May 15, 2025

TO:	Capitol Area Development Authority (CADA) Board of Directors Capitol Area Community Development Corporation (CACDC) Board of Directors
SUBJECT:	**May 23, 2025 Board Meeting** **AGENDA ITEM 7** **NUMEROUS ACTIONS TO CLOSE ON CONSTRUCTION FINANCING AND BREAK GROUND FOR THE SAKURA AFFORDABLE HOUSING PROJECT (2000 16TH STREET)**
CONTACT:	Jack Barnes, Development Manager (CADA) Josh Palmer, Deputy Director (CADA) Danielle Foster, Executive Director (CADA), President (CACDC)

RECOMMENDED ACTION

Staff recommends the CADA Board of Directors and CACDC Board of Directors authorize the Executive Director to take any and all actions necessary to close on construction financing and break ground for the construction of the 2000 16th Street Project ("Project").

[CADA]

Adopt a resolution authorizing the Executive Director to:

1. Execute a gap financing residual receipts loan ("CADA Gap Loan") to 2000 16th St Associates, LP for an amount not to exceed $4,000,000.
2. Execute a purchase agreement for the sale of the Property to 2000 16th St Associates, LP.
3. Execute a seller carry-back residual receipts loan ("CADA Land Loan") to 2000 16th St Associates, LP for an amount not to exceed $3,280,000 for the sale of the Property.
4. Execute a guaranty in favor of First Citizens Bank on behalf of 2000 16th St Associates, LP.
5. Execute a guaranty in favor of NEF Assignment Corporation.
6. 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 2000 16th St Associates, LP ("Amended LPA") on behalf of 2000 16th St CACDC Association, LLC.
2. Execute any and all documents necessary to consummate Project loans on behalf of 2000 16th St CACDC Association, LLC.
3. Execute a General Contractor contract with Tricorp Group on behalf of 2000 16th St Associates, LP for an amount not to exceed $32,000,000.
4. Execute a contract with an environmental consultant not to exceed $200,000 for lead testing and soil excavation.
5. Take any and all actions on behalf of CACDC to close on financing for the Project, including execution of all necessary documents.

BACKGROUND

On February 23, 2022, the CADA Board of Directors approved staff to close on escrow for the purchase of 2000 16th Street ("the Site") for the purpose of developing affordable housing on the site.

Later that year, on August 19, both the CADA and CACDC Boards of Directors approved a Memorandum of Understanding between CADA, CACDC, and Mutual Housing California ("Mutual") that memorialized the parties' good faith negotiations to partner on an affordable housing project at the Site.

According to the California Department of Housing and Community Development's ("HCD") website, the Affordable Housing and Sustainable Communities Program ("AHSC") provides funds to "projects that implement land-use, housing, transportation, and agriculture land preservation practices that reduce greenhouse gas (GHG) emissions." Given the Site's close proximity to light-rail and the appetite for public and active transit projects by partners like the City of Sacramento and Sacramento Regional Transit, CACDC and Mutual felt that the Project could be very competitive for AHSC funds.

Between July 2023 and March 2024, CACDC and Mutual Housing worked to ensure the Project would meet all of the Program's eligibility requirements and maximize its competitiveness under the AHSC scoring criteria.

On March 15, 2024, CADA entered into an Option Agreement with the CACDC and Mutual to sell the Property to a limited partnership created by the two entities, which was approved by the CADA and CACDC Boards on August 16, 2024. An exhibit to the Option Agreement provides the business terms for the purchase agreement to be subsequently entered into by the parties. The parties are preparing the purchase agreement in accordance with the terms already approved by the Board and will execute the purchase agreement prior to closing on the construction financing.

Also on March 15, 2024, CADA Executive Director Danielle Foster signed two loan commitment letters – a $4,000,000 gap loan for the Project's construction and permanent financing and a residual receipts land loan in the amount of $3,280,000. The Boards of CADA and CACDC approved this measure the month prior on February 8, 2024.

On August 22, 2024, CACDC and Mutual formally entered into a Limited Partnership Agreement ("initial LPA") establishing an LLC managed by CACDC ("2000 16th St CACDC Association, LLC) as the limited partnership's managing general partner and an LLC managed by Mutual (2000 16th St Association, LLC) as the administrative general partner. In addition to managing the limited partnership's managing general partner, CACDC is the limited partner entity. The Limited Partnership ("Partnership") is called 2000 16th St Associates, LP.

On September 3, 2024, CACDC and Mutual Housing received a letter from HCD informing the partners that they received a conditional award under the Program consisting of a $25,300,000 housing loan and a $12,986,787 transportation grant.

2000 16th St Associates, LP signed a letter of interest with National Equity Fund, Inc. (NEF) describing NEF's desire to purchase 99.99% of the LP and utilize its corresponding tax credits on April 11, 2025 and a separate letter with First Citizens Bank (First Citizens) summarizing the terms under which it would provide a tax-exempt construction loan for the Project.

ANALYSIS

1. 2000 16th St Associates, LP Amended Limited Partnership Agreement

In addition to the closing of escrow, the negotiations between CACDC, Mutual, NEF, First Citizens, and HCD will culminate in an Amended LPA in which NEF Assignment Corporation will purchase 99.99% of the partnership and replace CACDC as 2000 16th St Associates, LP's limited partner. CACDC's and Mutual's project-specific LLCs will continue as the Project's managing general partner and administrative general partner, respectively.

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 organization of partnership; capital contributions and project loans; allocation of profits, losses, and tax credits; distribution of cash flow; powers, rights, and duties of partners; accounting and fiscal affairs; transfer of partners' interests; and dissolution of the partnership. In alignment with CADA and CACDC, the purpose of the Partnership is to develop and operate "decent, safe, and affordable housing for low-income persons."

Partners and Roles

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

Partner	Percentage Interest	Capital Contributions
Managing General Partner: 2000 16th St CACDC Association, LLC	0.005%	$50
Administrative General Partner: 2000 16th St Mutual Housing Association LLC	0.005%	$50
Limited Partner: NEF Assignment Corporation	99.99%	$17,000,000

NEF, the limited partner's parent company, will contribute approximately $17 million in five installments triggered by various conditions – $1.7 million will be disbursed when the Amended LPA is executed, $5.9 million when the Project reaches 95% occupancy, and $8.8 million when the Project closes on permanent financing. Once the Project's placed-in-service package has been approved by the TCAC, Enterprise will sell the tax credits that the Project has been awarded.

As the sole member manager of the managing general partner, CACDC will oversee many of the day-to-day responsibilities of managing and operating the project on the Partnership's behalf. This will include the property management contract and regulatory compliance. Mutual Housing California, as the sole member manager of the administrative general partner, will manage the limited partnership's bank account. With respect to matters to be voted upon by all partners, 2000 16th St CACDC 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

Construction financing escrow is expected to close on June 13, within the CDLAC deadline to issue its allocated bonds.

