construed to make the Limited Partner liable as a general partner or cause the Limited Partner to be liable for Partnership obligations.

15.06 Survival of Representations

All representations, warranties, and indemnifications contained herein shall survive the dissolution and final liquidation of the Partnership.

15.07 Entire Agreement

This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

15.08 Applicable Law

It is the intention of the parties hereto that all questions with respect to the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the United States of America and the laws of the State of California without regard to California's internal conflict of laws principles.

15.09 Severability

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable statutes, laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be

enforced to the greatest extent permitted by law. In the event that any provision of this Agreement or the application thereof shall be invalid or unenforceable, the Partners agree to negotiate (on a reasonable basis) a substitute valid or enforceable provision providing for substantially the same effect as the invalid or unenforceable provision.

15.10 Binding Effect

When entered into by the parties hereto, this Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective spouses, heirs, executors and administrators, personal and legal representatives, successors and assigns.

15.11 Counterparts

This Agreement and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

15.12 Successor Statutes and Agencies

Any reference contained in this Agreement to specific statutory or regulatory provisions or to specific governmental agencies or entities shall include any successor statute or regulation, or agency or entity, as the case may be.

15.13 No Implied Waiver

No failure on the part of any Partner to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

15.14 Incorporation by Reference

Each document attached hereto as an exhibit is incorporated herein by reference and an occurrence of a default under an exhibit hereto shall constitute a default under this Agreement.

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805 R MUTUAL HOUSING ASSOCIATES, L.P.
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Signature Page

MANAGING GENERAL 805 R MUTUAL HOUSING ASSOCIATION LLC, a
PARTNER: California limited liability company, by its sole
member/manager, Mutual Housing California, a
California nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

ADMINISTRATIVE GENERAL 805 R CADA ASSOCIATION LLC, a California
PARTNER: limited liability company, by its sole
member/manager, Capitol Area Community
Development Corporation, a California nonprofit
public benefit corporation

By: _____
Danielle Foster
President

WITHDRAWING LIMITED MUTUAL HOUSING CORPORATION, a California
PARTNER: nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

LIMITED PARTNER:

WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership, by its general partner, Wincopin GP, LLC, a Maryland limited liability company

By: _____
Name:
Title:

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

Exhibit A

**PARTNERS; PERCENTAGE INTERESTS;
CAPITAL CONTRIBUTION COMMITMENTS**

| | <i><u>Percentage Interests</u></i> | <i><u>Capital Contributions</u></i> |
|---------------------------------------|--|---|
| Managing General Partner | | |
| 805 R Mutual Housing Association LLC | [0.005]% | [\$50]* |
| Administrative General Partner | | |
| 805 R CADA Association LLC | [0.005]% | [\$50]** |
| Limited Partner | | |
| Wincopin Circle LLLP | <u>[99.99]%</u> | <u>[\$50,163,000]***</u> |
| TOTALS | 100% | [\$50,163,100] |

*The Capital Contribution of the Managing General Partner will be paid on the Admission Date.

**The Capital Contribution of the Administrative General Partner will be paid on the Admission Date.

***The Capital Contribution of the Limited Partner will be paid in Installments as described on the following **Exhibit A-1** upon the last to occur of the receipt and approval by the Limited Partner to the satisfaction of the Limited Partner of all conditions for such Installment and the date associated with such Installment. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications in the exact form attached as **Exhibit A-7**, in accordance with Section 3.02(c). In addition, the amounts of the Capital Contributions are subject to adjustment as provided in this Agreement.

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-1
Capital Contribution Installments**

| Installment | Amount of Installment | Conditions for Capital Contribution |
|---------------|--------------------------|--|
| <u>First</u> | [\$5,016,300] | Admission Date. |
| <u>Second</u> | [\$351,000] | Latest of: <ul style="list-style-type: none">(a) Achievement of the Completion Date (including, without limitation, receipt of temporary certificates of occupancy for one hundred percent (100%) of the Units, if required, and receipt of a certificate of substantial completion signed by the architect of record, documenting that the Building has been completed in accordance with the relevant Project Documents), and such other items as the Limited Partner may reasonably require, including, without limitation, the Independent Construction Inspector's Report and confirmation by the Limited Partner of acceptable vapor barrier testing results and mitigation plan;(b) evidence of satisfactory radon testing required by the procedures detailed in <u>Exhibit A-9</u>;(c) an updated title report for the Project, evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;(d) final release of lien from General Contractor, evidencing that the General Contractor has been paid in full and final AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13, or, if not available, partial lien release detailing amount paid to date, amounts remaining to be paid, and confirmed sources to pay and current AIA form G702 and G703;(e) receipt of the draft Cost Certification (before submission to the Credit Agency), prepared by the Accountant, which report shall include an estimate of the Project's eligible basis, matching sources and uses, and calculation of annual Credits, and calculation of the Fifty Percent Test;(f) an updated source and use schedule for the Project that confirms the Partnership will have sufficient funds available to achieve Loan Conversion;(g) receipt and approval of copies of all insurance binders on the Partnership Property; |

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EXHIBIT A-1
Page 1 of 6

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- (h) satisfactory evidence of the Partnership's valid and timely election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code;
- (i) submission of the supplemental clearance certificate to the BOE and submission of a complete application for the Property Tax Exemption to the Sacramento County assessor;
- (j) receipt of a copy of the executed HAP Contract;
- (k) receipt and approval of all required annual and quarterly reporting items in accordance with Section 13.03;
- (l) [all Average Income Test reporting items in accordance with Section 13.03(e), including, but not limited to (i) the AIT Unit Tracking Schedule for each month since the commencement of the Lease-up Period, and (ii) the [Year] annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test and AIT Regulations, and (iii) any requested copies of the Compliance Consultant's written analyses and findings];
- (m) receipt of draft as-built plans;
- (n) receipt of copies of all loan documents for loans closed on or before the Admission Date and a copy of the final, issued owner's title insurance policy;
- (o) the satisfaction of all the conditions to all prior Capital Contributions; or
- (p) [April 1, 2027].

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Third

[\$37,197,621]

Latest of:

- (a) Achievement of the Completion Date (including, without limitation, receipt of temporary certificates of occupancy for one hundred percent (100%) of the Units, if required, and receipt of a certificate of substantial completion signed by the architect of record, documenting that the Building has been completed in accordance with the relevant Project Documents), and such other items as the Limited Partner may reasonably require, including, without limitation, the Independent Construction Inspector's Report and confirmation by the Limited Partner of acceptable vapor barrier testing results and mitigation plan.
- (b) evidence of satisfactory radon testing required by the procedures detailed in Exhibit A-9;
- (c) an updated title report for the Project, evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;
- (d) final release of lien from General Contractor, evidencing that the General Contractor has been paid in full and final AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13, or, if not available,

EXHIBIT A-1

Page 2 of 6

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partial lien release detailing amount paid to date, amounts remaining to be paid, and confirmed sources to pay and current AIA form G702 and G703;

- (e) receipt of the draft Cost Certification (before submission to the Credit Agency), prepared by the Accountant, which report shall include an estimate of the Project's eligible basis, matching sources and uses, and calculation of annual Credits, and calculation of the Fifty Percent Test;
- (f) an updated source and use schedule for the Project that confirms the Partnership will have sufficient funds available to achieve Loan Conversion;
- (g) receipt and approval of copies of all insurance binders on the Partnership Property;
- (h) satisfactory evidence of the Partnership's valid and timely election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code;
- (i) submission of the supplemental clearance certificate to the BOE and submission of a complete application for the Property Tax Exemption to the Sacramento County assessor;
- (j) receipt of a copy of the executed HAP Contract;
- (k) receipt and approval of all required annual and quarterly reporting items in accordance with Section 13.03;
- (l) [all Average Income Test reporting items in accordance with Section 13.03(e), including, but not limited to (i) the AIT Unit Tracking Schedule for each month since the commencement of the Lease-up Period, and (ii) the [Year] annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test and AIT Regulations, and (iii) any requested copies of the Compliance Consultant's written analyses and findings];
- (m) receipt of draft as-built plans;
- (n) receipt of copies of all loan documents for loans closed on or before the Admission Date and a copy of the final, issued owner's title insurance policy;
- (o) the satisfaction of all the conditions to all prior Capital Contributions; or
- (p) [January 1, 2028].

[Notwithstanding the foregoing, \$[] of this Third Installment shall become non-contingent and payable in all events provided that the Completion Date occurs prior to December 31, 2027 and shall be paid upon the earlier of the payment of this Third Installment or the end of the Partnership's taxable year in which the Limited Partner's Interest is liquidated (or, if later, within ninety (90) days after the date of such liquidation.)

Fourth

\$[6,970,150]

Latest of:

EXHIBIT A-1
Page 3 of 6

Commented [MT40]: Mutual: confirming this is achievable based on the project schedule?

Commented [RC41]: 8 months after construction completion by contract- should be in 4th installment

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- (a) receipt of evidence satisfactory to the Limited Partner that the Project has achieved the Stabilization Date;
- (b) receipt of the final Cost Certification (before submission to the Credit Agency), certified by the Accountant, which report shall include the Project's eligible basis, matching sources and uses, and calculation of annual Credit, and evidence of achievement of the Fifty Percent Test;
- (c) Projected Credits prepared pursuant to Sections 3.03(a), 3.03(c), and 3.04(a);
- (d) the initial achievement of 98% Qualified Occupancy and approval of all initial Tenant Income Certifications (including first and last page of lease and third party confirmation);
- (e) permanent certificates of occupancy for 100% of the Units;
- (f) final release of lien from General Contractor, evidencing that the General Contractor has been paid in full and final AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13, and if applicable, confirmation that all punch list items have been satisfied;
- (g) receipt of a copy of a current tax bill for the Project indicating that the Property Tax Exemption is in full force and effect;
- (h) Loan Conversion (which may be achieved concurrent with this Installment) and delivery of (i) all executed loan documents related thereto and (ii) an updated title report evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;
- (i) Evidence that the HAP Contract remains in full force and effect;
- (j) a final as-built ALTA/NSPS Land Title Survey, a draft of which will be submitted for review and approval prior to issuance in final, which includes the following certificate in substantial form: "This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 minimum standard detail requirements, and includes items 2, 3, 4, 6(a), 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 10(a), 11, 13, 14, 16-19 (the "*As-Built Survey*")";
- (k) receipt and approval of all required annual and quarterly reporting items in accordance with Section 13.03;
- (l) [all Average Income Test reporting items in accordance with Section 13.03(e), including (i) the [Year] annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test, (ii) updated unit tracking sheets for each month since the prior Installment of the Limited Partner's Capital Contribution, and (iii) all requested copies of the Compliance Consultant's written analyses and findings since the prior Installment of the Limited Partner's Capital Contribution];

Commented [MT42]: Can the conversion requirement reference draft, rather than final, cost cert? We do not want to hold up conversion.

Commented [RC43]: This should be pushed to the 5th installment

Commented [PE44]: LOI says: Evidence of submission of application for property tax exemption. If the application has not been approved by Conversion/Stabilization the Project will escrow an amount equal to 12 months of market rate property taxes, to be released if the application is approved before taxes are due. If the Project pays taxes before the application is approved, they will do so using the escrowed funds until the application is approved, and a refund issued for taxes paid.

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EXHIBIT A-1 Page 4 of 6

- (m) receipt of evidence that all Partnership reserve accounts required on **Exhibit A-6** have been established;
- (n) the satisfaction of all the conditions to all prior Capital Contributions; or
- (o) [January 1, 2028].

Fifth

\$[554,300]

Latest of:

- (a) receipt and approval of the Partnership's final projection of Energy Efficient Home Projected Credits from Accountant;
- (b) receipt by the Limited Partner of a copy of the IRS Form 8908, as previously approved by the Limited Partner before submission to the IRS, and the executed IRS Form 8908 as submitted to the IRS;
- (c) receipt of a copy of a current tax bill for the Project indicating that the Property Tax Exemption is in full force;
- (d) receipt and approval of all required annual and quarterly reporting items in accordance with Section 13.03;
- (e) [all Average Income Test reporting items in accordance with Section 13.03(c), including (i) the [Year] annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test, (ii) updated unit tracking sheets for each month since the prior Installment of the Limited Partner's Capital Contribution, and (iii) all requested copies of the Compliance Consultant's written analyses and findings since the prior Installment of the Limited Partner's Capital Contribution];
- (f) the satisfaction of all the conditions to all prior Capital Contributions; or
- (g) [January 1, 2028].

Commented [PE45]: Should use same tax exemption language as 4th installment

Sixth

\$[73,629]

Latest of:

- (h) receipt by the Limited Partner of a copy of the IRS Form 8609 with Parts I and II completed, as previously approved by the Limited Partner before submission to the IRS, and the executed IRS Form 8609 as submitted to the IRS;
- (i) receipt by the Limited Partner of the Partnership's tax returns (including K-1s) and audited financial statements for the first year of the Credit Period and all prior Fiscal Years (if not previously delivered);
- (j) receipt by the Limited Partner of a copy of the recorded Extended Use Agreement;
- (k) receipt of a copy of a current tax bill for the Project indicating that the Property Tax Exemption is in full force;
- (l) receipt and approval of all required annual and quarterly reporting items in accordance with Section 13.03;

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EXHIBIT A-1
Page 5 of 6

(m) [all Average Income Test reporting items in accordance with Section 13.03(c), including (i) the [Year] annual certification by the Managing General Partner and Management Agent that the Project remains in compliance with the Average Income Test, (ii) updated unit tracking sheets for each month since the prior Installment of the Limited Partner's Capital Contribution, and (iii) all requested copies of the Compliance Consultant's written analyses and findings since the prior Installment of the Limited Partner's Capital Contribution];

(n) the satisfaction of all the conditions to all prior Capital Contributions; or

[April 1, 2028].

TOTAL \$[50,163,000]

Note: Defined terms used in this **Exhibit A-1** have the meanings set forth in the Partnership Agreement. No Installment will be paid unless all required reporting items have been satisfied.

Equity being disbursed pursuant to "an acceptable written draw request" in the construction period Installments above will be disbursed based on construction values actually added to the Project, as evidenced by approved AIA Form G702 and G703 and separate invoice amounts. Scheduled amounts for such payments during the Installment as are set forth in the Projections Exhibit are not an indication that such equity amounts will be disbursed on those dates unless the above values have been proved by the applicable draw request and are not otherwise projected to be paid for from other funding sources.

Pursuant to **Exhibit K**, the Managing General Partner is required to provide the Limited Partner with a schedule of all draws from other sources even if no Capital Contribution Installment is requested from the Limited Partner for such draw. The requirement of reports pursuant to **Exhibit K** is a condition of each Additional Capital Contribution made under this **Exhibit A-1** during the construction of the Project.