Tables 1 and **2** below outline the construction 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.

Table 1 – Construction Financing Sources	
First Citizens Bank Tax-Exempt Construction Loan	$30,164,000
First Citizens Bank Taxable Construction Loan	$7,833,248
CADA Gap Loan	$4,000,000
Accrued Deferred Interest – CADA Gap Loan	$182,688
CADA Land Loan	$3,280,000
Accrued Deferred Interest – CADA Land Loan	$149,804
Costs Deferred Until Conversion	$2,245,116
Deferred Developer Fee	$3,351,372
Capital Contributions	
General Partners	$100
Limited Partner	$3,198,450
Total	**$53,404,778**

Table 2 – Development Uses	
Acquisition Costs	$4,830,000
Design and Consulting	$3,348,933
Hard Construction Costs	$29,059,678
Contingency	$2,498,582
Insurance, Legal, and Fees	$3,836,142
Interest	$3,804,385
Developer Fee	$6,027,058
Total	**$53,404,778**

3. Contracts

During construction, additional environmental work will be required to get construction underway and get to a Temporary Certificate of Occupancy (TCO). Additionally, the partnership will install an underground vapor intrusion mitigation system (VIMS) to continue vapor mitigation. Design and installation of the VIMS system and further environmental testing, plus the excavation of any contaminated soil necessitates a contract that is likely to exceed $100,000 and not to exceed $200,000 which requires CACDC Board approval and is included in this reports authorizations.

CACDC, on behalf of 2000 16th St CACDC Association, LLC, will also require Board approval to execute a general contractor contract with Tricorp Group not to exceed $32,000,000. This contract will be a stipulated sum, meaning Tricorp will commit to a fixed amount for the entire project, regardless of the actual cost. A stipulated sum contract is advantageous to the developer by providing upfront cost certainty and shifts risks related to materials and subcontractor pricing to the contractor.

4. Construction Schedule

Table 3 below provides an outline of the construction schedule. The Project is currently scheduled to be complete in Summer 2027.

Table 3 – Construction Schedule								
	2025			2026				2027
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Grading, utilities, sitework								
Building construction								
Completion								

FINANCIAL IMPACT

Developer Fee

CACDC will split the $6 million development fee 50%-50% with Mutual Housing. $3.4 million of the total development fee (56%) will be deferred and used as permanent financing for the Project. CACDC will receive its non-deferred $1.3 million over NEF's first four installments.

Project Guarantees

Affordable housing projects require the project sponsor to provide various financial guarantees as a part of loan and investor agreements. The CADA Board recently authorized CADA's Executive Director to execute guarantees in favor of Monarch's lender and investor, which were made jointly and severally with Mutual Housing California.

These guarantees largely mirror the Monarch Project – CADA will guaranty to NEF and First Citizens that the money they have put into the project will be repaid in the event the Project does not yield the anticipated tax credits.

Like they did on Monarch, CADA and Mutual will enter into a contribution agreement making explicit 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." The AHSC Program is an innovative one that requires partnerships with local transit agencies, which in our case has strengthened CADA's and CACDC's relationships with the City of Sacramento, Sacramento Regional Transit, and the San Joaquin Joint Powers Authority.

By authorizing CADA and CACDC to take any and all actions to close on financing for and breaking ground on the Project, 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 133 income-restricted units and one manager's unit closer to reality for Sacramento's urban

core. Moreover, the Project's AHSC award will produce transit, anti-displacement, and job training benefits to residents and visitors of the Capitol Area.

Attachments:

1. First Amended and Restated Agreement of Limited Partnership of 2000 16th St Associates, LP (5/14/2025 Draft)
2. CADA Authorizing Resolutions Re: Sale, Transfer & Financing of Sakura
3. CADA Authorizing Resolutions Re: Syndication of Sakura
4. CACDC Corporate, LLC and Partnership Authorizing Resolutions Re: Acquisition and Financing of Sakura
5. CACDC Corporate, LLC and Partnership Authorizing Resolutions Re: Syndication of 2000 16th St Associates, L.P.
6. Tricorp Group General Contractor Contract (5/14/2025 Draft)
7. Incumbency and Secretary's Certificate – Mutual Housing California
8. Incumbency and Secretary's Certificate – CADA
9. Incumbency and Secretary's Certificate – CACDC

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

OF

2000 16TH ST ASSOCIATES, LP

June [__], 2025

ADMINISTRATIVE GENERAL PARTNER:	2000 16th St Mutual Housing Association LLC 3321 Power Inn Road, Suite 320 Sacramento, CA 98826
MANAGING GENERAL PARTNER:	2000 16th St CACDC Association, LLC 1522 14th Street Sacramento, CA 95814
LIMITED PARTNER:	NEF Assignment Corporation, as nominee 10 South Riverside Plaza Suite 1700 Chicago, Illinois 60606

Partnership's FEIN: 94-4836776

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AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT
OF
2000 16TH ST ASSOCIATES, LP
a California limited partnership

June [__], 2025

This Amended and Restated Limited Partnership Agreement (this "Partnership Agreement") of 2000 16th St Associates, LP, a California limited partnership (the "Partnership"), dated and effective as of the date first set forth above, is entered into by and between 2000 16th St CACDC Association, LLC, a California limited liability company (the "Managing General Partner"), 2000 16th St Mutual Housing Association LLC, a California limited liability company (the "Administrative General Partner") and NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee (the "Limited Partner").

RECITALS

In this Partnership Agreement, terms in initial capital letters that are not defined elsewhere shall have the meanings given to them in Article 1.

The Partnership was formed as a limited partnership under the Act pursuant to the Certificate of Limited Partnership and the Initial Agreement. The purposes of this Partnership Agreement are to (i) provide for the organization and continuation of the Partnership, (ii) provide for the admission of NEF Assignment Corporation, as nominee, as the Limited Partner, (iii) provide for the withdrawal of the Initial Limited Partner as a partner, and (iv) set forth more fully the rights, obligations, and duties of the Partners (as hereinafter defined).

Accordingly, it is agreed that the Initial Agreement is hereby amended and restated in its entirety by this Partnership Agreement.

ARTICLE 1: DEFINITIONS

The capitalized words and phrases used in this Partnership Agreement shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

"50% Bond Test" means the determination, made in accordance with Section 42(h)(4)(B) of the Code, that fifty percent (50%) or more of the Project's aggregate basis of any Building and the land on which the Building is located is financed by tax-exempt bonds subject to the Project State's volume cap**.**

"Accountant" means Lindquist, von Husen & Joyce, LLP, or such certified public accountant as is selected by the General Partner with the prior written approval of the Limited Partner or identified by the Limited Partner pursuant to Section 8.6.3 herein.