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-2
Fixed Dollar Amounts**

| <i>Reference Term</i> | <i>Section Reference</i> | <i>Amount</i> |
|---|--------------------------|---------------------|
| Annual Federal Credit Allocation (100%) | 5.10(aa) | \$[5,392,210] |
| LIH Target Amount (99.99%) | 3.03(a) | \$[53,916,708] |
| Energy Efficient Home Credit Target Amount (99.99%) | 3.04(a) | 2028 \$[602,440] |
| Lease-Up Projection (Federal Credits) (99.99%) | 3.03(c)(i) | 2027: \$[3,430,892] |
| | | 2028: \$[5,391,671] |
| Maximum Operating Deficit Contribution | 5.14 | \$[_____] |
| Operating Reserve Amount | 5.14 | \$[1,069,040] |
| Owner's Title Policy Amount | 2.01 | \$[112,383,069] |
| NC Basis Amount (with boost) | 5.10(aa) | \$[134,805,247] |

Commented [RC46]: Check pricing

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

First Amended and Restated Agreement
of Limited Partnership

Exhibit A-3
Loans to the Project

| <i>Lender</i> | <i>Loan Amount</i> | <i>Mortgage Priority</i> | <i>Interest Rate</i> | <i>Loan Term</i> | <i>Payment Type</i> | <i>(Non-) Recourse</i> |
|---|--------------------------|--------------------------|----------------------|--|---------------------------|------------------------|
| Banner Bank, as Bank (for the account of the Bond Issuer) (the “ Bond Loan ”) | | | | | | |
| during construction: | [\$55,161,072] | First | variable | [36 months (subject to one (1) six month extension)] | interest only | recourse |
| after conversion: | [\$[]] | First | [.]% | [] years | principal and interest | nonrecourse |
| Will be | | | | | | |
| Banner Bank (the “ Taxable Loan ”) | [\$19,960,509] | First | [.]% | [36 months (subject to one (1) six month extension)] | principal and interest | recourse |
| CalHFA (the “ CalHFA Loan ”) | [\$21,235,000] | Second | [.]% | [30] years | principal and interest | nonrecourse |
| CalHFA (the “ CalHFA MIP Loan ”) | [\$4,000,000] | Third | [.]% | [30] years | [Cash Flow] | nonrecourse |
| City (the “City Loan”) | [\$3,000,000] | Fourth | [.]% | [55] years | [Cash Flow/Re] | nonrecourse |

Commented [NK47]: CalHFA loan, not Banner

Commented [NK48]: Both these will be perm loans

Commented [PE49]: Remove; will be absorbed by an increase to CACDC Gap loan

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| | | | | | | | |
|--|--------------------------------------|-------------------|---------|---|---|------------------------------|--|
| | | | | | | Residual Receipts | |
| MHC (the “ <i>Sponsor Loan</i> ”) | \$[568,875] | Fifth | [0.00]% | [55 years (maturity on _____, 20__)] | [Cash Flow/Residual Receipts] | nonrecourse | |
| CD MHC (the “ <i>Certified State Credit Equity Loan</i> ”) | \$[8,194,778] | Sixth | [.]% | [55] years | [Cash Flow/Residual Receipts] | nonrecourse | |
| MHC (the “ <i>Sponsor HCD LGMG Loan</i> ”) | \$[10,000,000] | Seventh | [.]% | [55] years | [Cash Flow/Residual Receipts] | nonrecourse | |
| CD CDA CADA (the “ CDCDA CADA <i>Gap Loan</i> ”) | \$[8,000 11,30 0,000] | Eighth | [.]% | [55] years | [Cash Flow/Residual Receipts] | nonrecourse | |

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-4
Fees, Priority Uses of Cash Flow**

Fees

| <i><u>Fee</u></i> | <i><u>Governing Agreement</u></i> | <i><u>Fee Recipient</u></i> |
|-----------------------------------|--------------------------------------|-----------------------------|
| Development Fee | Development Services Agreement | Developer |
| Property Management Fee | Property Management Agreement | Management Agent |
| Investor Services Fee | Investor Services Agreement | Limited Partner |
| Partnership Administration Fee | Partnership Administration Agreement | Managing General Partner |

Payments contingent on Cash Flow shall be made in the following order of priority:

First, to the Limited Partner, an amount equal to the Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limit and/or arising from a Change in Law);

Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership, assuming the Limited Partner is subject to the maximum corporate federal income tax rate then in effect;

Third, to pay the Investor Services Fee in accordance with the Investor Services Agreement;

Fourth, to replenish any funds drawn from the Operating Reserve up to the Operating Reserve Amount;

Fifth, to pay the Deferred Development Fee in accordance with the Development Services Agreement;

Sixth, to pay any deferred portion of the Property Management Fee in accordance with the Property Management Agreement;

Seventh, to the extent permitted by the Mortgagees, to the Managing-appropriate General Partner to repay any Operating Deficit Contribution and any Development Advance (to the extent any such advance is permitted to be treated as a loan under Section 5.13);

[Eighth, to pay back the CalHFA MIP Loan, City Loan, CDCDA-CADA Gap Loan, Sponsor Loan, Sponsor HCD LGMG Loan, and Certified State Credit Equity Loan in accordance with each loan's respective loan documents;]

[Ninth], to pay the Partnership Administration Fee in accordance with the Partnership Administration Agreement;

Any remaining Cash Flow shall constitute Net Cash Flow which is distributable to the Partners in accordance with Section 8.01 of this Agreement.

Commented [NK51]: There will be a priority DDF and non-priority. The non-priority DDF will get the other 50% of cash flow until paid (at Eighth priority)

Commented [NK52]: Whether MHC loans can be paid here is TBD. Please specify that the CalHFA and CADA loans will be paid from 50% of cash flow here.

Commented [PE53]: If this is the GP Asset Management fee, it needs to be above the contingent loan payments, as shown in Section E1 of the LOI

Commented [NK54R53]: agreed

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-5
Notice Addresses**

Managing General Partner

805 R Mutual Housing Association LLC
c/o Mutual Housing California
3321 Power Inn Road, Suite 320
Sacramento, California 95826
Attention: ~~Parker Evans~~ Sahar Soltani
Tel: [()] - [] Ext. []
Email: [parkersahar@mutualhousing.com]

With a copy to:

V. Nicole Kline
Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, California 94104
Tel: ~~{() }[(415)]781-6600~~
~~Fax: { () }~~
Email: nkline@gubbandbarshay.com

Administrative General Partner

805 R CADA Association LLC
c/o Capitol Area Community Development
Corporation
1522 14th Street
Sacramento, California 95814
Attention: [Danielle Foster]
Tel: [()] - []
Email: [dfoster@cada.org]

With a copy to:

Amara Harrell
Kronick Moskowitz Tiedemann & Girard
1331 Garden Hwy, 2nd Floor
Sacramento, California 95833
Tel: (916) 321-4598
Fax: (916) 321-4555
Email: aharrell@kmtg.com

Limited Partner*

Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Tel: (410) 964-0552; Fax: (410) 772-2630
Attention: Asset Management
With a copy to:
Email: sshack@enterprisecommunity.com
Attention: General Counsel

With a copy to:

Kristen M. Cassetta, Esq.
Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, Massachusetts 02116
Tel: (617) 573-5875; Fax: (617) 523-6850
Email: kristen.cassetta@hklaw.com

*The Managing General Partner shall include the Limited Partner as a recipient of Notices under any (i) loan agreement; (ii) construction contract; or (iii) any other agreement pursuant to which a third party may obtain a lien against the Project.

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-6
Partnership Reserves**

The Managing General Partner shall establish the following reserves in the name of the Partnership:

(i) *Operating Reserve.* An Operating Reserve equal to the Operating Reserve Amount (the “**Operating Reserve**”) at the time of payment of the Fourth Installment of the Limited Partner’s Capital Contribution. The ~~Managing~~ General Partner shall fund any shortfall in the event there are insufficient funds available to fully fund the Operating Reserve at each such time. In addition, the General Partner shall cause the Partnership to replenish any funds withdrawn from the Operating Reserve from Cash Flow in the priority set forth in Exhibit A-4 in order to maintain, to the extent possible, a balance at all times in the Operating Reserve equal to the Operating Reserve Amount. The Operating Reserve shall be deposited in an interest-bearing account in a bank approved by the Limited Partner. No withdrawal may be made from the Operating Reserve account without the Consent of the Limited Partner. In the event funds are withdrawn from the Operating Reserve account without the required consent, Enterprise has the right (in addition to any other rights or remedies it may have under this Agreement) to take sole control of the Operating Reserve account, or to withdraw the balance in the Operating Reserve account and deposit such funds into a new account which shall be established in the name of the Partnership. The Managing General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Operating Reserve as outlined above in the event of a default by the Managing General Partner under this Exhibit A-6. Interest earned on the Operating Reserve shall be added to the Operating Reserve. The Managing General Partner may use funds in the Operating Reserve only (a) after the later of (y) the Stabilization Date, or (z) Loan Conversion, and (b) with the Consent of the Limited Partner, for any Partnership purpose, but only to the extent the revenues of the Partnership are insufficient to accomplish such purposes. Funds in the Operating Reserve may be so used prior to the ~~Managing~~ General Partner (or the Guarantor) making an Operating Deficit Contribution pursuant to the provisions of Section 5.14. ¶The Operating Reserve shall be maintained throughout the Term of the Partnership. Subject to any required approvals of the Credit Agency and the Mortgagees, but no sooner than 18 months and no later than 12 months before the end of the Compliance Period, the Managing General Partner may submit to the Limited Partner, for the Limited Partner’s review and approval, a plan and a third-party engineer prepared physical needs assessment (the “**Spend-Down Plan**”) for the use, during the remainder of the Compliance Period, of the remaining funds in the Operating Reserve (the “**Remaining Reserve Funds**”). Such Spend-Down Plan may include acceptable uses related to the Project, including capital improvements to the Project. The Limited Partner shall approve the proposed Spend-Down Plan so long as the Limited Partner determines, in its sole discretion, that (a) there are no outstanding defaults under this Agreement, any Project Document or any documents for the Loans, (b) the proposed uses described in the Spend-Down Plan are acceptable Project uses, (c) the amount of Remaining Reserve Funds is sufficient to pay the costs contemplated by the Spend-Down Plan,

EXHIBIT A-6
Page 1 of 3

(d) the Spend-Down Plan is otherwise acceptable to the Limited Partner and the Limited Partner's tax counsel and accounting counsel, (e) the Partnership is operating at a Debt Service Coverage Ratio of 115% or greater, and (f) the Spend-Down Plan has been approved by all lenders of the Loans. The determination by the Limited Partner as to the appropriate amount of Remaining Reserve Funds will be based on the then-current cash balances in the Operating Reserve, reduced by (1) the portion of the Remaining Reserve Funds already earmarked for specific expenditures, (2) a determination made by the Limited Partner of the amount, if any, of the Remaining Reserve Funds that will be needed to pay for Operating Deficits that may occur prior to the end of the Compliance Period, (3) a calculation of the estimated exit taxes that will be required to be paid as part of the purchase price pursuant to the Buyout Option, and (4) a calculation of any outstanding obligations owed to the Limited Partner pursuant to this Agreement or any Project Documents, including, without limitation, any credit adjuster payments or Limited Partner loans.† Upon termination and winding up of the Partnership, subject to the provisions of Section 12.02, the balance in the Operating Reserve shall be used to (a) pay any tax (including exit and transfer taxes) imposed on the Partnership, the Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or (b) for other uses approved by the Limited Partner.

(ii) *Replacement Reserve.* A replacement reserve to be funded beginning the second full month after the Completion Date, in the amount of \$300 per unit per year, prorated for a partial year (the "**Replacement Reserve**"). The Replacement Reserve shall be deposited in an interest-bearing bank account. The Partnership shall utilize amounts in the Replacement Reserve to fund major repair, capital expenditures and replacement of capital items in the Project. No withdrawal may be made from the account for any capital expenditure during any calendar year in excess of Fifteen Thousand Dollars (\$15,000) without the Consent of the Limited Partner. Subject to the rights of the Mortgagees, in the event funds are withdrawn from the Replacement Reserve account without the required consent, Enterprise has the right (in addition to any other rights or remedies it may have under this Agreement) to take sole control of the Replacement Reserve, or to withdraw the balance in the Replacement Reserve and deposit into a new account which shall be established in the name of the Partnership. The Managing General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Replacement Reserve as outlined above in the event of a default by the Managing General Partner under this **Exhibit A-6**. Interest earned on the Replacement Reserve account shall be added to the Replacement Reserve. Upon any sale of the Project, amounts in the Replacement Reserve shall be utilized to make any capital expenditures, repairs or improvements in connection with such sale or other uses approved by the Limited Partner.

(viii) *Investment of Reserve Accounts.* Funds in the reserve accounts shall be deposited in a banking institution whose deposits are insured by an agency of the federal government. If funds in Partnership reserve accounts deposited in any banking institution exceed Two Hundred Fifty Thousand Dollars (\$250,000), the Partnership accounts shall be deposited in a commercial bank having combined capital and surplus of not less than Two Hundred Fifty Million Dollars (\$250,000,000). The Managing General Partner (or the Management Agent, as directed by the Managing General Partner) may invest funds in the reserve accounts in domestic bank certificates which are insured by an agency of the federal government; in direct obligations of the federal government; in federal government agencies with an AA rating or better, federally

Commented [NK55]: To be confirmed

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guaranteed agencies, or in repurchase agreements which are direct obligations of the federal government or federal agencies, or which are specifically collateralized by federal government obligations. Any exceptions to the above policy must be approved by Enterprise. The Managing General Partner (or the Management Agent as directed by the Managing General Partner) shall select investment vehicles and maturities on such investment so as to maximize the Partnership's return taking into account the anticipated need for available cash in the reserve account(s). The term of any investment shall not exceed five (5) years.

(iv) *TCAC Reserve Provisions.* Notwithstanding any language to the contrary in the Agreement, for the full term of the Extended Use Agreement, all funds in all project reserve accounts shall remain with the Project to be used for the benefit of the Project and/or its residents. The only exception to the foregoing is the release of the Operating Reserve to pay deferred developer fees following achievement of a minimum annual debt service ratio of 1.15x for three (3) consecutive years following stabilized occupancy; provided, however, that any release of the project reserve accounts shall also be subject to the requirements set forth in this Agreement (including, without limitation, the Consent of the Limited Partner as set forth above).

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-7
Notice Certifications**

As a condition of payment of the Additional Capital Contribution requested by the Additional Capital Contribution Notice dated _____, the Managing General Partner hereby certifies, as of the date set forth below, that the following representations and warranties remain true, correct, and not misleading as of the date set forth below. The following certifications (i) - (xiii) in this **Exhibit A-7** are hereinafter referred to as “*Notice Certifications*.”

(i) *Occupancy*. After the occurrence of the Completion Date, each Credit Unit is either (A) occupied by Qualifying Tenants or (B) held available for occupancy by Qualifying Tenants, at the time of payment of each Additional Capital Contribution, and the operation of the Project and each Unit in all respects complies with the provisions of Section 42 of the Code.

(ii) *No Defaults; Documents in Force; No Jeopardizing Events*. No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any Loan Document, Project Document, or the Agreement; the Loan Documents, the Project Documents, and the Agreement are in full force and effect; and no event has occurred and is continuing that materially jeopardizes or is likely to materially jeopardize the ability of the Partnership to continue to operate the Project as housing eligible for the Credit.

(iii) *No Liens*. The Partnership owns the Partnership Property, the Project, and each of the Units free and clear of any liens (including mechanics' liens), charges, or encumbrances other than matters set forth in the Title Policy.

(iv) *No Bankruptcies*. No Event of Bankruptcy has occurred and is continuing, and no event has occurred that, with the passage of time, could become an Event of Bankruptcy, with respect to the Managing General Partner or any of its Affiliates.

(v) *No Breach*. The Managing General Partner is not in breach in any material respect of any provision of the Agreement to be observed or performed by it including, but not limited to, all representations, warranties, and covenants given by the Managing General Partner, pursuant to this Agreement and all representations and warranties herein remain true and correct in all material respects.

(vi) *Advances Paid*. All Credit Adjuster Advances, Additional Advances, Development Advances, Operating Reserve deposits, Replacement Reserve deposits, Operating Deficit Contributions and any other deposits, advances, or contributions required to be made by the Managing General Partner or its Affiliates pursuant to this Agreement (and any exhibits attached hereto) have been made.

(vii) *Environmental.* To the best knowledge of the Managing General Partner after due inquiry, the Partnership Property contains no, and is not adversely affected by the presence of, any Environmental Hazard, except as stated below, nor is it in violation of any federal, state, or local law, regulation, rule, or ordinance, and no violation of any Environmental Law has occurred or is continuing. The Managing General Partner has not received any notice from any source whatsoever of the existence of any Environmental Hazard or of a violation of any federal, state, or local law, regulation, rule or ordinance with respect to the Partnership Property. If any Environmental Hazard (including lead-based paint and asbestos) was found to exist or be present, it has been or will be prior to the Completion Date, either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, rules and regulations, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents.

(viii) *Document Compliance.* All documents required by Section 13.03 of the Agreement to be provided to the Limited Partner as of such date have been delivered to the Limited Partner.

(ix) *No Audit.* There is no ongoing audit by the IRS in which the IRS is asserting, by means of a sixty day letter, that the Credit to the Partnership for any taxable year is less than ninety-five percent (95%) of the amount of Credit claimed by the Partnership for that year or that all or a portion of the Credit claimed with respect to any prior taxable year(s) must be recaptured pursuant to Section 42(j) or other relevant sections of the Code, or is unavailable to the Partnership.

(x) *Conformity with Laws.* The Project conforms in all material respects with applicable law.

(xi) *Prior Qualification.* The Partnership qualified for, and subject to adjustment as provided in the Agreement, has received all prior Additional Capital Contributions.

(xii) *All Prerequisites Satisfied.* The preconditions to payment of the Additional Capital Contribution described on **Exhibit A-1** to the Agreement have occurred.

(xiii) *Sources and Uses in Balance.* The Partnership will have sufficient funds available from all sources to complete construction and convert all Loans to permanent status. [DELETE AFTER LOAN CONVERSION]

Date

MANAGING
PARTNER:

GENERAL

805 R MUTUAL HOUSING ASSOCIATION LLC, a
California limited liability company, by its sole
member/manager, Mutual Housing California, a
California nonprofit public benefit corporation

By:

Anne-Marie Flynn
Interim CEO

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-8
Significant Accounting Information**

| <i>Information Required</i> | <i>Data</i> |
|---|-------------|
| Taxpayer Identification Numbers | |
| Partnership | 92-2279660 |
| Limited Partner | 52-2331442 |
| Quarterly Reporting Deadlines | |
| 1st Quarter | 04/15/xx |
| 2nd Quarter | 07/15/xx |
| 3rd Quarter | 10/15/xx |
| Annual Reporting Deadline | |
| Draft tax return and audited financial statements | 02/15/xx |
| Final tax return and audited financial statements | 03/01/xx |
| EReporting and tax return and financial statement prep guide website address | |
| http://www.enterprisecommunity.com/financing-and-development/asset-management/reporting | |
| Depreciable lives | |
| Building | 30 years |
| FF&E | 5 years* |
| Site Improvements | 15 years* |
| Soft costs pro-rata in accordance with hard cost depreciable lives | |

*Subject to first-year bonus depreciation if described below

Other elections required

1. Election by the Partnership to treat the ownership and operation of the Project as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code to be made in conjunction with the filing of the Partnership’s first year tax returns.
2. Election of the Average Income Test as the Minimum Set-Aside Test.

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

**Exhibit A-9
Radon Testing Procedures**

(a) Capitalized terms used in this Exhibit A-9 and not otherwise defined shall have the following meanings:

Radon Remediation: Remediation or mitigation that is necessary in order for the radon concentrations at the Project to be at or below 4 pCi/L as further described in clause (b) below. Radon Remediation must be performed by a qualified radon mitigation firm that is satisfactory to Limited Partner in its sole discretion.

Radon Remediation Completion Date: A date that is on or before the payment of the Second Installment of the Limited Partner's Capital Contribution.

Radon Remediation Notice: A written notice from Limited Partner to Partnership that Limited Partner has determined that Radon Remediation is necessary.

Radon Screening: The use of short term or long term alpha-track detectors with a minimum residence time of 48 hours or the use of short term charcoal canister detectors with a residence time of 48 to 96 hours ~~in the following units~~. The radon testing must be conducted by a qualified environmental consultant acceptable to the Limited Partner in the Limited Partner's sole discretion in units on the lowest habitable floor of each building in the Project. The number of units on the lowest habitable floor tested must be the greater of: (i) a minimum of ten percent (10%) of the units on the lowest habitable floor, or (ii) one (1) unit per building. The test is to be conducted in rooms that are likely to be used regularly, such as family rooms, living rooms, playrooms, dens, or bedrooms (but not kitchens, bathrooms, laundry rooms, or hallways that are used only periodically). The Limited Partner does not require radon testing for public areas that will be used only periodically. The environmental consultant must conduct short-term tests under closed-building conditions with (to the extent reasonable) all windows, outside vents, and external doors closed (except for normal entrance and exit use) for 12 hours prior to the radon test and during the radon test. Normal entrance and exit use includes opening and closing a door. An external door must not be left open for more than a few minutes. Internal-external air exchange systems (other than a furnace), such as high-volume attic and window fans must not be operating during radon tests and for at least 12 hours before measurements are initiated. Air conditioning systems that recycle interior air may be operating. Normal operation of permanently installed air-to-air heat exchangers may also continue during closed-building conditions.

Radon Screening Completion Date: A date that is on or before the payment of the Second Installment of the Limited Partner's Capital Contribution.

Radon Testing: Long term (at least 91 days in duration) alpha-track testing in the same units in which Radon Screening was completed conducted by a qualified environmental consultant acceptable to the Limited Partner in its sole discretion.

Radon Testing Completion Date: A date that is on or before the payment of the Second Installment of the Limited Partner's Capital Contribution.

Radon Testing Notice: A written notice from Limited Partner to Partnership that Limited Partner has determined that Radon Testing is necessary.

(b) The General Partner shall undertake the following testing and remediation measures with respect to post-construction radon levels at the Project:

(i) the General Partner will cause the Partnership to deliver the results of the Radon Screening to the Limited Partner, in form and substance satisfactory to Limited Partner in its sole discretion, for its review and approval by the Radon Screening Completion Date;

(ii) if the Limited Partner in its sole discretion determines that the Radon Screening does not indicate the necessity for further testing, no further Radon Testing or Radon Remediation shall be required;

(iii) if the Limited Partner determines that the Radon Screening indicates the need for further Radon Testing, the Limited Partner will provide the General Partner with a Radon Testing Notice; in such event, the Partnership must deliver the results of Radon Testing to the Limited Partner, in form and substance satisfactory to Limited Partner in its sole discretion, for its review by the Radon Testing Completion Date;

(iv) if the Limited Partner determines that the Radon Testing does not indicate the necessity for Radon Remediation, no further Radon Testing or Radon Remediation shall be required;

(v) if the Limited Partner determines that the Radon Testing indicates the necessity for Radon Remediation, the Limited Partner will provide the Partnership with a Radon Remediation Notice; in such event, no later than 30 days after receipt of the Radon Remediation Notice, the General Partner, on behalf of the Partnership, must provide the Limited Partner with a signed, binding fixed price radon remediation contract with a qualified radon mitigation firm, as determined by Limited Partner in its sole discretion, and the Partnership must complete the Radon Remediation by the Radon Remediation Completion Date.

(vi) when the Radon Remediation is completed, the General Partner, on behalf of Partnership, must provide a written certification from a qualified environmental consultant, as determined by Limited Partner in its sole discretion, that states what mitigation steps have been taken, that the Radon Remediation has been satisfactorily completed, that a minimum of 48 hours of testing has been conducted, and that the Project now meets the environmental eligibility standard of radon concentrations at or below 4 pCi/L; in addition, the Partnership must institute an operations and maintenance program pursuant to a written plan prepared by the environmental

consultant requiring radon levels at the Project to be tested from to time as recommended by the environmental consultant or as required by the Limited Partner, the results of each of which must be promptly provided to the Limited Partner.

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit B

DESCRIPTION OF PARTNERSHIP PROPERTY

[to be inserted]

EXHIBIT B
Page 1 of 1

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit C

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (this “*Agreement*”), dated and effective as of January [], 2025, is made by and between 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”), MUTUAL HOUSING CALIFORNIA, a California nonprofit public benefit corporation (“*Mutual Housing*” or the “*Developer*”).

Commented [NK56]: Add CACDC. The deal is that each developer receives 50% of each installment actually paid. If any fee is deferred or reduced, it's pro rata. Please incorporate this concept.

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a ~~241-unit~~241-unit residential project in one (1) building located in Sacramento, California (the “*Project*”). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the “*Partnership Agreement*”).

The Partnership desires that the Developer provide certain services with respect to the development of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby appoints the Developer to render services in overseeing the development of the Project for the Partnership as herein contemplated and the Developer hereby accepts such appointment. The term of this Agreement shall begin on the date hereof and shall end on the end of the Compliance Period for the first building to start the Credit.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, Mutual Housing shall have the authority and obligation to:

(a) Obtain construction financing on behalf of the Partnership in an amount sufficient to fund the construction of the Project pursuant to the Projections.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and Plans and Specifications as may be required in connection with the construction of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

EXHIBIT C

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, Plans and Specifications or other items prepared or obtained.

(e) Obtain a construction contract (the “**Construction Contract**”) in an amount not to exceed the amount provided therefor pursuant to the Projections from a reputable general contractor (the “**General Contractor**”), which may be an affiliate of Developer, which Construction Contract shall require the General Contractor to post a payment and performance bond in the full amount of the Construction Contract or letter of credit in an amount acceptable to the Partnership.

(f) Perform or cause to be performed, in a diligent and efficient manner, general administration and supervision of construction of the Project, including but not limited to the following:

(i) administration and supervision of the activities of the General Contractor and all other contractors, subcontractors and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules pursuant to which all phases of construction are to be completed on or before the Completion Date and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion, for defects in construction and to assure compliance with the Plans and Specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the General Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the Projections and the Plans and Specifications and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the Plans and Specifications.

(h) Cause the Project to be completed on or before the Completion Date in a manner consistent with good workmanship, in compliance with the following:

(i) the Plans and Specifications;

EXHIBIT C

(ii) all obligations of the Partnership under any documents executed by the Partnership under the Loan Documents; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction of the Project.

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and workers' compensation insurance required by law or by the Limited Partner with the Partnership named as an additional insured, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

3. **Accrual Schedule.** The Development Fee shall be earned as follows:

(a) \$[] shall be earned upon the execution of this Agreement.

(b) The balance of the Development Fee shall be earned proportionately to the amount of construction of the Project completed on any date, such that one hundred percent (100%) of the Development Fee shall be earned by the Completion Date.

(c) Once a portion of the Development Fee has been earned, it shall be payable by the Partnership in all events.

4. **Development Fee.**

(a) For development services to be performed under this Agreement, the Partnership shall pay the Developer a fee in the amount of \$[6,921,980] (the "**Development Fee**"), payable in accordance with the payment schedule (the "**Development Fee Payment Schedule**") attached as Schedule 1 hereto. Fifty percent (50%) of the Development Fee shall be paid to MHC and fifty percent (50%) shall be paid to the CACDC. The parties to this Agreement specifically acknowledge that the Limited Partner's Additional Capital Contributions may be adjusted in accordance with the provisions of the Partnership Agreement, including without limitation Section 3.03, and that such adjustment may cause a revision of the Development Fee Payment Schedule. In the event the Limited Partner's Additional Capital Contributions and the Development Fee Payment Schedule are so revised, the Limited Partner shall cause a copy of the revised Development Fee Payment Schedule and Projections to be delivered to the Developer. If the Developer shall disagree as to any amount in the revised Development Fee Payment Schedule and

Commented [MT57]: Can we please add a provision to allow for an increase in developer fee pursuant to TCAC regulations, following any increase in eligible basis?

EXHIBIT C

Projections, the Developer shall give Notice and an explanation to the Limited Partner of such disagreement within twenty (20) days after receipt of such revised Development Fee Payment Schedule and Projections. Failure by the Developer to respond within such twenty (20) day period shall be deemed approval by the Developer. Any portion of the Development Fee that remains unpaid after payment of the [Sixth] Installment of Capital Contributions by the Limited Partner will be evidenced by a promissory note in the form attached hereto as Schedule 2.

(b) Any amount of the Development Fee including the Deferred Development Fee that has not been paid in full on or before the end of the Compliance Period shall be paid no later than such date.

(c) The Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of the Land, obtaining an allocation of Credits or securing Project financing other than construction financing; it being the understanding between the parties hereto that all such listed activities are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership.