"Act" means the California Revised Uniform Limited Partnership Act, as the same may be amended from time to time (or any corresponding provisions of any successor law).

"Actual Tax Credits" means the Tax Credits which the Partnership allocates to the Limited Partner (as determined by the Accountant and approved by the Asset Manager) with respect to any taxable year.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant fiscal period after giving effect to the following adjustments: (a) the credit to such Capital Account of any amounts which such Partner is obligated to restore under any provision of this Partnership Agreement or is otherwise treated as being obligated to restore under Treasury Regulations Section 1.704-1(b)(2)(ii)(c) or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5); and (b) the debit to such Capital Account of the amounts described in Treasury Regulations Section 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 Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Administrative Adjustment Request" means an administrative adjustment request under Section 6227 of the Code.

"Administrative General Partner" means 2000 16th St Mutual Housing Association LLC, a California limited liability company, which is wholly owned by Mutual Housing California, or any other Person who becomes a successor administrative general partner pursuant to Section 10.1, Section 10.2 or Section 10.3

"Affected Partner" means at any point in time, with respect to any Administrative Adjustment Request or proposed Partnership Adjustment, any person who is a then current Partner or a Former Partner.

"Affiliate" means, (a) with respect to any Person (or as to every Partner if no Person is specifically named), (i) such Person or any member of his Immediate Family; (ii) the legal representative, successor, or assign of, or any trustee of a trust for the benefit of, any such Person 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 (10% or more) or partner of any Person referred to in the preceding clauses (i), (ii), and (iii); and (v) any Person directly or indirectly controlling (10% or more), controlled by or under direct or indirect common control with, any Person referred to in any of the preceding clauses; and (b) with respect to the Limited Partner, any limited liability company or limited partnership in which the managing member or general partner, as applicable, is NEF or an Affiliate of NEF**.**

"Affordable Housing Project" has the meaning set forth in Section 9.1.2.

"Annual Claim Form" means, collectively, the claim forms required to be submitted annually to the county assessor by which the Managing General Partner certifies that the use of the Project meets all of the requirements to qualify for the Welfare Exemption under Rule 140 of

the BOE Regulations, which forms, at the current time, include, but may not be limited to, Forms (i) BOE-267-A, (ii) BOE-277-L1, (iii) BOE-267-L1 and (iv) BOE-278-OCC.

"Applicable Federal Rate" means the "applicable federal rate" as defined in Code Section 1274(d).

"Applicable Percentage" means the applicable percentage for the Project determined in accordance with Section 42(b)(1) of the Code.

"Architect" means Kuchman Architects PC.

"Architect Agreement" means that certain agreement, dated September 6, 2024, by and between the Partnership and the Architect in connection with the design of the Project.

"Architect Certificate" means a certificate prepared and executed by the Architect certifying that construction of the Project Property has been completed in accordance with the Plans and Specifications. An acceptable Architect Certificate may, in Asset Manager's reasonable judgment, indicate punch list items which are not material and do not affect the rental of the space in the Project on a full rent paying basis, provided that the Partnership has delivered sufficient funds or cash equivalents in escrow, or has retained sufficient funds pursuant to the Construction Contract, to provide for the completion of such punch list items.

"Asset Management Fee" means an annual fee of $7,500, to be increased annually by three percent (3%).

"Asset Manager" means NEF Asset Manager LLC, an Illinois limited liability company, or any replacement or substitute entity selected by the Limited Partner in its sole and absolute discretion and identified in writing to the General Partner.

"Assignee" means a Person to whom all or any part of a Limited Partner's Partnership Interest has been transferred in a manner permitted under or contemplated by this Partnership Agreement, but who has not been admitted to the Partnership as a Substituted Limited Partner with respect to the transferred Partnership Interest.

"BOE Forms" means the forms prescribed by the BOE, as amended and supplemented from time to time, including but not limited to the Organizational Clearance Certificate and the Supplemental Clearance Certificate.

"BOE Regulations" means the regulations of the BOE, as amended and supplemented from time to time.

"BOE" means California State Board of Equalization.

"Building" means each building in the Project that is assigned a separate building identification number (BIN) in the documents evidencing the allocation of Tax Credits for the Project.

"Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) a day on which federally insured depository institutions in Chicago, Illinois are authorized or obligated by law, regulation, governmental decree or executive order to be closed. "Capital Account" means, with respect to any Partner, the capital account maintained for such Partner pursuant to Section 3.6.

"Capital Contribution" means, with respect to any Partner, the total amount of cash or any cash equivalents contributed and/or agreed to be contributed to the Partnership, including all adjustments thereto, as provided in this Partnership Agreement. Except for obligations incurred in connection with Section 6.4.6(i)-(iii), and any loans made in accordance with Section 3.7 hereof, any additional advances actually made by the General Partner shall be treated as a Capital Contribution of such General Partner for purposes of this Partnership Agreement. Any reference in this Partnership 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 Partnership Interest acquired by the substituted Partner, subject to all adjustments thereto pursuant this Partnership Agreement.

"CACDC" means Capitol Area Community Development Corporation, a California nonprofit public benefit corporation, which is the sole member of the Managing General Partner.

"CADA" means the Capitol Area Development Authority, a joint powers authority between the State of California and the City of Sacramento.

"CADA Gap Loan" means that certain [second priority nonrecourse construction to permanent loan from CADA in the amount of $[4,000,000], with a simple interest rate of 3% per annum, a 55 year term from Conversion, and payable from available Cash Flow].

"CADA Land Loan" means that certain [third priority nonrecourse construction to permanent loan from CADA in the amount of $[3,280,000], with a simple interest rate of [AFR]% per annum, a 55 year term from Conversion, and payable from available Cash Flow].

"CADA Loans" mean, together, the CADA Gap Loan and the CADA Land Loan.

"Cash Flow" means, with respect to any Fiscal Year of the Partnership, the Gross Cash Receipts for such year, reduced by the sum of the following: (a) Required Debt Service Payments; (b) all cash expenditures incurred incident to the Operating Expenses of the Partnership for that Fiscal Year; and (c) such cash as is necessary to (i) pay all accrued, outstanding trade payables, and (ii) establish any additional reserves as the Partners shall from time to time agree to establish.

"Cash Flow Debt Service Payments" means all principal, interest and other charges and fees that are principal and interest payments which are payable in connection with the Construction Loan and, or, any Permitted Loan, and the payment or amount of which are contingent on available net operating receipts of the Partnership, including, but not limited to, payment with respect to (a) loans payable solely from Cash Flow, (b) loans to the Partnership from the General Partner (including loans made pursuant to Section 3.7 or Sections 6.4.6(i) or 6.4.6(ii) hereof), and (c) loans to the Partnership from the Limited Partner.

"Certificate of Limited Partnership" means the Partnership's certificate of limited partnership prepared in accordance with the Act, dated and filed with the Filing Office on July 24, 2024, as amended by [_____].