(d) In the event that less than fifty percent (50%) of the aggregate basis of any building included in the Project and the land on which the building is located (including an allocable portion of the development fee hereunder) is, at any time, up to and including the last day of the first year of the Credit Period, financed from the proceeds of tax-exempt bonds, then the Development Fee shall automatically be reduced, pro rata for each Developer, to the extent necessary to cause the amount of such tax-exempt bond proceeds to be greater than fifty percent (50%) of such aggregate basis.

5. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

6. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

7. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

8. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

EXHIBIT C

9. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

10. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

11. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

12. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

13. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

14. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[signatures begin on the following page]

EXHIBIT C

5

The parties have executed this Development Services Agreement as of the date first above written.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

DEVELOPER:

MUTUAL HOUSING CALIFORNIA, a California
nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

CAPITOL AREA COMMUNITY DEVELOPMENT
CORPORATION,
a California nonprofit public benefit corporation

By: _____
_____Danielle Foster
_____President

Schedule 1
Development Fee Payment Schedule

(a) \$[2,339,629] from Capital Contributions as follows:

(i) \$[701,889] of the Development Services Fee on the due date of the Limited Partner's First Installment of its Capital Contribution as set forth on **Exhibit A-1** of the Partnership Agreement;

(ii) \$[351,000] of the Development Services Fee on the due date of the Limited Partner's Second Installment of its Capital Contribution as set forth on **Exhibit A-1** of the Partnership Agreement;

(iii) \$[658,811] of the Development Services Fee on the due date of the Limited Partner's Fourth Installment of its Capital Contribution as set forth on **Exhibit A-1** of the Partnership Agreement;

(iv) \$[554,300] of the Development Services Fee on the due date of the Limited Partnership's Fifth Installment of its Capital Contributions as set forth on **Exhibit A-1** of the Partnership Agreement; and

(v) \$[73,629] of the Development Services Fee on the due date of the Limited Partnership's Sixth Installment of its Capital Contributions as set forth on **Exhibit A-1** of the Partnership Agreement.

(b) \$[160,371] from a source other than the Limited Partner's Capital Contributions on terms approved by the Limited Partner.

Commented [PE58]: What is this?

(c) \$[4,421,980] (the "***Deferred Development Fee***"), with no interest from Cash Flow to the extent available for payment of such fee pursuant to **Exhibit A-4** of the Partnership Agreement or from capital proceeds under Section 8.02 of the Partnership Agreement.

EXHIBIT C
Schedule 1

Schedule 2
Deferred Development Fee Note

\$ _____

FOR VALUE RECEIVED, 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”), promises to pay the order of MUTUAL HOUSING CALIFORNIA, a California nonprofit public benefit corporation (the “*Developer*”), the maximum principal sum of _____ AND 00/100 DOLLARS (\$ _____), with no interest, on or before the fifteenth (15th) anniversary of the Completion Date or an earlier liquidation of the Partnership (the “*Maturity Date*”), in accordance with that Development Services Agreement by and between the Partnership and the Developer dated as of January [], 2025 (the “*Development Agreement*”).

Commented [NK59]: Add CACDC

Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the First Amended and Restated Agreement of Limited Partnership of the Partnership dated January [], 2025 (the “*Partnership Agreement*”).

Payments on this Note shall be made annually from available Cash Flow and Capital Proceeds pursuant to the provisions of the Partnership Agreement, the provisions of which are specifically incorporated herein by this reference. Payments shall be paid equally (50%-50%) to MHC and the CADCD. The outstanding principal balance of this Note shall be unconditionally due and payable in full on the Maturity Date.

If payment of this Note is not made on the Maturity Date, and such default continues for a period of ten (10) days after written notice from the Developer to the Partnership, then interest on the unpaid principal amount of this Note shall be computed at a rate per annum equal to two percent (2%) over the prevailing prime rate from time to time in effect as published in the Wall Street Journal in its Money Rates section and changing simultaneously with each published change in such published prime rate, which rate shall commence upon the expiration of such ten (10) day period and shall continue in effect until all past due principal and interest has been paid. In no event shall the interest charged under this Note exceed the highest rate permitted by law.

The Partnership may, at its election, from time to time prior to maturity, prepay without penalty all or any portion of the principal indebtedness of this Note.

Demand for payment shall be presumed to have been issued and the entire unpaid principal sum of this Note, together with accrued interest thereon, if any, shall become immediately due in the event of the occurrence of any one or more of the following: default in the payment of any installment due hereunder continuing for a period in excess of ten (10) days after written notice from the Developer to the Partnership; the filing by the Partnership of a voluntary petition in bankruptcy; or the failure by the Partnership within ninety (90) days thereof to lift any filing against the Partnership of any involuntary petition, execution, or attachment; or the final adjudication of the Partnership as bankrupt; or any assignment by the Partnership of all or substantially all of its

EXHIBIT C
Schedule 2

assets for the benefit of its creditors; or the invalidity or illegality of any portion of this Note by reason of any act or omission by the Partnership.

This Note shall not be assigned, hypothecated, pledged, sold, or otherwise transferred without the prior written consent of the Partnership, and any such other transfer without the Partnership's consent shall be null and void.

The payment of this Note shall be a recourse to all of the assets of the Partnership and the General Partner shall be personally liable for any deficiency.

This Note shall be governed by and construed in accordance with the internal laws of the State of California, without regard to principles of conflicts of law.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

EXHIBIT C
Schedule 2

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit D

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this “*Agreement*” or “*Guaranty*”), dated and effective as of January [], 2025, is made by and between 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”), MUTUAL HOUSING CALIFORNIA, a California nonprofit public benefit corporation (“*MHC*”), and CAPITOL AREA ~~COMMUNITY DEVELOPMENT CORPORATION~~ ~~AUTHORITY~~, a California nonprofit public benefit corporation (“*CACDC*”, and together with MHC, the “*Guarantors*”) for the benefit of the Limited Partner.

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a 241 unit residential project in one (1) building located in Sacramento, California (the “*Project*”). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the “*Partnership Agreement*”).

The Limited Partner is simultaneously acquiring a limited partnership interest in the Partnership pursuant to the Partnership Agreement. As a result of the admission of the Limited Partner to the Partnership and the Limited Partner’s contribution of capital to the Partnership in accordance with the terms of the Partnership Agreement, the Guarantors or their respective affiliates expect to receive substantial benefits, including, without limitation, certain fees relating to the construction and development of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Guaranty Obligation.** To induce the Limited Partner to acquire an interest in the Partnership, to enter into the Partnership Agreement and to become the Limited Partner of the Partnership, the Guarantors hereby unconditionally, jointly and severally, guarantee to the Limited Partner, commencing on the date of this Guaranty Agreement, the due and punctual performance by the Managing General Partner and the Developer of all of their obligations under the Partnership Agreement and the Development Agreement, each as the same may be amended from time to time, with or without the consent of, or notice to, the Guarantors (collectively referred to herein as the “*Obligations*”).

2. **Covenant of Guarantor.** From and after the date hereof, the Guarantors covenant and agree that they shall maintain, in the aggregate, minimum net worth of \$5,000,000 and minimum unencumbered liquidity (cash and cash equivalents) of \$1,000,000. Each Guarantor shall deliver to the Investor Limited Partner on June 30th and December 31st of each year a compliance certificate addressed to the Investor Limited Partner, together with supporting account statements, establishing compliance with the foregoing net worth and liquidity requirement. In

Commented [NK60]: Is it possible to allocate 50/50?

EXHIBIT D

addition, each Guarantor shall furnish the Investor Limited Partner a separate current and accurate personal financial statement within one hundred eighty (180) days following the end of each calendar or fiscal year of such Guarantor (as applicable) and at such other times (and together with such other financial information of the Guarantor) as the Investor Limited Partner may reasonably request from time to time.

3. **Obligations of the Guarantors.** Each Guarantor hereby agrees that its Obligations hereunder shall be unconditional (and shall not be subject to any advance, set-off, counterclaim or recoupment whatsoever), irrespective of the regularity or enforcement of any Project Document, the Partnership Agreement, the Development Services Agreement or this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse of the Limited Partner against the undersigned. The undersigned hereby waives diligence, presentment and demand for payment, protest, any notice of any assignment hereunder in whole or in part or of any default hereunder or under any Project Document, the Partnership Agreement, or the Development Services Agreement and all notices with respect to this Guaranty, the Partnership Agreement, the Development Services Agreement or the Project Documents. No waiver by the Limited Partner of any of its rights under the Project Documents, the Partnership Agreement, the Development Services Agreement or this Guaranty and no action by the Limited Partner to enforce any of its rights under this Guaranty or failure to take, or delay in taking, any such action shall affect any Guarantor's Obligations hereunder.

The Obligations of each Guarantor hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by, (i) any amendment or modification of or addition or supplement to the Partnership Agreement, the Development Services Agreement or any of the Project Documents, except insofar as such amendment, modification, addition or supplement shall directly affect any Obligation hereunder (and the Limited Partner shall have affirmatively consented thereto), (ii) any extension, indulgence or other action or inaction in respect of the Partnership Agreement, the Development Services Agreement or the Project Documents, or any exercise or nonexercise of any right, remedy, power or privilege in respect of such documents or this Guaranty, (iii) any default by Guarantors under, or any illegality or unenforceability of, or any irregularity or defect in, the Partnership Agreement, the Development Services Agreement, the Project Documents or any provision of this Guaranty, (iv) any event of bankruptcy, insolvency, reorganization or similar proceeding involving or affecting the Partnership, the Managing General Partner or the Guarantors, or (v) any other circumstances, whether or not the undersigned or the Limited Partner shall have actual or constructive notice or knowledge thereof. The undersigned hereby waives to the fullest extent permitted by law, any and all notices and defenses to which it may be entitled by law to its Obligations hereunder, including, without limitation, notice of acceptance of this Guaranty, and any requirement of diligence on the part of the Limited Partner or any other parties to the Partnership Agreement, the Development Services Agreement or Project Documents.

4. **Term.** This Agreement shall commence as of the date hereof and shall terminate when the Managing General Partner and the Developer have satisfied in full their Obligations pursuant to the Partnership Agreement and the Development Services Agreement and the Guarantors shall have satisfied in full their Obligations pursuant to this Agreement. The

EXHIBIT D

Obligations of the Guarantors shall remain in full force and effect notwithstanding the removal of the Managing General Partner in accordance with the Partnership Agreement.

5. **Representation.** Each Guarantor hereby represents for itself that:

(a) it will maintain sufficient funds to be able to satisfy its Obligations under this Agreement,

(b) there is no action, suit, proceeding or investigation (pending or threatened) involving the Guarantor, or which could materially, adversely affect the Guarantor's assets, operation or conditions, financial or otherwise; and

(c) the execution, delivery and performance by the Guarantor of this Agreement, the Project Documents and the Loan Documents, as applicable, and the carrying out of the transactions contemplated thereby, are not in violation of or in conflict with nor do they constitute a default under (a) any provision of any applicable law, statute, ordinance or rule or regulation; (b) any agreement indenture or instrument to which the Guarantor is a party; (c) any license or permit or (d) any judgment, decree or order of a court of competent jurisdiction, all as may be applicable to the Guarantor.

6. **Intended Beneficiary.** The parties intend that the Partnership and the Limited Partner of the Partnership and its successors, assigns or transferees each be a direct beneficiary of this Agreement and that the Partnership and the Limited Partner and its successors, assigns or transferees in such capacity may enforce the Guarantors' Obligations hereunder. No person other than the Partnership and the Limited Partner, its successors, assigns or transferees and the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise.

7. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement, as the same may be amended from time to time, with or without the consent of, or notice to, the Guarantors.

8. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and assigns. No party may assign this Agreement without the consent of the other party.

9. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

10. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

EXHIBIT D

3

11. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

12. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

13. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

14. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

15. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

16. **Guaranty of Payment.** Notwithstanding any other provision of this Agreement:

(i) this Agreement constitutes a guaranty of payment, not solely a guaranty of collection; and

(ii) the guaranty in this Agreement is primary and not conditional.

17. **Notices.** All notices to be given under this Agreement shall be sent to the Persons shown below. Any party may change its Notice address by providing Notice thereof to all other parties.

If to MHC: Mutual Housing California
3321 Power Inn Road, Suite 320
Sacramento, California 95814
Attention: [Parker Evans
Tel: [() -] Ext.]
Email: [parker@mutualhousing.com]

With a copy to: V. Nicole Kline
Gubb & Barshay LLP
235 Montgomery Street, Suite 1110
San Francisco, California 94104
Tel: [() -]
Fax: [() -]
Email: nkline@gubbandbarshay.com

If to CACDC: Capitol Area ~~Community~~ Development ~~Corporation~~ Authority
1522 14th Street

EXHIBIT D

Sacramento, California 95814
Attention: [Danielle Foster]
Tel: [()- -]
Email: [dfoster@cada.org]

With a copy to: Amara Harrell
Kronick Moskovitz Tiedemann & Girard
1331 Garden Hwy, 2nd Floor
Sacramento, California 95833
Tel: (916) 321-4598
Fax: (916) 321-4555
Email: aharrell@kmtg.com

If to the Limited Partner: Wincopin Circle LLLP
c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Tel: (410) 772-5230; Fax: (410) 772-2630
Attention: General Counsel
Email: sshack@enterprisecommunity.com

With a copy to: Kristen M. Cassetta, Esq.
Holland & Knight LLP
10 St. James Avenue, 12th Floor
Boston, Massachusetts 02116
Tel: (617) 573-5875; Fax: (617) 523-6850
Email: kristen.cassetta@hklaw.com

[signatures begin on the following page]

The parties have executed this Guaranty Agreement as of the date first above written.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

MHCR:

MUTUAL HOUSING CALIFORNIA, a California
nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

CACDEA:

CAPITOL AREA ~~COMMUNITY~~ DEVELOPMENT
~~CORPORATION~~ AUTHORITY, a California
~~nonprofit public benefit corporation~~ joint powers
~~agency~~

By: _____
Danielle Foster
~~President~~ Executive Director

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit E

PARTNERSHIP ADMINISTRATION AGREEMENT

THIS PARTNERSHIP ADMINISTRATION AGREEMENT (this “*Agreement*”), dated and effective as of January [], 2025, is made by and between 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”) and 805 R MUTUAL HOUSING ASSOCIATION LLC, a California limited liability company (the “*Administrator*”).

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a 241 unit residential project in one (1) building located in Sacramento, California (the “*Project*”). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the “*Partnership Agreement*”).

The Partnership has agreed to make certain payments to Administrator as an inducement for the efficient administration of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Services.** Subject to the applicable provisions of the Partnership Agreement, the Administrator shall:

(a) Provide any and all supervisory services designed to cause the Project to operate efficiently, including reviewing and evaluating programs, policies and procedures instituted by the Management Agent for advertising and tenant recruitment, screening and selection;

(b) Investigate and make recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, depositories, custodians, agents for collection, insurers, insurance agents and banks) if necessary at any given time; and

(c) Formulate programs for owner, tenant, public and government relations.

2. **Partnership Administration Fee.** Subject to the applicable terms and conditions of the Partnership Agreement and the Loans and Project Documents, and assuming there is no Removal Default under Section 9.02 of the Partnership Agreement, beginning in the later of (i) [2027], or (ii) the first calendar year the Partnership receives rental income (the “*Initial Year*”), the Partnership shall pay to the Administrator, over the term of this Agreement, an annual Partnership Administration Fee of \$[35,887]. After the Initial Year, the Partnership Administration Fee shall increase at the rate of three percent (3%) per year. The Partnership Administration Fee for the Initial Year shall be prorated for the number of months the Partnership

EXHIBIT E

has rental income. The Partnership Administration Fee shall be payable from Cash Flow available for payment of such fee pursuant to **Exhibit A-4** of the Partnership Agreement. If not paid, the Partnership Administration Fee shall accrue without interest from year to year and shall be payable out of the next available Cash Flow or Capital Proceeds.

3. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement. The occurrence of a default by the Managing General Partner under the Partnership Agreement shall constitute a default by the Administrator and the Partnership shall have no further obligations under this Agreement. Upon the removal of the Managing General Partner in accordance with the Partnership Agreement, at the election of the Limited Partner, this Agreement shall terminate and the Partnership shall have no further obligations hereunder.

4. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, personal representatives, successors and assigns. No party may assign this Agreement without the consent of the other party.

5. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

6. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

7. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

8. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

9. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

10. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

EXHIBIT E

2

[signatures begin on the following page]

EXHIBIT E
3

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The parties hereto have executed this Partnership Administration Agreement as of the date first written above.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

ADMINISTRATOR:

805 R MUTUAL HOUSING ASSOCIATION LLC,
a California limited liability company, by its sole
member/manager, Mutual Housing California, a
California nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit F

PROPERTY MANAGEMENT AGREEMENT

[attached behind]

EXHIBIT F

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit G

TENANT SERVICES AGREEMENT

[attached behind]

EXHIBIT G

1

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit H

PROJECTIONS

[attached behind]

EXHIBIT H

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit I

INVESTOR SERVICES AGREEMENT

THIS INVESTOR SERVICES AGREEMENT (this “*Agreement*”), dated and effective as of January [], 2025, is made by and between 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”), and WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership (the “*Servicer*”).

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a 241 unit residential project in one (1) building located in Sacramento, California (the “*Project*”). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the “*Partnership Agreement*”).

The Partnership desires that the Servicer provide certain services with respect to the operation of the Partnership.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby retains the Servicer to provide services to the Partnership as herein contemplated. The term of this Agreement shall begin on the date hereof and shall end on the earlier of the termination of the Partnership or the date on which neither the Servicer nor any of its assigns continues to be the Limited Partner of the Partnership.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, the Servicer shall have the authority and obligation to:

(a) Review and comment each year on the content and format of reports to be provided by the Partnership to the Limited Partner in order to assist the Partnership in providing useful, timely and appropriate information to the Limited Partner; and

(b) Take such other actions as it deems appropriate and as authorized or contemplated by the Partnership Agreement in order to promote efficient communications and favorable relationships between the Partnership and the Limited Partner.

3. **Investor Services Fee.** For services performed under this Agreement, beginning in the later of (i) [2027], or (ii) the first calendar year the Partnership receives rental income (the “*Initial Year*”), the Partnership shall pay the Servicer, over the term of this Agreement, an annual Investor Services Fee of \$5,000. The Investor Services Fee for the Initial Year shall be prorated for the number of months the Partnership has rental income. For each year after the Initial Year, the fee shall increase at the rate of three percent (3.00%) per year. The Investor Services Fee shall

EXHIBIT I

be paid from Cash Flow available for payment of such fee pursuant to **Exhibit A-4** or Capital Proceeds under Section 8.02 of the Partnership Agreement. If Cash Flow is not sufficient to pay the fee provided above, then any unpaid fees shall accrue without interest and shall be payable out of the next available Cash Flow or Capital Proceeds..

4. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

5. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party; *provided, however*, that the Servicer may assign this Agreement to a successor Limited Partner or an Affiliate of Enterprise.

6. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

9. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

10. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

11. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[signatures begin on the following page]

EXHIBIT I

2

The parties have executed this Investor Services Agreement as of the date first written above.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

SERVICER:

WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership, by its general partner, Wincopin GP, LLC, a Maryland limited liability company

By: _____
Name:
Title:

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit J

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT (this “*Agreement*”), dated and effective as of January [], 2025, is made by and between 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”), and MUTUAL HOUSING CALIFORNIA, a California nonprofit public benefit corporation (the “*Purchaser*”).

Commented [NK61]: To be confirmed

Recitals

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a 241 unit residential project in one (1) building located in Sacramento, California (the “*Project*”). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the “*Partnership Agreement*”).

The Partnership desires to give, grant, bargain, sell, and convey to the Purchaser certain rights to purchase the Property, as more particularly described on the attached Schedule A, on the terms and subject to the conditions set forth herein.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Right of First Refusal.** After the end of the Compliance Period, provided that there is no Removal Default with respect to the General Partner, the Partnership will not sell the Project or any portion thereof to any Person without first offering the Project for a period of ninety (90) days to the Purchaser (if it then qualifies as an organization described in Section 42(i)(7)(A) of the Code) (the “*Refusal Right*”).

2. **Purchase Price.** The purchase price for the Project pursuant to the Refusal Right (the “*Refusal Right Price*”) shall equal the sum of (i) the principal amount of all outstanding indebtedness secured by the Project, all other loans from the General Partner or its Affiliates, and any accrued interest on any of such debts, (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners of the Limited Partner, (iii) any Credit Deficiency (including any unpaid Credit Reduction in excess of the LIH Adjustment Limit and/or arising from a Change in Law), and (iv) any unpaid amounts that may be owed to the Limited Partner; *provided, however*, that such right of first refusal shall comply with Section 42(i)(7) of the Code, as amended, and as reasonably interpreted by the Limited Partner. All costs of the Refusal Right including any filing fees, shall be paid by Purchaser. In the event that the Purchaser does not purchase the Partnership Property on the terms set forth above, then the right of first refusal granted herein shall lapse. The right of first refusal granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted

EXHIBIT J

consistently therewith. In the event the Purchaser has not exercised the Right of First Refusal within 24 months after the end of the Compliance Period, the Right of First Refusal shall terminate.

3. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement. The occurrence of a Removal Default by the General Partner under the Partnership Agreement shall constitute a default by the Purchaser and the Partnership shall have no further obligations under this Agreement. Upon the removal of the General Partner in accordance with the Partnership Agreement, at the election of the Limited Partner, this Agreement shall terminate this Agreement shall terminate and the Partnership shall have no further obligations hereunder.

4. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

5. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

6. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

7. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

8. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

9. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

10. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

11. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one

EXHIBIT J

2

agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

13. **Subordination.** The right of first refusal granted in this Agreement is unconditionally subject and subordinate at all times to the liens of the Mortgages (including all amendments, modifications, supplements, renewals or extensions thereof) securing the Loans.

[signatures begin on the following page]

EXHIBIT J

3

The parties have executed this Right of First Refusal Agreement as of the date first above written.

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

PURCHASER:

MUTUAL HOUSING CALIFORNIA, a California
nonprofit public benefit corporation

By: _____
Anne-Maire Flynn
Interim CEO

The undersigned has consented to this Right of First Refusal Agreement as of the date first above written.

MANAGING GENERAL 805 R MUTUAL HOUSING ASSOCIATION, LLC,
PARTNER: a California limited liability company, by its sole
member/manager, Mutual Housing California, a
California nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

ADMINISTRATIVE GENERAL 805 R CADA ASSOCIATION LLC, a California
PARTNER: limited liability company, by its sole
member/manager, Capitol Area Community
Development Corporation, a California nonprofit
public benefit corporation

By: _____
Danielle Foster
President

LIMITED PARTNER:

WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership, by its general partner, Wincopin GP, LLC, a Maryland limited liability company

By: _____
Name:
Title:

Schedule A
LEGAL DESCRIPTION
[to be inserted]

EXHIBIT J

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit K

CONSTRUCTION REPORT

This report is to be completed with each construction draw request and sent to: ecapital@enterprisecommunity.com, with a copy to your assigned Asset Manager, regardless of whether draws require equity installments.

ATTACH CURRENT DRAW REQUEST [as outlined in Exhibit A-1, Second Installment], including the following: AIA G702 and 703, change orders, lien waivers, draw schedule, detail support for soft costs, and required reporting items.

The Managing General Partner hereby certifies that the following representations and warranties remain true, correct, and not misleading as of the date set forth below.

1. All improvements constructed or to be constructed are in compliance with the Project and/or the Loan Documents,
2. All work will be completed by the construction Completion Date as shown in Exhibit H – Projections, or if amended by change order approved under Section 5.13, a revised completion date of **/**/****.
3. All change orders have been submitted and approved by the Limited Partner as required in Section 5.13 of the Agreement,
4. The remaining funds to be advanced, from all sources, are adequate to pay the remaining costs of the Project until the Stabilization Date,
5. No defaults (or event that with the giving of notice or passage of time or both, would constitute a default) has occurred and is continuing under the Loan Documents, the Project Documents (including the construction contract) or the Agreement; and all these documents remain in full force and effect,
6. No material changes have been made to the Project Documents (including the Plans and Specifications) that have not been approved by the Limited Partner,
7. The Project is free and clear of mechanic's liens and the Limited Partner has been provided with any notices relating to potential liens,
8. All prior requisitions have been funded and payments have been made to the appropriate vendors/suppliers,
9. No additional funding sources have been added to the project budget unless approved in advance by the Limited Partner,
10. All documents required by Section 13.03 of the Agreement to be provided to the Limited Partner as of the date of this report have been delivered to the Limited Partner.

EXHIBIT K

COMPLETED BY:

Name: _____

Phone: _____

Title: _____

Email: _____

Date: _____

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805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit L

INSURANCE REQUIREMENTS

[attached behind]

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EXHIBIT L

805 R MUTUAL HOUSING ASSOCIATES, L.P.

Exhibit M

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT (the “*Agreement*”) dated as of the date set forth below (the “*Effective Date*”), by and among WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership (“*Assignor*”); 805 R MUTUAL HOUSING ASSOCIATES, L.P., a California limited partnership (the “*Partnership*”); 805 R MUTUAL HOUSING ASSOCIATION LLC, a California limited liability company, in its capacity as the general partner of the Partnership (the “*Managing General Partner*”); 805 R CADA ASSOCIATION LLC, a California limited liability company (the “*Administrative General Partner*”, and together with the Managing General Partner, the “*General Partners*”); and FRE ENTERPRISE AFFORDABLE HOUSING FUND I, LLLP, a Maryland limited liability limited partnership (the “*Assignee*”).

Recitals

WHEREAS, Assignor serves as Limited Partner in the Partnership pursuant to the First Amended and Restated Agreement of Limited Partnership of the Partnership dated as of January [], 2025 (the “*Partnership Agreement*”);

WHEREAS, Assignor wishes to assign its Limited Partner interest (the “*LP Interest*”) to the Assignee;

WHEREAS, Article X of the Partnership Agreement specifically contemplates the transfer by Assignor of the LP Interest to Assignee and acknowledges the consent of all Partners thereto;

WHEREAS, Article X of the Partnership Agreement acknowledges that the Assignee, as transferee of the LP Interest pursuant to this Transfer Agreement, shall be automatically substituted as the Limited Partner of the Partnership on the Effective Date;

WHEREAS, Assignor wishes to assign the LP Interest to the Assignee, as of the Effective Date, and the Assignee wishes to accept such assignment of the LP Interest for the consideration and upon the terms and conditions hereinafter set forth above;

WHEREAS, the Assignee is willing to undertake all of the obligations of Assignor under the Partnership Agreement and exhibits thereto, including its rights and obligations under the Investor Services Agreement attached as **Exhibit I** to the Partnership Agreement, relating to the LP Interest (the “*LP Obligations*”); and

WHEREAS, the Partnership and the General Partners desire to acknowledge such undertaking of the LP Obligations by the Assignee and to release the Assignor from the LP Obligations.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration hereinafter described, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

EXHIBIT M

Capitalized terms used but not defined herein shall have the respective meanings attributed thereto in the Partnership Agreement.

Assignor hereby assigns to Assignee and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and to the LP Interest, consisting of Assignor's right to allocations of profits, gain, income and losses and Credits and all items entering into the computation thereof, and to distributions of cash, however denominated, under the Partnership Agreement with respect to the LP Interest.

In consideration of the assignment effected hereby, Assignee hereby assumes and agrees to discharge all of the LP Obligations. In addition, Assignee shall promptly reimburse Assignor for all Capital Contributions heretofore made by Assignor to the Partnership in its capacity as Limited Partner and for such other expenditures heretofore incurred by Assignor relating to its acquisition of the LP Interest as Assignor and Assignee shall mutually determine.

The Partnership and the General Partners hereby (i) acknowledge the assignment of the LP Interest and assumption by the Assignee of the LP Obligations pursuant to this Agreement and (ii) agree to release Assignor from the LP Obligations. The General Partners hereby acknowledges and confirms the admission of the Assignee for all purposes as a Substitute Limited Partner under Article X of the Partnership Agreement.

By its execution hereof, the Assignee hereby agrees to become a Substitute Limited Partner of the Partnership and, subject to the foregoing provisions of this Agreement, agrees to be bound (to the same extent as Assignor was bound) by the Project Documents and by the provisions of the Partnership Agreement and exhibits thereto as they relate to the LP Interest.

The parties hereto hereby confirm the continuing validity and enforceability of the Partnership Agreement and each of the exhibits thereto, acknowledging that the Assignee shall succeed to all rights and obligations of Assignor thereunder with respect to the LP Interest as of the Effective Date. This provision shall be construed to amend the Partnership Agreement and each of the exhibits thereto to the extent necessary to give effect to the provisions of this Agreement. Without limitation of the foregoing, Exhibit A to the Partnership Agreement is hereby amended by the Revised Exhibit A attached hereto.

The parties agree that the assignment of the LP Interest and the other transactions effected hereby shall be effective for all purposes as of the Effective Date. The General Partners hereby confirms that any and all third-party approvals to the effectiveness of the transactions described in this Agreement have been obtained.