"Certificate of Occupancy" means a certificate of occupancy issued by the local authority responsible for assuring compliance with building and zoning matters prior to occupancy of the Buildings in the Project. If said local authority does not issue certificates of occupancy, then (i) all material permits and approvals required for the normal use and occupancy of the Project that have been issued by the appropriate local authority, which are in full force and effect, and (ii) an Architect Certificate (or certificate from another qualified professional acceptable to Asset Manager) certifying that the Project complies with the Plans and Specifications, may be submitted to Asset Manager to fulfill any requirement hereunder for a certificate of occupancy. Temporary certificates of occupancy shall be acceptable if (i) such certificates permit occupancy of all of the Residential Units and any community building that is a part of the Project, (ii) the work remaining to be done is of a nature that would not impair the permanent occupancy of any of the Residential Units and/or any community building on a full paying basis, (iii) the conditions set forth for obtaining permanent certificates of occupancy for all Residential Units and any community building are readily achievable as determined by the Asset Manager in its reasonable discretion, and (iv) the Partnership has made adequate provision, to the reasonable satisfaction of the Asset Manager, for the payment and completion of any work that remains to be performed); provided however, that notwithstanding the foregoing, final certificates of occupancy are required to satisfy the Construction Completion requirement set forth in Section 6.4.6(i)(a) of this Partnership Agreement.

"Code" means the Internal Revenue Code of 1986, as the same may be amended from time to time (or any corresponding provisions of any successor law).

"Compliance Period" means, with respect to any Building in the Project Property, the fifteen (15) taxable years beginning with the first taxable year of the Credit Period with respect thereto, as defined in Section 42(i)(1) of the Code.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986), 42 U.S.C. 9601 et seq.

["Commercial Lease" means that certain triple net commercial lease between the Partnership and [_____].]

"Construction Completion" means the date upon which the Partnership has completed the construction of the Project in accordance with the Project Documents and the Loan Documents, as evidenced by (a) an Architect Certificate, (b) a Certificate of Occupancy for all Residential Units (and commercial units), and (c) construction disbursement documents (including, without limitation, the Contractor's final pay application excluding retainage) approved by the Asset Manager's construction inspector.

"Construction Completion Date" means the date on which Construction Completion is achieved, which in any event shall not exceed the date required by any Lender or State Housing Finance Agency.

"Construction Contract" means that certain agreement, dated [_____, 20__], by and between the Partnership and the Contractor in connection with the construction and/or rehabilitation of the Project.

"Construction Lender" means First Citizens Bank, a national banking association, or another lender reasonably acceptable to the Limited Partner.

"Construction Loan" means, collectively, (i) that certain loan in the original principal amount not to exceed $[30,164,000] from the Governmental Lender to the Partnership from proceeds of a loan from the Construction Lender financed by the Tax-Exempt Note, and (ii) that certain loan in the original principal amount not to exceed $[9,016,677] from the Governmental Lender to the Partnership from proceeds of a loan from the Construction Lender financed by the Taxable Note, which loans are evidenced by the Construction Loan Documents.

"Construction Loan Documents" means any and all of the documents evidencing, securing, or related to the Construction Loan, including but not limited to the commitment letter, loan agreement, Tax-Exempt Note, Taxable Note, mortgage, and any assignment of such documents to the [Fiscal Agent].

"Contractor" means Tricorp Group.

"Cost Certification" means the following documents which must be delivered to the Limited Partner after Placement in Service of the Project (a) a signed letter or certification from the Accountants in the form satisfactory to the State Housing Finance Agency and the Limited Partner certifying, among other things, that the Accountants have examined the books and records and will sign a tax return including the Project costs specified in the letter in Tax Credit basis, and a certification by the General Partner that the Accountants' letter accurately reflects actual Project costs.

"Credit Period" means, with respect to any Building in the Project the period of ten (10) taxable years beginning with (a) the taxable year in which the Building is placed in service or (b) at the election of the taxpayer, the next succeeding taxable year, but only if the Building is a qualified low-income building (as defined in the Code) as of the close of the first year of such period. Special rules apply to the determination of the Credit Period for multiple building Projects and the first year of the Credit Period pursuant to Code Section 42.

"Credit Reduction Payment" shall have the meaning attributed thereto in Section 6.9 of this Partnership Agreement.

"Credit Shortfall" shall have the meaning attributed thereto in Section 6.9.3 of this Partnership Agreement.

"CTA" means, collectively, the Corporate Transparency Act (31 U.S.C. Section 5333, et seq.), regulations issued by the United States Department of the Treasury thereunder (31 C.F.R. Part 1010), and any other state or federal law relating to beneficial ownership disclosure.

"Deferred Development Fee" means the Development Fees that are to be paid out of Cash Flow from the Project or the proceeds of sales and refinancings and not from the Capital Contribution of the Limited Partner or the Project financing.

"Designated Individual" shall have the meaning assigned to such term in Section 6.12.1 hereof.

"Developer" means Mutual Housing California, a California nonprofit public benefit corporation, and Capitol Area Community Development Corporation, a California nonprofit public benefit corporation.

"Development Fee Agreement" means the Development Fee Agreement attached as **Exhibit E** entered into or to be entered into by the Partnership and the Developer pursuant to which the Developer shall have primary responsibility for the development of the Project Property.

"Development Completion Guaranty" means all of the obligations of the General Partner as described in Section 6.4.6(i) of this Partnership Agreement.

"Development Fee" and "Developer Fee" mean the fee in the amount of [Six Million Two Hundred One Thousand Nine Hundred Eighty-Nine] and No/100 Dollars ($[6,201,989].00) described in the Development Fee Agreement, which shall be payable at the times and upon the conditions set forth in the Development Fee Agreement and Section 3.2 hereof, and as may be increased in accordance with the terms and conditions of the Development Fee Agreement.

"Disposition Fee" means the fee described in Section 6.5.4.

"Eligible Basis" means, generally, the adjusted basis of a Building for depreciation purposes determined as of the close of the first taxable year of the Credit Period, subject to certain exclusions as set forth in the Code.

"Environmental Certification" means delivery to the Limited Partner, upon completion of rehabilitation or construction, of a certification by the General Partner that the Project has been completed in accordance with the recommendations contained in the environmental report(s) for the Project.

"Environmental Law" means (a) CERCLA, (b) the Clean Air Act, as amended, 42 U.S.C. 7401 et seq., (c) the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (d) the Hazardous Materials Transportation Act, as amended, 39, U.S.C. 1801 et seq., (e) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6901 et seq., (f) the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 et seq., (g) the Safe Drinking Water Act, as amended, 42 U.S.C. 300f et seq., (h) the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4821 et seq.; (i) the Occupational Safety and Health Act of 1970, 29 U.S.C. 651 et seq.; (j) the Hazardous Substance Account Act, California Health and Safety Code Section 25300 et seq., (k) the Hazardous Waste Control Law, California Health and Safety Code Section 25100 et

seq., (l) the Porter-Cologne Water Quality Control Act, California Water Code Section 13000 et seq., (m) any other similar state or local law, or (n) any regulation adopted or publication promulgated pursuant to any such laws".