In accordance with Article X of the Partnership Agreement, the parties hereto agree to cooperate in good faith to effect any further amendments to the Partnership Agreement, exhibits thereto or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the assignment of the LP Interest and the other transactions effected hereby. In this regard, the Investor Services Agreement, attached as Exhibit I to the Partnership Agreement is hereby amended to replace the Assignor as the Servicer with the Assignee.

EXHIBIT M

2

This instrument may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties have not signed the original or the same counterpart.

[signatures begin on the following page]

EXHIBIT M
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The undersigned have caused this Agreement to be executed as of the Effective Date set forth at the foot of Revised Exhibit A attached to this Agreement.

ASSIGNOR:

WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership, by its general partner, Wincopin GP, LLC, a Maryland limited liability company

By: _____
Name:
Title:

ASSIGNEE:

FRE ENTERPRISE AFFORDABLE HOUSING FUND I, LLLP, a Maryland limited liability limited partnership, by its general partner, Enterprise GP, LLC, a Maryland limited liability company

By: _____
Name:
Title:

[signatures continue on following page]

PARTNERSHIP:

805 R MUTUAL HOUSING ASSOCIATES, L.P., a
California limited partnership,

By: 805 R Mutual Housing Association LLC,
a California limited liability company,
its managing general partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Anne-Marie Flynn
Interim CEO

By: 805 R CADA Association LLC,
a California limited liability company,
its administrative general partner

By: Capitol Area Community Development
Corporation, a California nonprofit public
benefit corporation, its sole member/manager

By: _____
Danielle Foster
President

MANAGING GENERAL PARTNER: 805 R MUTUAL HOUSING ASSOCIATION, LLC,
a California limited liability company, by its sole
member/manager, Mutual Housing California, a
California nonprofit public benefit corporation

By: _____
Anne-Marie Flynn
Interim CEO

ADMINISTRATIVE GENERAL PARTNER: 805 R CADA ASSOCIATION LLC, a California
limited liability company, by its sole
member/manager, Capitol Area Community
Development Corporation, a California nonprofit
public benefit corporation

By: _____
Danielle Foster
President

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**REVISED EXHIBIT A
TO EXHIBIT M**

**Partners; Percentage Interests;
Capital Contribution Commitments**

| | <i><u>Percentage Interests</u></i> | <i><u>Capital Contributions</u></i> |
|--|--|---|
| Managing General Partner | | |
| 805 R Mutual Housing Association LLC | [0.005]% | \$[] * |
| Administrative General Partner | | |
| 805 R CADA Association LLC | [0.005]% | \$[] ** |
| Limited Partner | | |
| FRE Enterprise Affordable Housing Fund I, LLLP | [99.99]% | \$[]** * |
| TOTALS | 100% | \$[] |

*The Capital Contribution of the Managing General Partner will be paid on the Admission Date.

** The Capital Contribution of the Administrative General Partner will be paid on the Admission Date.

***The Capital Contribution of the Limited Partner will be paid in Installments as described on the following page upon the last to occur of the receipt and approval by the Limited Partner to the satisfaction of the Limited Partner of all conditions for such Installment and the date associated with such Installment. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications in the exact form attached as **Exhibit A-7**, in accordance with Section 3.02(c). In addition, amounts of the Capital Contributions are subject to adjustment as provided in this Agreement.

The **EFFECTIVE DATE** of this Transfer Agreement is _____, 2025.

EXHIBIT M

805 R MUTUAL HOUSING ASSOCIATES, L.P.

**First Amended and Restated Agreement
of Limited Partnership**

Exhibit N

PROHIBITED USES OF COMMERCIAL SPACE

The Managing General Partner shall not permit the use of the Commercial Space for any unlawful purpose or allow anything to be done in or about the Commercial Space in any unlawful manner. In addition, the Managing General Partner shall not permit the use of the Commercial Space which is likely to impair or tend to impair the appearance or reputation of the Project or otherwise occasion discomfort, inconvenience or annoyance to any of the other tenants or occupants of the Project ~~(whether through the transmission of noise or odors or otherwise).~~ In no event shall the Commercial Space be used for any of the following:

- Massage or sun tanning parlor or hot tub facility
- Disco, night club, cocktail lounge, package goods store, liquor store or bar (excluding sit-down restaurants having an alcoholic beverage permit but including any store the principal business of which is the sale of alcoholic beverages for consumption off-site)
- ~~· Game arcade (excluding stores that sell children's games or children's toys)~~
- Funeral parlor
- Dry cleaning establishments in which cleaning services occur on the premises (excluding drop-off dry cleaners)
- Cinema
- Liquidator/flea market type of operation
- ~~· Tattoo parlor~~
- Soup kitchen or other free food distribution center
- Day laborer employment agency
- Joke shop (defined as a gag gift, magic shop or similar shop)
- Bus station or other transportation depot
- Pool hall
- Political campaign headquarters
- Drug paraphernalia shop
- ~~· Convenience store that sells alcohol~~
- Any overnight use
- Check-cashing operation

EXHIBIT N

- Gun shop
- Bowling Alley
- Off-track betting/gambling facility
- Auto repair shop/body and fender shop
- Pawn shop
- Adult bookstore/adult industry paraphernalia shop
- Voodoo/palm-reading business
- Marijuana dispensary or similar establishment related to the medical or recreational use, sale or disbursement of marijuana/cannabis

~~Any use that would reasonably result in excessive noise around the Property~~

~~Any use that would reasonably result in a noxious odor around the Property~~

~~Any use that would reasonably lead to an increase in crime around the Property~~

EXHIBIT N

**FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
805 R MUTUAL HOUSING ASSOCIATES, L.P.**

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Attachement 2

RESOLUTION NO. 25 – 07

Adopted by the Capitol Area Development Authority February 14, 2025

**RESOLUTION GRANTING CADA THE AUTHORITY TO TAKE ANY
AND ALL ACTIONS TO CLOSE PROJECT FINANCING FOR THE
805 R STREET AFFORDABLE HOUSING PROJECT**

WHEREAS, on January 15, 2019 Governor Gavin Newsom signed Executive Order N-06-19 to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services ("DGS") and the Department of Housing and Community Development ("HCD"), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit;

WHEREAS, on May 10, 2021, the State issued an RFQ seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street in Sacramento, California;

WHEREAS, in December 2021 the Capitol Area Community Development Corporation ("CACDC") and Mutual Housing ("Partnership") agreed to jointly submit a proposal to the state to develop affordable housing marketed to artists at 805 R Street ("Project");

WHEREAS, on May 12, 2022, the State selected the Partnership to develop 805 R Street;

WHEREAS, on December 15, CADA committed \$8 million to the Project in the form of a project assistance loan ("CADA Loan"); and

WHEREAS, on January 17, 2025, the CADA Board adopted a resolution authorizing CADA to receive grant funding of up to \$3.5 million from the City of Sacramento to be combined with the CADA Loan as gap funding for the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Development Authority that the Board of Directors hereby authorizes the Executive Director to:

1. Execute a gap financing residual receipts loan ("CADA Loan") to 805 R Mutual Housing Associates, L.P. ("Partnership") for an amount not to exceed \$11.3 million;
2. Execute a Guaranty in favor of Banner Bank on behalf of the 805 R Mutual Housing Associates, L.P. ("Partnership"); and
3. Take any and all actions on behalf of CADA to close on financing for the Project, including execution of all necessary documents and Project loans.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on February 14, 2025, by the following vote:

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors

Attachement 3
RESOLUTION NO. 25 – 01

Adopted by the Capitol Area Community Development Corporation - February 14, 2025

**RESOLUTION GRANTING CACDC THE AUTHORITY TO TAKE
ANY AND ALL ACTIONS TO CLOSE FINANCING FOR THE 805 R STREET
AFFORDABLE HOUSING PROJECT**

WHEREAS, on January 15, 2019 Governor Gavin Newsom signed Executive Order N-06-19 to address the housing affordability crisis that is facing the State of California. Governor Newsom ordered the Department of General Services ("DGS") and the Department of Housing and Community Development ("HCD"), (the "State"), to identify and prioritize excess state-owned property, enter into low-cost long-term ground lease agreements with housing developers and accelerate affordable housing development on State-owned land for public benefit;

WHEREAS, on May 10, 2021, the State issued an RFQ seeking respondents capable of developing affordable housing on six excess state-owned properties including the former DGS warehouse located at 805 R Street in Sacramento, California;

WHEREAS, in December 2021 the Capitol Area Community Development Corporation ("CACDC") and Mutual Housing ("Partnership") agreed to jointly submit a proposal to the state to develop affordable housing marketed to artists at 805 R Street ("Project");

WHEREAS, on May 12, 2022, the State selected the Partnership to develop 805 R Street;

WHEREAS, on December 15, CADA committed \$8 million to the Project in the form of a project assistance loan ("CADA Loan"); and

WHEREAS, on January 17, 2025, the CADA Board adopted a resolution authorizing CADA to receive grant funding of up to \$3.5 million from the City of Sacramento to be combined with the CADA Loan as gap funding for the Project.

NOW, THEREFORE, BE IT RESOLVED, by the Capitol Area Community Development Corporation that the Board of Directors hereby authorizes the President to:

1. Execute the Amended and Restated Limited Partnership Agreement of 805 R Mutual Housing Associates, L.P. ("Amended LPA");
2. Execute any and all documents necessary to consummate Project loans; and
3. Take any and all actions on behalf of CACDC to close on financing for the Project, including execution of all necessary documents.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on February 14, 2025, by the following vote:

Danielle Foster, President

ATTEST:

Tara Gandara
Secretary to the Board of Directors

Attachement 4
RESOLUTION NO. 25 – 08

Adopted by the Capitol Area Development Authority February 14, 2025

**AUTHORIZING RESOLUTIONS RE: FINANCING OF
MONARCH APARTMENTS**

At a duly constituted meeting of the Board of Directors of Capitol Area Development Authority, a joint powers agency (the "Agency") held on February 14, 2025 the following resolutions were adopted:

WHEREAS, 805 R Mutual Housing Associates, L.P., a California limited partnership (the "Partnership") desires to develop, own and operate a residential affordable housing development for low income persons (the "Project") on the real property located at 805 R Street, Sacramento, California;

WHEREAS, the Partnership desires to borrow: (i) an amount not to exceed \$60,000,000 (the "TE Bond Loan") funded from the proceeds of tax exempt bonds issued by California Housing Finance Agency ("CalHFA"), and (ii) an amount not to exceed \$25,000,000 (the "Taxable Bond Loan") funded from the proceeds of taxable bonds issued by CalHFA (collectively, the "Bonds") which will be purchased or funded from one or more loans from Banner Bank ("Banner") and which will convert to a permanent loan from CalHFA upon the meeting of certain terms and conditions in an amount not to exceed \$26,000,000 (the "Permanent Bond Loan");

WHEREAS, the Agency may be required to guaranty certain obligations of the Partnership with respect to the project financing, including but not limited to execute payment and completion guaranties and indemnities (collectively, the "Guaranty") in favor of Banner;

WHEREAS, the Board of Directors of the Agency deems it to be in the best interests of the Agency to cause the construction of the Project by the Partnership as a means of improving the physical condition of the Project and furthering its purpose of developing and operating low income housing including by entering into the transactions described herein, to approve and authorize the Project, to guaranty certain obligations of the Partnership and to execute the Guaranty in favor of Banner;

NOW, THEREFORE, BE IT RESOLVED: That the Agency shall assist in the Partnership's obtaining the TE Bond Loan, the Taxable Bond Loan and the Permanent Bond Loan and shall enter into any and all agreements, including but not limited to the Guaranty and shall take any and all further actions necessary in connection with the Partnership's obtaining the TE Bond Loan, the Taxable Bond Loan and the Permanent Bond Loan;

FURTHER RESOLVED: That any and all acts of any officer of the Agency or any person(s) designated and authorized to act by any officer, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of this Resolution be, and they hereby are, severally ratified, confirmed, approved and adopted as acts in the name and on behalf of the Agency;

FURTHER RESOLVED: That the Executive Director or any officer of the Agency, acting alone, on behalf of the Agency in its sole capacity, shall execute any and all necessary documents, including but not limited to guaranties, environmental indemnities, and any other agreements or security instruments, and shall take any and all further actions necessary to consummate the activities described in this Resolution;

FURTHER RESOLVED: That the Secretary or any Board Officer of the Agency is authorized to execute and certify any form of resolution required by any lender, investor, regulator or other third party involved in the transaction, so long as the Executive Director and counsel to the Agency determine that the substance of such resolutions does not materially conflict with the substance of this Resolution.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on February 14, 2025, by the following vote:

Ann Bailey, Chair

ATTEST:

Tara Gandara
Secretary to the Board of Directors

Attachement 5
RESOLUTION NO. 25 – 02

Adopted by the Capitol Area Community Development Corporation February 14, 2025

**CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION
CORPORATE, LLC AND PARTNERSHIP AUTHORIZING
RESOLUTIONS AND GRANTING OF AUTHORITY
RE: FINANCING OF MONARCH APARTMENTS**

At a duly constituted meeting of the Board of Directors of Capitol Area Community Development Corporation, a California nonprofit public benefit corporation (the "Corporation") held on February 14, 2025, the following resolutions were adopted:

WHEREAS, the Corporation is the sole member and manager of 805 R CADA Association LLC, a California limited liability company (the "LLC");

WHEREAS, the LLC is the administrative general partner of 805 R Mutual Housing Associates, L.P., a California limited partnership (the "Partnership"), along with 805 R Mutual Housing Association LLC, a California limited liability company, as the managing general partner of the Partnership, and Mutual Housing Corporation, a California nonprofit public benefit corporation, as the initial limited partner of the Partnership;

WHEREAS, the Department of General Services ("DGS") owns a fee interest in that certain real property located at 805 R Street, Sacramento, California (the "Property");

WHEREAS, the Board of Directors of the Corporation, on behalf of the Corporation, acting in its capacity as the sole member and manager of the LLC, in its capacity as the administrative general partner of the Partnership, deems it to be in the best interest of the Partnership to enter into a ground lease with DGS with respect to the Property (the "Ground Lease") and to execute the Ground Lease and any other documents necessary in connection therewith, including, but not limited to, a memorandum of ground lease and a regulatory agreement, and to take all actions deemed necessary to acquire the leasehold interest in the Property;

WHEREAS, the Partnership desires to develop, own and operate a residential affordable housing development for low income persons (the "Project") on the Property;

WHEREAS, the Board of Directors of the Corporation, on behalf of the Corporation, acting in its capacity as the sole member and manager of the LLC, in its capacity as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership to obtain: (i) a loan in an amount not to exceed \$60,000,000 (the "TE Bond Loan") funded from the proceeds of tax exempt bonds (the "Tax-Exempt Bonds") issued by California Housing Finance Agency ("CalHFA"), and (ii) a loan in an amount not

to exceed \$25,000,000 (the "Taxable Bond Loan") funded from the proceeds of taxable bonds (the "Taxable Bonds", and together with the Tax-Exempt Bonds, the "Bonds") issued by CalHFA, which Bonds will be purchased by Banner Bank, a Washington corporation ("Banner"), and deems it to be in the best interests of the Partnership, the LLC and the Corporation to enter into any and all documents required in connection with the Bonds, the TE Bond Loan and the Taxable Bond Loan, including, but not limited to, regulatory agreements in connection with the Bonds, loan agreements, promissory notes, deeds of trust, pledge agreements, assignment agreements, and any other documents necessary to consummate the TE Bond Loan and the Taxable Bond Loan;

WHEREAS, the Board of Directors of the Corporation, on behalf of the Corporation, acting in its capacity as the sole member and manager of the LLC, in its capacity as the managing general partner of the Partnership, deems it to be in the best interest of the Partnership to obtain a commitment (the "Permanent Loan Commitment") from CalHFA for a permanent loan in an amount not to exceed \$26,000,000 (the "Permanent Loan"), subject to the terms and conditions set forth therein, and deems it to be in the best interests of the Partnership, the LLC and the Corporation to enter into any and all documents required in connection with the Permanent Loan, including, but not limited to, permanent loan commitments, regulatory agreements, loan agreements, promissory notes, deeds of trust, pledge agreements, assignment agreements, breakage fee documents, and any other documents necessary to obtain the Permanent Loan Commitment and the Permanent Bond Loan;

WHEREAS, the Board of Directors of the Corporation, on behalf of the Corporation, in its capacity as the sole member and manager of the LLC, deems it to be in the best interests of the LLC to assist the Partnership with obtaining the TE Bond Loan, Taxable Bond Loan and the Permanent Bond Loan, and to enter into any and all documents required by Banner or CalHFA in connection therewith, including but not limited to security agreements, pledge agreements, assignment agreements, and any other agreements necessary to assist the Partnership in obtaining the TE Bond Loan, the Taxable Bond Loan, the Permanent Loan Commitment and the Permanent Bond Loan;

WHEREAS, the Corporation may be required to guaranty certain obligations of the Partnership and/or the LLC in connection with the project financing, pursuant to, among other things, a payment and completion guaranty and an environmental indemnity (collectively, the "Guaranty") in favor of Banner;

WHEREAS, the Board of Directors of the Corporation deems it to be in the best interests of the Corporation to cause the construction of the Project by the Partnership as a means of furthering its purpose of developing and operating low income housing including by entering into the transactions described herein, to approve and authorize the Project, to guaranty certain obligations of the Partnership and/or the LLC and to execute the Guaranty in favor of Banner;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership to borrow from CalHFA an amount not to exceed \$7,000,000 under CalHFA's Mixed Income Program (the "CalHFA MIP Loan") and to enter into any and all documents required in connection with said loan, including but not limited to regulatory agreements, loan agreements, promissory notes, deeds of trust, assignment agreements and any other documents necessary to consummate the CalHFA MIP Loan;

WHEREAS, Mutual Housing California, a California nonprofit public benefit corporation ("MHCal") is obtaining an amount not to exceed \$9,000,000 in certificated state credits (the "State Credits") from the California Tax Credit Allocation Committee ("CTCAC");

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership, for the Partnership to borrow an amount not to exceed \$9,000,000 in sales proceeds from the sale of the State Credits from MHCal (the "State Credit Loan") and to enter into any and all documents, including but not limited to a loan agreement, promissory note and deed of trust, and any other agreements or security instruments necessary to obtain the State Credit Loan, and consummate the activities contemplated in this Resolution and Granting of Authority;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership, for the Partnership to borrow an amount not to exceed \$12,000,000 in Department of Housing and Community Development Local Government Matching Grant program funds from MHCal (the "Sponsor LGMG Loan") and to enter into any and all documents, including but not limited to a loan agreement, promissory note and deed of trust, and any other agreements or security instruments necessary to obtain the Sponsor LGMG Loan, and consummate the activities contemplated in this Resolution and Granting of Authority;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership, for the Partnership to borrow an aggregate amount not to exceed \$2,000,000 in Sacramento Municipal Utility District funds and California Energy Commission BUILD funds from MHCal (the "Sponsor Incentives Loan") and to enter into any and all documents, including but not limited to a loan agreement, promissory note and deed of trust, and any other agreements or security instruments necessary to obtain the Sponsor Incentives Loan, and consummate the activities contemplated in this Resolution and Granting of Authority;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it

to be in the best interests of the Partnership to borrow a loan from Capital Area Development Authority, a joint powers agency ("CADA") consisting of City of Sacramento ("City") grant funds and additional funds in an aggregate amount not to exceed \$13,400,000 (the "CADA Loan") and to enter into any and all documents, including but not limited to a loan agreement, promissory note, deed of trust, regulatory agreement and any other agreements or security instruments necessary to obtain the CADA Loan, and consummate the activities contemplated in this Resolution and Granting of Authority;

NOW, THEREFORE, BE IT RESOLVED: That the Partnership shall enter into the Ground Lease with DGS and shall execute any other documents necessary in connection with leasing the Property from DGS, including but not limited to a memorandum of ground lease, a regulatory agreement and any other agreements and take all actions deemed necessary to acquire the leasehold interest in the Property;

FURTHER RESOLVED: That the Partnership shall borrow:

- (i) the TE Bond Loan;
- (ii) the Taxable Bond Loan;
- (iii) the Permanent Loan;
- (iv) the CalHFA MIP Loan;
- (v) the State Credit Loan;
- (vi) the Sponsor LGMG Loan;
- (vii) the Sponsor Incentives Loan; and
- (viii) the CADA Loan

and shall enter into any and all documents necessary to consummate said loans, including but not limited to regulatory agreements, loan agreements, promissory notes, deeds of trust, standard agreements, disbursement agreements, environmental indemnity agreements, security agreements, supplemental agreements, replacement reserve agreements, tax certificates, pledge agreements, covenants, conditions and restrictions, assignment agreements, purchase and transfer agreements, and any other documents necessary to consummate the TE Bond Loan, the Taxable Bond Loan, the Permanent Loan, the CalHFA MIP Loan, the State Credit Loan, the Sponsor LGMG Loan, the Sponsor Incentives Loan and the CADA Loan (collectively, the "Loans");

FURTHER RESOLVED: That the LLC shall assist the Partnership with obtaining the TE Bond Loan, Taxable Bond Loan and the Permanent Loan, shall enter into any and all documents required in connection therewith, including but not limited to security agreements, pledge agreements, assignment agreements, and any other agreements necessary to assist the Partnership in obtaining the TE Bond Loan, the Taxable Bond Loan and the Permanent Loan;

FURTHER RESOLVED: That the Corporation shall assist in the Partnership's obtaining the TE Bond Loan, the Taxable Bond Loan and the Permanent Loan and shall enter into

any and all agreements, including but not limited to the Guaranty and shall take any and all further actions necessary in connection with the Partnership's obtaining the TE Bond Loan, the Taxable Bond Loan and the Permanent Loan;

FURTHER RESOLVED: That any and all acts of any officer of the Corporation or any person(s) designated and authorized to act by any officer, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of this Resolution and Granting of Authority be, and they hereby are, severally ratified, confirmed, approved and adopted as acts in the name and on behalf of the Corporation, on its own behalf and in its capacity as sole member and manager of the LLC, on its own behalf and in its capacity as the administrative general partner of the Partnership;

FURTHER RESOLVED: That the President, or any officer of the Corporation, acting alone, on behalf of the Corporation on its own behalf and in its capacity as the sole member and manager of the LLC, on its own behalf and in its capacity as the administrative general partner of the Partnership, shall execute any and all documents necessary to obtain the Loans and to consummate the other transactions described herein, including but not limited to the Ground Lease, a memorandum of ground lease, guaranties, environmental indemnities, deeds of trust, promissory notes, loan agreements, regulatory agreements, security agreements, pledge agreements, assignment agreements, supplemental agreements, replacement reserve agreements, tax certificates, covenants, conditions and restrictions, standard agreements, disbursement agreements, purchase and transfer agreements, and any other agreements or security instruments, and shall take any and all further actions necessary to consummate the activities described in this Resolution and Granting of Authority; and

FURTHER RESOLVED: That the Secretary or any other officer of the Corporation is authorized to execute and certify any form of resolution required by any lender, investor, regulator or other third party involved in the transaction, so long as the such officer and counsel to the Corporation determine that the substance of such resolutions does not materially conflict with the substance of this Resolution and Granting of Authority.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Community Development Corporation held on February 14, 2025, by the following vote:

Danielle Foster, President

ATTEST:

Tara Gandara
Secretary to the Board of Directors

Attachement 6
RESOLUTION NO. 25 - 03

Adopted by the Capitol Area Community Development Corporation February 14, 2025

**CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION
CORPORATE, LLC AND PARTNERSHIP AUTHORIZING
RESOLUTIONS AND GRANTING OF AUTHORITY
RE: SYNDICATION OF 805 R MUTUAL HOUSING ASSOCIATES, L.P.**

At a duly constituted meeting of the Board of Directors of Capitol Area Community Development Corporation, a California nonprofit public benefit corporation (the "Corporation") held on February 14, 2025 the following resolutions were adopted:

WHEREAS, the Corporation is the sole member and manager of 805 R CADA Association LLC, a California limited liability company (the "LLC");

WHEREAS, the LLC is the administrative general partner of 805 R Mutual Housing Associates, L.P., a California limited partnership (the "Partnership"), along with 805 R Mutual Housing Association LLC, a California limited liability company ("MGP"), as the managing general partner and Mutual Housing Corporation, a California nonprofit public benefit corporation ("MHC"), as the initial limited partner;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership to enter into a First Amended and Restated Agreement of Limited Partnership for the Partnership (the "Restated Partnership Agreement"), together with the MGP, as the managing general partner, the LLC as the administrative general partner, and Wincopin Circle LLLP, a Maryland limited liability limited partnership, its affiliates, successors, and assigns, as the investor limited partner (collectively, the "Limited Partner");

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership to allow MHC to withdraw from the Partnership as the initial limited partner upon the transfer of a 99.99% limited partner interest to the Limited Partner;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the administrative general partner of the Partnership, deems it to be in the best interests of the Partnership to enter into any and all agreements, including but not limited to a right of first refusal agreement, a partnership administration agreement, a development

services agreement, an investor services agreement, a guaranty agreement, a tax certificate, and any other types of agreements and to take any and all further actions necessary to syndicate the Partnership interests;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member of the LLC, deems it to be in the best interests of the Corporation and/or the LLC to enter into any and all agreements with the Limited Partner or the Partnership, including but not limited to a right of first refusal agreement, a partnership administration agreement, a development services agreement, an investor services agreement, a guaranty agreement, a tax certificate, and any other agreements and to take any and all further actions necessary to syndicate the Partnership interests;

NOW, THEREFORE, BE IT RESOLVED: That the Partnership shall enter into the Restated Partnership Agreement;

FURTHER RESOLVED: That the Partnership shall allow MHC to withdraw from the Partnership as the initial limited partner upon the transfer of a 99.99% limited partner interest to the Limited Partner for capital contributions;

FURTHER RESOLVED: That the Partnership shall enter into any and all agreements, including but not limited to a partnership administration agreement, a right of first refusal agreement, a development services agreement, an investor services agreement, a guaranty agreement, a tax certificate, and any other types of agreements and to take any and all further actions necessary to syndicate the partnership interests;

FURTHER RESOLVED: That either of the Corporation or the LLC shall enter into any and all agreements necessary to syndicate the limited partnership interest, including but not limited to the Restated Partnership Agreement, a right of first refusal agreement, a partnership administration agreement, a development services agreement, an investor services agreement, a guaranty agreement, a tax certificate, and any other types of agreements and shall take any further actions necessary to syndicate the limited partnership interest;

FURTHER RESOLVED: That the President or any officer of the Corporation, acting alone, on behalf of the Corporation in its sole capacity, in its capacity as the sole member of the LLC and in the LLC's capacity as the administrative general partner of the Partnership, shall be authorized and directed to take any and all necessary actions, and execute any and all necessary documents, including but not limited to a partnership administration agreement, the Restated Partnership Agreement, a right of first refusal agreement, a development services agreement, an investor

services agreement, a guaranty agreement, a tax certificate, and any other types of agreements and to take any and all further actions necessary to syndicate the partnership interests;

FURTHER RESOLVED: That the Secretary or any Board Officer of the Corporation is authorized to execute and certify any form of resolution required by any lender, investor, regulator or other third party involved in the transaction, so long as the President and counsel to the Corporation determine that the substance of such resolutions does not materially conflict with the substance of this Resolution.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of the Capitol Area Development Authority held on February 14, 2025, by the following vote:

Danielle Foster, President

ATTEST:

Tara Gandara
Secretary to the Board of Directors

**SECRETARY'S CERTIFICATE/INCUMBENCY CERTIFICATE
(Capitol Area Development Authority)**

I, the undersigned, hereby certify that I am the duly elected Secretary of Capitol Area Development Authority, a joint powers agency (the "Agency"), and that:

1. Attached hereto as Exhibit "A" is a correct and complete copy of certain resolutions which were duly adopted by the Board of Directors (the "Directors") of the Agency and which resolutions: (i) have not been amended or supplemented in any respect and are in full force and effect on the date hereof; (ii) require no further Agency action or resolution or consent of the Directors to be effective; and (iii) are not inconsistent with the Agency's Joint Powers Agreement.
2. Attached hereto as Exhibit "B" is a correct and complete copy of the Joint Powers Agreement of the Agency, together with all amendments thereto, if any, which are in full force and effect on the date hereof.
3. The persons named below hold offices of the Agency listed below and, pursuant to the attached resolutions, each such person, acting alone, is authorized to execute and deliver certain documents on behalf of the Agency, on its own behalf, and the signatures set forth below opposite each person's name is such person's genuine signature.