"Event of Default" has the meaning set forth in Section 10.6 hereto.

"Expense Coverage Ratio" shall be defined as the Gross Cash Receipts for a specified period (excluding for this purpose the amount of any income from tenant-based (not project-based) rent subsidy vouchers for Tax Credit Units to the extent that the income from any such unit exceeds the maximum applicable Tax Credit rent) divided by all Operating Expenses. The Operational Costs of the Partnership shall be used to calculate Expense Coverage Ratio only for purposes of defining Stabilized Occupancy.

"Extended Use Agreement" means the extended low-income housing commitment entered into between the Partnership and the State Housing Finance Agency pursuant to Section 42(h)(6) of the Code.

"FEIN" means Federal Employer Identification Number.

"Fifth Installment" has the meaning set forth in Section 3.2.5 of this Partnership Agreement.

"Filing Office" means the Secretary of State of the Project State.

"First Installment" has the meaning set forth in Section 3.2.1 of this Partnership Agreement.

"First Year Tenant Files" means such information or documents that evidence the tenant's qualification to occupy the Tax Credit Unit, including, but not limited to, tenant applications, executed tenant lease agreements, tenant income and asset certifications and verifications, student status verification, and rent rolls obtained by the Property Management Agent with respect to those tenants who occupy the Tax Credit Units during the period beginning with the date that the Project achieves Placement in Service and ending with the date that the Project achieves Qualified Occupancy.

"First Year Timing Reduction" means the reduction in the Capital Contribution of the Limited Partner designed to compensate the Limited Partner for the reduced present value of delayed Tax Credits.

["Fiscal Agent" means [_____].]

"Fiscal Year" means the calendar year unless otherwise specified in writing by the Limited Partner.

"Foreign Drywall" means drywall, plasterboard, gypsum board or sheetrock manufactured in or imported from China.

"Form 8609" means the IRS Form 8609 (Low-Income Housing Tax Credit Allocation Certification) issued by the State Housing Finance Agency for each residential Building in the Project which finally allocates Tax Credits to such residential Building as evidenced by the execution of Part II of the form by the State Housing Finance Agency.

"Former Partner" means any Person who was a Reviewed Year Partner but is not a Partner in the year of an Administrative Adjustment Request or proposed Partnership Adjustment.

"Fourth Installment" has the meaning set forth in Section 3.2.4 of this Partnership Agreement.

"GAAP" means generally accepted accounting principles established by the Financial Accounting Standards Board or the American Institute of Certified Public Accountants in effect in the United States, as amended from time to time.

"General Partner" means the Administrative General Partner and the Managing General Partner, referred to herein singularly and collectively as the General Partner, as the context may require or suggest.

"Governmental Lender" means [_____].

["Grants" means that (these) certain grant(s) to the Partnership from the following grantor(s) in the following amount(s): [_____] and No/100 Dollars ($_____.00) from _____.]

"Gross Cash Receipts" means all cash received from the operations of the Partnership, including all government subsidies due and payable at such time but not yet received by the Partnership, but excluding Capital Contributions, loan proceeds, prepayment of rent, security deposits, insurance proceeds, condemnation awards, proceeds from Net Cash from Sales and Refinancings, and any other funds not generated from current Project operations, unless otherwise permitted by the Asset Manager in its sole discretion.

"Guarantor(s)" means MHC and CADA.

"Guaranty Agreement" means the Guaranty Agreement attached as **Exhibit F** between the Partnership and the Guarantor(s) dated as of the date hereof whereby the Guarantor(s) guaranty(ees) the obligations of the General Partner under the Partnership Agreement**.**

"Hazardous Substance" means any substance defined in any Environmental Law as a hazardous substance, including, but not limited to, any hazardous material, hazardous waste, toxic substance or toxic waste lead-based paint, asbestos, methane gas, urea formaldehyde insulation, oil, toxic substances, petroleum, benzene, toluene, ethylbenzene or xylene (BTEX), methyl tertiary butyl ether (MTBE) underground storage tanks, polychlorinated biphenyls (PCBs), radon, Microbial Matter, or any other pollutant that may have a material adverse effect on the Project.

"HCD" means the California Department of Housing and Community Development.

"HCD Loan" means that certain [first priority nonrecourse permanent loan from HCD made from Affordable Housing and Sustainable Communities funds in the amount of $[25,300,000] bearing no interest but requiring payments of 0.42% of the original principal balance, having a 55 year term from Conversion, and payable from available Cash Flow.]

"HCD Standard Agreement" means that certain Standard Agreement No. [ ] between MHC and HCD].

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

"Immediate Family" means, with respect to any Person, his or her spouse, children, including adopted children, step-children, 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 Person or any of the foregoing.

"Imputed Underpayment" shall have the meaning assigned to such term in Section 6225 of the Code.

"Incentive Partnership Management Fee" means the portion of Cash Flow that is paid to the General Partner pursuant to Section 5.1.1 and Section 6.5.5 as an additional fee for managing the affairs of the Partnership.

"Initial Agreement" means the Partnership's original limited partnership agreement entered into as of August 22, 2024, by and between the Managing General Partner, the Administrative General Partner and the Initial Limited Partner.

"Initial Limited Partner" means collectively, 2000 16th St CACDC Association, LLC and 2000 16th St Mutual Housing Association, LLC.

"Institutional Investor " has the meaning set forth in Section 9.1.2.

"Involuntary Event" means, with respect to any Partner any one of the following events: (a) the making of an assignment for the benefit of creditors by the Partner; (b) the filing of a voluntary petition in bankruptcy by the Partner; (c) the adjudication of the Partner as a bankrupt or insolvent; (d) the filing of a petition or answer by the Partner seeking for itself a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule; (e) the seeking, consenting to or acquiescence of the Partner in the appointment of a trustee, receiver, or liquidator of the Partner or of all or any substantial part of the Partner's properties; (f) the death of any Partner who is a natural person; or (g) the termination of the legal existence of any Partner who is other than a natural person.

"Involuntary Transfer" means any transfer of any Partner's Partnership Interest effected by operation of law as a result of the occurrence of an Involuntary Event.

"IRS" means the Internal Revenue Service.

"Lender" or "Lenders" means the Construction Lender and/or the Subordinate Cash Flow Lenders, as the context requires.