EXHIBIT A
RESOLUTIONS

EXHIBIT B
JOINT POWERS AGREEMENT

**SECRETARY'S CERTIFICATE/INCUMBENCY CERTIFICATE
(Capitol Area Community Development Corporation)**

I, the undersigned, hereby certify that I am the duly elected Secretary of Capitol Area Community Development Corporation, a California nonprofit public benefit corporation (the "Corporation"), which is the sole member and manager of 805 R CADA Association LLC, a California limited liability company (the "LLC"), which is the administrative general partner of 805 R Mutual Housing Associates, L.P., a California limited partnership (the "Partnership"), and that:

1. Attached hereto as Exhibit "A" is a correct and complete copy of certain resolutions which were duly adopted by the Board of Directors (the "Directors") of the Corporation and which resolutions: (i) have not been amended or supplemented in any respect and are in full force and effect on the date hereof; (ii) require no further Corporate action or resolution or consent of the Directors to be effective; and (iii) are not inconsistent with the Corporation's bylaws, the LLC's operating agreement or the Partnership's limited partnership agreement.
2. Attached hereto as Exhibit "B" is a correct and complete copy of the Articles of Incorporation of the Corporation, together with all amendments thereto, if any, as filed with the Secretary of State of the State of California, which are in full force and effect on the date hereof.
3. Attached hereto as Exhibit "C" is a complete and correct copy of the Bylaws of the Corporation, together with all amendments thereto, which are in full force and effect on the date hereof.
4. Attached hereto as Exhibit "D" is a complete and correct copy of the Articles of Organization of the LLC, together with all amendments thereto, if any, as filed with the Secretary of State of the State of California, which are in full force and effect on the date hereof.
5. Attached hereto as Exhibit "E" is a complete and correct copy of the Operating Agreement of the LLC, together with all amendments thereto, if any, which are in full force and effect on the date hereof.
6. Attached hereto as Exhibit "F" is a complete and correct copy of the Certificate of Limited Partnership of the Partnership, together with amendments thereto, if any, as filed with the Secretary of State of the State of California, which are in full force and effect on the date hereof.
7. Attached hereto as Exhibit "G" is a complete and correct copy of the Amended and Restated Agreement of Limited Partnership of the Partnership, together with all amendments thereto, if any, which are in full force and effect on the date hereof.
8. The persons named below hold offices of the Corporation listed below and, pursuant to the attached resolutions, and each such person, acting alone, is authorized to execute and deliver certain documents on behalf of the Corporation, on its own behalf and in its capacity as the sole member and manager of the LLC, on its own behalf and its capacity as the administrative general partner of Partnership, and the signatures set forth below opposite each person's name is such person's genuine signature.

| <u>NAME</u> | <u>OFFICE/POSITION</u> | <u>SIGNATURE</u> |
|-------------------|-------------------------|------------------|
| Danielle Foster | President | |
| Marc de la Vergne | Vice President | |
| Noelle Mussen | Chief Financial Officer | |
| Tara Gandara | Secretary | |

IN WITNESS WHEREOF, I have hereunto affixed my signature and the seal of the Corporation
this _____ day of _____.

By: _____
Name: _____
Title: Secretary

EXHIBIT A
RESOLUTIONS

EXHIBIT B
ARTICLES OF INCORPORATION

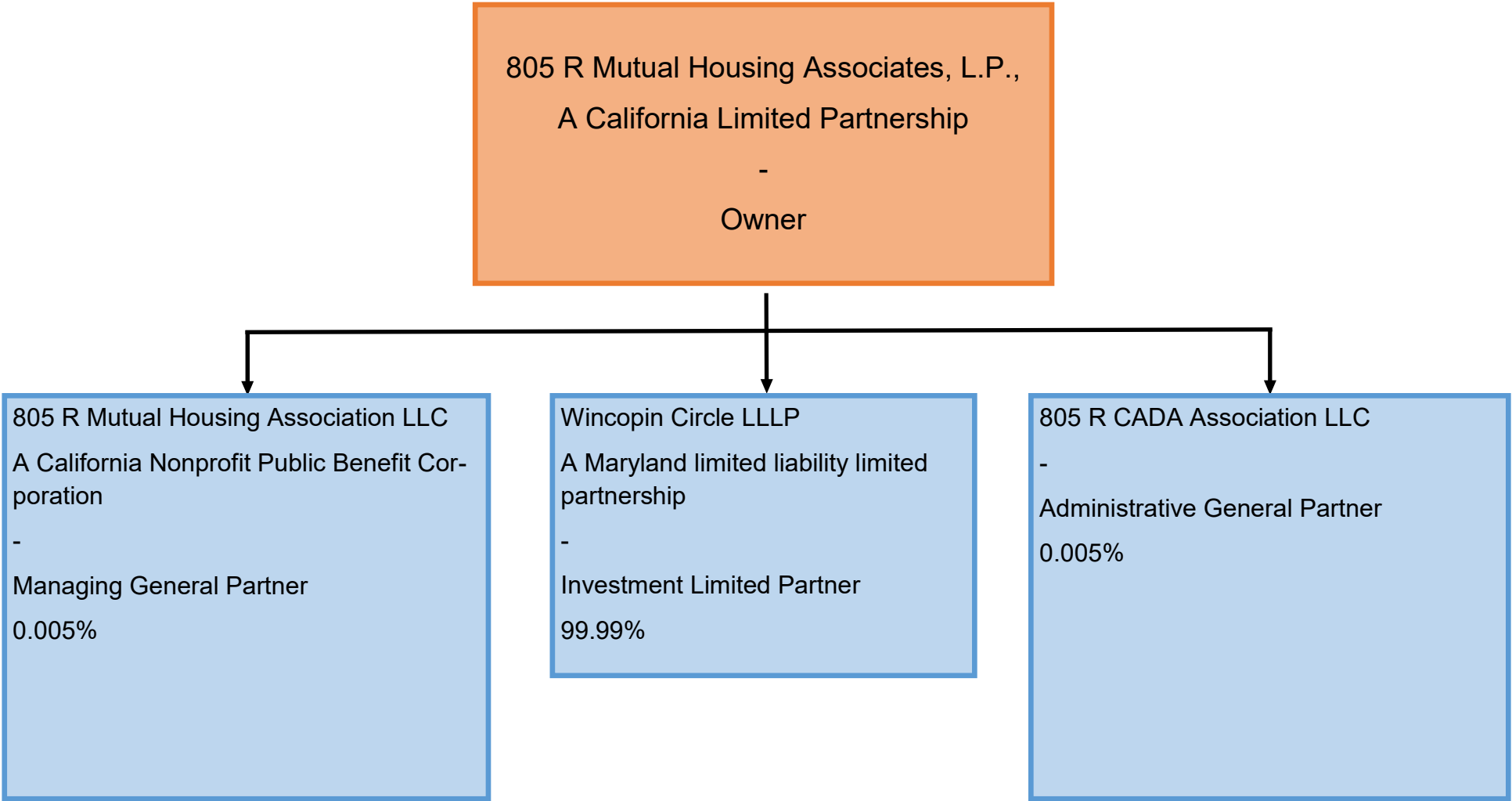
EXHIBIT C
BYLAWS

EXHIBIT D
ARTICLES OF ORGANIZATION

EXHIBIT E
OPERATING AGREEMENT

EXHIBIT F
CERTIFICATE OF LIMITED PARTNERSHIP

EXHIBIT G
AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT



MONARCH (805 R Street) AFFORDABLE HOUSING PROJECT
Attachment 10 – List of Primary Financing Documents

Loan Documents and Priority
Monarch – 805 R Street

A. Land

| Document | Parties |
|------------------------------------|------------------------------|
| Ground Lease | LP, DGS w/ HCD consent |
| Memo of Ground Lease | LP, DGS |
| HCD Regulatory Agreement | LP, HCD |
| Assignment of Ground Lease Options | LP w/ DGS consent, CADA, MHC |
| Commercial Lease(s) | LP |

B. Tax Credit Equity Investor: Enterprise

| Document | Parties |
|--|---------------------------------|
| First Amended and Restated Limited Partnership Agreement | GPs, Mutual Housing, Enterprise |
| Development Services Agreement | LP, Mutual Housing |
| Guaranty Agreement | LP, Mutual Housing, CADA |
| Partnership Administration Agreement | LP, GPs |
| Investor Services Agreement | LP, Enterprise |
| Right of First Refusal Agreement | LP, Mutual Housing |
| Transfer Agreement | LP, GPs, Enterprise |
| Outside Reserve Pledge Agreement | GPs, Mutual Housing |
| Addendum to Management Agreement | LP, Mutual Housing Management |
| Tax Certificate | LP |

C. State Credit Purchaser: Sugar Creek Capital

| Document | Parties |
|-----------------------------|---------------------------------------|
| Commitment | LP, Sugar Creek |
| Purchase and Sale Agreement | Sponsor (Mutual Housing), Sugar Creek |

MONARCH (805 R Street) AFFORDABLE HOUSING PROJECT
Attachment 10 – List of Primary Financing Documents

D. Bond Issuer: California Housing Finance Agency (CalHFA)

| Document | Parties |
|--|--------------------|
| Authorizing Resolution | CalHFA |
| Tax Certificate and Agreement | LP, CalHFA, Banner |
| Master Pledge and Assignment | CalHFA, Banner |
| Master Agency Agreement | CalHFA, Banner |
| Certificate of Borrower | LP |
| Regulatory Agreement | LP, CalHFA |
| Funding Loan Agreement | CalHFA, Banner |
| Project Loan Agreement | LP, CalHFA |
| Authorized Borrower Representative Certificate | LP |

E. Construction Lender: Banner Bank

| Document | Parties |
|--|---------------------------------------|
| Assignment of Engineering Contracts | LP, Engineer |
| Assignment of Rights under Development Agreement & Subordination | LP, Mutual Housing, Benner |
| Assignment of Rights under Management Agreement & Subordination | LP, Mutual Housing Management, Banner |
| Assignment of AHAP | LP w/ DGS consent |
| Consent to Assignment of AHAP | LP, SHRA |
| Assignment of Construction Contracts and Permits | LP, Sunseri |
| Assignment of Architect Contract | LP, Kuchman Architects |
| Promissory Note (Taxable) | LP |
| Promissory Note (Tax-Exempt) | LP |
| Replacement Reserve and Security Agreement | LP, Banner |
| Partnership Agreement to Borrow & Grant Security | GPs, Banner |
| Construction Loan Agreement | LP |
| Commercial Guaranty | LP, CADA, Mutual Housing, Banner |
| Hazardous Waste Indemnity | LP, CADA, Mutual Housing, Banner |
| Security Agreement | LP, GPs |
| Construction Deed of Trust | LP |

MONARCH (805 R Street) AFFORDABLE HOUSING PROJECT
Attachment 10 – List of Primary Financing Documents

| Document | Parties |
|--|----------------------------|
| Assignment of Deed of Trust and Related Documents | LP |
| Commercial Pledge & Security Agreement | LP |
| Resolution to Guaranty and Grant Security (Mutual Housing) | LP, Mutual Housing, Banner |
| Resolution to Guaranty and Grant Security (CADA) | LP, CADA, Banner |
| Ground Lease Estoppel | DGS |

F. Permanent Lender + Mixed-Income Program (MIP): CalHFA

| Document | Parties |
|--------------------------------|--------------------|
| Promissory Note – Breakage Fee | LP |
| Deed of Trust – Breakage Fee | LP |
| Take-out Agreement | LP, CalHFA, Banner |

G. CADA Loan

| Document | Parties |
|----------------------|----------------|
| Promissory Note | LP |
| Loan Agreement | LP, CADA |
| Deed of Trust | LP |
| Regulatory Agreement | LP, CADA |

H. State Credit Loan

| Document | Parties |
|-----------------|----------------|
| Promissory Note | LP |
| Loan Agreement | LP |
| Deed of Trust | LP |

MONARCH (805 R Street) AFFORDABLE HOUSING PROJECT
Attachment 10 – List of Primary Financing Documents

I. SMUD/CEC Building Initiative for Low-Emissions Development (BUILD) Loan

| Document | Parties |
|-----------------|---------|
| Promissory Note | LP |
| Loan Agreement | LP |
| Deed of Trust | LP |

J. HCD Local Government Match Grant (LGMG) Loan

| Document | Parties |
|------------------------|-------------------------------|
| Promissory Note | LP |
| Deed of Trust | LP |
| Disbursement Agreement | HCD, Sponsor (Mutual Housing) |
| Standard Agreement | HCD, Sponsor (Mutual Housing) |

K. Sacramento Housing and Redevelopment Agency (SHRA)

| Document | Parties |
|--|----------|
| Agreement to Enter into Housing Assistance Payments (AHAP) | LP, SHRA |

L. Escrow and Gubb & Barshay

| Document | Parties |
|--|---|
| Escrow Instructions | LP, CADA, Mutual Housing |
| Settlement Statement | LP |
| Preliminary Change of Ownership Report | LP |
| Non-imputation Affidavit | LP, GPs, CADA, Mutual Housing |
| Disbursement of Proceeds | LP |
| Gap Indemnity Agreement | LP |
| Mechanic's Lien Indemnity | LP |
| Owner's Declaration | LP |
| Resolutions | CADA, CACDC, Mutual Housing Board Secretaries |

MONARCH (805 R Street) AFFORDABLE HOUSING PROJECT**Attachment 10 – List of Primary Financing Documents**

| Document | Parties |
|-------------------------|---|
| Incumbency Certificates | CADA, CACDC, Mutual Housing Board Secretaries |
| Assignment of Contracts | LP |

G. Recordation Priority:**Construction Loan Closing**

1. Memo of Ground Lease
2. Excess Sites/LGMG HCD Regulatory Agreement
3. CalHFA Regulatory Agreement
4. CADA Regulatory Agreement
5. CalHFA Deed of Trust
6. Assignment of CalHFA Deed of Trust to Banner Bank
7. CADA Deed of Trust
8. Sponsor (Mutual Housing) LGMG Deed of Trust
9. Sponsor (Mutual Housing) State Credits Deed of Trust
10. Sponsor (Mutual Housing) SMUD/CEC Deed of Trust
11. CalHFA Breakage Fee Deed of Trust
12. Subordination Agreements
 - a. Banner/CADA Subordination
 - b. Banner/Sponsor Subordination
13. Any Requests for Notice Required by the parties

Permanent Loan Closing

1. Excess Sites/LGMG HCD Regulatory Agreement
2. CalHFA Permanent Regulatory Agreement
3. CalHFA MIP Regulatory Agreement
4. CADA Regulatory Agreement
5. CalHFA Permanent Deed of Trust
6. CalHFA MIP Deed of Trust
7. CADA Deed of Trust
8. Sponsor (Mutual Housing) LGMG Deed of Trust
9. Sponsor (Mutual Housing) State Credits Deed of Trust
10. Sponsor (Mutual Housing) SMUD/CEC Deed of Trust
11. Subordinations
 - a. CalHFA/CADA Subordination
 - b. CalHFA/Sponsor Subordination