"Limited Partner" means NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee, or any Person who becomes a Substituted Limited Partner pursuant to Section 9.1, Section 9.2, Section 9.3 or Sections 9.5, 9.6 or 9.7. If there is more than one Limited Partner, they are referred to herein singularly and collectively as the Limited Partner, as the context may require or suggest.

"Liquidation Manager" means any Person selected by the Limited Partner.

"Loan Documents" means (a) the Construction Loan Documents, (b) the Subordinate Cash Flow Loan Documents; (c) the Regulatory Agreement; (d) any rent assistance agreement and any grant or subsidy agreement from a unit of local, state or federal government; and (e) any and all other documents executed by the Partnership evidencing, securing or related to such Loan Documents.

"Market Rate Units" means Project units that are not subject to the Tax Credit income limitations under Section 42 of the Code.

"Microbial Matter" means any fungi or bacterial matter which reproduces through the release of spores or the splitting of cell, including, but not limited to, mold, mildew, and viruses, whether or not such fungi or bacterial matter is living.

"Mini Audit" means the audit procedures performed by the Limited Partner's accountants, in accordance with Section 8.4.2(ii), of the Partnership's financial books and records for the Fiscal Year in which the Project achieves Placement in Service, which procedures shall include, without limitation, review and analysis of Partnership trial balances, general ledger, bank statements, loan statements and documents, accounts payable and other payable schedules, Project cost certifications, rent rolls, depreciation/amortization schedules and material expenses.

"MHC" means Mutual Housing California, a California nonprofit public benefit corporation, which is the sole member of the Administrative General Partner.

"NEF" means National Equity Fund, Inc., an Illinois not-for-profit corporation.

"Net Cash from Sales and Refinancings" means, with respect to any Fiscal Year of the Partnership, the cash proceeds from Partnership sales or refinancings reduced by (a) all reasonable costs and expenses incurred by the Partnership in connection with such sale (not including the Disposition Fee, if any) or refinancing, (b) all principal and interest payments and other sums paid on or with respect to any indebtedness of the Partnership, other than amounts treated as loans pursuant to the Partnership Agreement from the General Partner, the Developer, the Guarantor or the Limited Partner, (c) any amounts reasonably required to be set aside in reserves for the Project (which shall include funding the Operating Reserve up to the Operating Reserve Target Amount if applicable), and (d) application of the refinancing proceeds for the use for which they were obtained. Net Cash from Sales and Refinancing shall include all principal and interest payments with respect to any note or other obligation received by the Partnership in connection with the sale or other disposition of Project Property.

"Non-Deferred Developer Fee Equity" has the meaning set forth in Section 3.2.

"Nonrecourse Deduction" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations. The amount of Nonrecourse Deductions for any Fiscal Year of the Partnership equals the excess, if any, of the net increase, if any, in the amount of Partnership Minimum Gain during that Fiscal Year reduced (but not below zero) by the aggregate amount of any distributions during that Fiscal Year of proceeds of a Nonrecourse Liability that are allocable to an increase in Partnership Minimum Gain, determined in accordance with Section 1.704-2(c) of the Regulations.

"Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

"Operating Deficit" means the amount by which the collected revenues of the Partnership from rental payments made by tenants of the Project (including governmental subsidies received during such period) and all other revenues of the Partnership (excluding Capital Contributions, proceeds of any loans to the Partnership, investment earnings on funds on deposit in the reserve fund for replacements and other such reserve or escrow funds or accounts, prepayment of rent, security deposits and any other funds not generated from current Project operations) for a particular period of time is exceeded by the sum of (i) all Operating Expenses, and (ii) all Required Debt Service Payments during the same period of time. In computing the Operating Deficit, all cash expenditures or amounts budgeted to be spent for capital improvements (excluding payments for construction of the Project) during the period described above shall also be taken into account, unless such amounts are funded from Project reserves. Operating Deficits shall be measured on a monthly basis and funded as necessary during the Operating Deficit Guaranty Period.

"Operating Deficit Guaranty" means all of the obligations of the General Partner as described in Section 6.4.6(ii) of this Partnership Agreement.

"Operating Deficit Guaranty Amount" means [Six Hundred Ninety Thousand Six Hundred Ninety-Five and No/100 Dollars ($[690,695.00)].

"Operating Deficit Guaranty Period" means the period beginning with the date on which the Project achieves Stabilized Occupancy and ending on the date on which the Partnership has achieved an Expense Coverage Ratio of 1.10 or better, measured on an annualized basis, for a period of two consecutive years commencing on or after the third anniversary of achievement of Stabilized Occupancy, provided that that if the Operating Reserve is not funded on the last day of such period in an amount greater than or equal to the Operating Reserve Target Amount, then the Operating Deficit Guaranty Period shall be extended until such time as the Operating Reserve Account is funded in an amount that is greater than or equal to the Operating Reserve Target Amount. Any amount funded by the General Partner into the Operating Reserve pursuant to the Development Completion Guaranty under Section 6.4.6(i)(b) will not be included in determining whether the Operating Reserve Target Amount has been funded as required by the preceding sentence.

"Operating Expenses" means all expenses incurred incident to the operation of the Project and the Partnership including, without limitation, administrative expenses of the Partnership, Project maintenance costs, insurance premiums, amounts required to fund deductibles, claims and related expenses to the extent not funded from insurance proceeds, fees to lenders and/or any applicable mortgage insurance premium payments, utilities, Property Management Agent Fee,

taxes, assessments, fees for Supportive Services, required deposits into the Replacement Reserve and other reserves or escrow accounts, including any arrearages that must be funded, capital expenditures not paid from any reserves, equity or development financing proceeds, and all other Partnership obligations or expenditures that become due and payable, excluding Required Debt Service Payments, Cash Flow Debt Service Payments, fees and other expenses and obligations of the Partnership to be paid from Capital Contributions and capital expenditures paid from reserves, equity or development financing proceeds.

"Operating Reserve" means the amount required by the Partnership Agreement or the Loan Documents to be reserved by the Partnership to fund Operating Deficits arising with respect to the Project, which reserve shall be funded as described in Section 6.4.7(ii).

"Operating Reserve Account" means a segregated Partnership bank account established by the General Partner to hold the Operating Reserve, as described in Section 6.4.7(ii).

"Operating Reserve Target Amount" means [Four Hundred Sixty Thousand Six Hundred Fifty] and No/100 Dollars ($[460,650].00) and maintained as described in Section 6.4.7(ii).

"Operational Costs of the Partnership" means Seasonally Adjusted Operating Expenses, but excluding the Deferred Development Fee, the Partnership Management Fee, the Incentive Partnership Management Fee, and the Asset Management Fee to the extent such fees are payable solely out of Cash Flow. The Operating Costs of the Partnership identified by the General Partner shall be evidenced by a certification of the General Partner confirming such matters and stating that all trade payables have been satisfied or will be satisfied by cash held by the Partnership on the date of such certification. The Operational Costs of the Partnership for any period shall be the greater of (a) the Project's actual Seasonally Adjusted Operating Expenses for such period, or (b) the anticipated operational costs of the Project for such period determined on an accrual basis in accordance with the operating expenses of the Project shown in the Projections for the applicable period (provided that if the actual Project property tax (based on an assessed value that reflects construction completion) and actual insurance expenses incurred by the Partnership for the subject period are available, then the actual Project property tax and insurance expenses shall be used in determining the Operational Costs of the Partnership).

"Opt-Out Election" means action by the Partnership Representative that causes the Partnership to elect out of the Revised Partnership Audit Procedures if such election is available to the Partnership under Section 6221(b) of the Code and Regulations or other guidance issued by the IRS.

"Owner's Title Insurance Policy" means the fully executed, ALTA Owner's Policy of Title Insurance in final form (which includes the customary "jacket" of preprinted terms and conditions), dated on or about the date hereof, which shall be consistent with the "marked-up" commitment or proforma approved by the Limited Partner on or prior to the date hereof.

"Owner's Title Report" means a title search report issued by the same title company that issued the Owner's Title Insurance Policy that sets forth, among other things, the ownership of the Project Property, any liens of record, and any encumbrances affecting the Project Property as of a specified date after Construction Completion approved by the Limited Partner.

"Partner" or "Partners" mean the General Partner and Limited Partner, either individually or collectively.

"Partner Minimum Gain" means an amount, with respect to each Partner Nonrecourse Debt, equal to the Partnership Minimum Gain that would result if such Partner Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with 1.704-2(i) of the Regulations.

"Partner Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

"Partner Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(i)(2) of the Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership Fiscal Year equals the net increase during that Fiscal Year in Partner Nonrecourse Debt reduced (but not below zero) by the proceeds of the Partner Nonrecourse Debt distributed during that Fiscal Year to the Partner bearing the economic risk of loss for the Partner Nonrecourse Debt that are both attributable to the Partner Nonrecourse Debt and allocable to an increase in Partner Minimum Gain, as determined in accordance with Section 1.704-2(i)(2) of the Regulations.

"Partnership" means 2000 16th St Associates, LP, a California limited partnership.

"Partnership Adjustment" means any adjustment to any item of income, gain, loss, deduction, or credit of the Partnership, or any Partner's distributive share thereof, in either case as described in any applicable Regulations or other guidance prescribed by the IRS.

"Partnership Agreement" means this Amended and Restated Limited Partnership Agreement of the Partnership, as amended from time to time. Words such as "herein", "hereinafter", "hereof", "hereto" and "hereunder" refer to this Partnership Agreement as a whole, unless the context otherwise requires.

"Partnership Interest" means, 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 under this Partnership Agreement and the Act.

"Partnership Management Fee" means the fee for managing the affairs of the Partnership as described in Section 6.5 in the initial annual amount of $35,887 (increasing annually at 3%) that is paid to the General Partner from Cash Flow and/or Net Cash from Sales and Refinancings pursuant to Section 5.1.1 and Section 5.2.1 hereof.

"Partnership Minimum Gain" has the meaning set forth in Section 1.704-2(d) of the Regulations.

"Partnership Property" means all real and personal property acquired by the Partnership and any improvements thereto, and shall include both tangible and intangible property.

"Partnership Representative" shall have the meaning assigned to such term in Section 6.12.1 hereof.

"Permanent Credit Increase" has the meaning set forth in Section 6.9.4 hereto.

"Permanent Credit Reduction" has the meaning set forth in Section 6.9.1 hereto.

"Permanent Credit Reduction Adjustment" has the meaning set forth in Section 6.9 hereto.

"Permitted Loan" means, collectively, (a) the Subordinate Cash Flow Loans and (b) loans to the Partnership from the General Partner and/or the Limited Partner in accordance with this Partnership Agreement.

"Person" means an individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, cooperative or association and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits.

"Placement in Service" means occurrence of all of the following: (a) substantial completion of rehabilitation or construction, (b) issuance of Certificate(s) of Occupancy for all Residential Units in the Project, and (c) placement in service as defined for purposes of determining qualified basis and Tax Credits under federal tax law.

"Plans and Specifications" mean the plans and specifications attached and made a part of the Construction Contract, as supplemented by any change orders approved by the Limited Partner pursuant to Section 6.2 for the Project approved in writing by the Limited Partner.

"Post-Closing Document Delivery Agreement" means that certain agreement by and between the General Partner and the Limited Partner, dated as of the date hereof, with respect to certain documents that are required to be delivered by the General Partner to the Limited Partner within a specified period of time after closing.

"Prime Rate" means the interest rate announced from time to time by the Warehouse Lender, or its successor, or, if there is no Warehouse Lender, by JPMorgan Chase Bank, Chicago, Illinois, as its prime lending rate, expressed as a percent per annum. The "Prime Rate" shall be determined on a daily basis.

"Profits" and "Losses" mean, for each Fiscal Year of the Partnership, an amount equal to the Partnership's taxable income or loss for such period from all sources, except as provided for in Section 4.2.13, determined in accordance with Section 703(a) of the Code, adjusted in the following manner: (a) the income of the Partnership that is exempt from federal income tax shall be added to such taxable income or loss; (b) any expenditures of the Partnership which are not deductible in computing its taxable income and not properly chargeable to capital account under either Section 705(a)(2)(B) of the Code or the Regulations promulgated under Section 704(b) of the Code shall be subtracted from such taxable income or loss; (c) in the event any Partnership Property is revalued in accordance with Section 1.704-1(b)(2)(iv)(f) of the Regulations, then the amount of any adjustment to the value of such Partnership Property shall be taken into account as gain or loss from the disposition of such Partnership Property for purposes of computing Profits

or Losses; (d) gain or loss resulting from any disposition of Partnership Property which has been revalued pursuant to Section 1.704-1(b)(2)(iv)(f) of the Regulations and with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the adjusted value of such Partnership Property, notwithstanding that the adjusted tax basis of such Partnership Property differs from the adjusted value; (e) any depreciation, amortization or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Partnership Property which has been revalued in accordance with Section 1.704-1(b)(2)(iv)(f) of the Regulations; and (f) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to Section 4.2.1 and Sections 4.2.4 through 4.2.15 shall not be taken into account in computing Profits or Losses.

"Prohibited Actor" has the meaning set forth in Section 9.1.2.

"Project Closing Checklist" means the Limited Partner's most recent checklist of items that must be submitted to the Limited Partner and approved by the Limited Partner before it will enter the Partnership.

"Project Documents" means any or all of the agreements or contracts related to the construction, development, financing and operation of the Project, including Plans and Specifications, Loan Documents, Construction Contract, Architect Agreement, Regulatory Agreement, [the construction escrow agreement executed by the Partnership], Property Management Agreement, [Commercial Lease], fee agreements, and any other document or instrument executed in connection with the construction, development and operation of the Project.

"Project Equity" has the meaning set forth in Section 3.2.

"Project Property" or "Project" means the affordable housing rental project to be known as Sakura, which project will be located at 2000 16th Street, Sacramento, CA 95818 and will be comprised of one (1) Building containing one hundred and thirty-five (135) Residential Units, [administration offices, community rooms, central laundry facilities, underground and surface parking, a playground, and all furnishings, equipment and personal property used in connection with the operation thereof]. It is expected that one hundred thirty-four (134) Residential Units will be Tax Credit Units, no Residential Units will be Market Rate Units, and one (1) Residential Unit will serve as an unrestricted manager's unit. [The Project will include approximately 2,500 square feet of ground floor commercial space.]

"Project State" means California.

"Projected First Tax Credit Year" means the first year, as set forth in the Projections, that Tax Credits are expected to be allocable to the Project during the Credit Period.

"Projected Second Tax Credit Year" means the second year, as set forth in the Projections, that Tax Credits are expected to be allocable to the Project during the Credit Period.

"Projected Stabilized Occupancy Date" means [April 1, 2028].

"Projected Tax Credits" means the product of (i) 99.99%, multiplied by (ii) the Tax Credits shown in the Projections as expected to be allocable to the Project. The Tax Credits expected to

be allocable to the Project during each year of the Credit Period for purposes of making the calculation set forth in the preceding sentence are $[704,301] for the year 2027, $[1,871,928] for each year of [2028] through [2036], and $[1,167,627] for the year [2037], as shown in the Projections attached hereto.

"Projected Third Tax Credit Year" means the third year, as set forth in the Projections, that Tax Credits are expected to be allocable to the Project during the Credit Period.

"Projections" means the projections attached hereto as Appendix I, as they may be amended pursuant to this Partnership Agreement.

"Property Management Agent" means initially Mutual Housing Management or such other Property Management Agent as is selected by the General Partner from time to time or identified by the Limited Partner pursuant to Section 6.4.9 with the prior written consent of the Asset Manager.

"Property Management Agent Fee" means a fee of up to [8% of the gross collected rents] from the Project payable to the Property Management Agent, as described in the Property Management Agreement, of which, 50% will be subordinated, as long as the Property Management Agent is related to the General Partner, to maintain breakeven operations.

"Property Management Agreement" means the Property Management Agreement entered into or to be entered into by the Partnership and the Property Management Agent pursuant to which the Property Management Agent shall have primary responsibility for overseeing the management of the Project Property, as described in Section 6.4.9.

"Purchase Option and Right of First Refusal Agreement" has the meaning set forth in Section 9.5.

"Push-Out Election" means an election by the Partnership Representative under Section 6226 of the Code with respect to any Imputed Underpayment(s) identified in a Partnership Adjustment for the Partnership.

"QAP" means the Qualified Allocation Plan for the Project.

"Qualified Basis" has the meaning set forth in Section 42(c)(1) of the Code.

"Qualified Group" has the meaning set forth in Treas. Reg. Section 1.42-19(b)(2).

"Qualified Occupancy" means the initial occupancy of 100% of the Tax Credit Units by qualified tenants pursuant to Section 42 of the Code.

"Qualified Occupancy Date" means October 31, 2027.

"Qualified Tax-Exempt Bond-Financed Project" means an affordable housing project in which a portion of the Eligible Basis of a Building is financed with certain tax-exempt bonds, which qualifies for Tax Credits pursuant to Section 42(h)(4)(A) and (B) of the Code.

"Regulations" means the Federal Income Tax Regulations (including without limitation, Temporary Regulations) promulgated under the Code, as the same may be amended from time to time (including corresponding provisions of successor regulations).

"Regulatory Agreement" means, to the extent applicable, and collectively, (a) the Extended Use Agreement, and (b) any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Partnership and any Lender, or any applicable government agency setting forth certain terms and conditions under which the Project is to be developed and/or operated.

"Replacement Reserve" means the amount of funds required by the Partnership Agreement or the Loan Documents to be reserved by the Partnership to fund capital replacement costs with respect to the Project, which reserve shall be funded as described in Section 6.4.7(iii).

"Replacement Reserve Account" means a segregated Partnership bank account held by the General Partner and established to hold the Replacement Reserve, as described in Section 6.4.7(iii).

"Required Debt Service Payments" means all principal, interest and other required recurring charges and fees that are required to be paid monthly, or at some other regular period, which are payable in connection with the Construction Loan and, or, any Permitted Loan, but only to the extent that payment of such amount is not contingent on available net operating receipts of the Partnership.

"Residential Units" means the individual residential rental housing Tax Credit Units and the Market Rate Units located on the Project Property.

"Reviewed Year" means the Partnership taxable year to which a Partnership Adjustment relates.

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

"Revised Partnership Audit Procedures" means the revised partnership audit rules contained in 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 the Regulations promulgated thereunder.

"Right-Sized Escrow Amount" means cash to be escrowed by the General Partner in an amount necessary for the Partnership to achieve an Expense Coverage Ratio of at least 1.05 or better for a period commencing upon disbursement of the Third Installment and ending upon the expiration of the Compliance Period, all as determined by the Asset Manager in its reasonable discretion. Calculation of the Expense Coverage Ratio for each such period shall be based upon the Operational Costs of the Partnership and Gross Cash Receipts, excluding any non-rental income that exceeds the amount of non-rental income specified in the Projections as adjusted utilizing a vacancy factor equal to the greater of the percentage set forth on the "Assumptions" page of the Projections or the actual vacancy of the Project for the prior month's operations and excluding the amount of any income from tenant-based (not project-based) rent subsidy vouchers

with respect to Tax Credit Units to the extent that the income from any such unit exceeds the maximum applicable Tax Credit rent.]

"Right-Sized Payment Amount" has the meaning set forth in Section 6.4.6(i)(b).

"RT Code" means the California Revenue and Taxation Code, as amended and supplemented from time to time.

"Seasonally Adjusted Operating Expenses" means the Operating Expenses for a specified period as adjusted to take into account seasonal or periodic expenses incurred on an unequal basis during a full calendar year (such as utilities, maintenance expense and real estate taxes) and prorated evenly over the 12 month period, as reasonably determined by the Asset Manager.

"Second Installment" has the meaning set forth in Section 3.2.2 of this Partnership Agreement.

"Second Year Timing Reduction" means the reduction in the Capital Contribution of the Limited Partner designed to compensate the Limited Partner for the reduced present value of delayed Tax Credits.

["Section 163(j)(7)(B) Election" means the election made by the Partnership under Section 163(j)(7)(B) of the Code on the Partnership's tax return for the year in which Placement in Service occurs to allow the Partnership to take interests deductions, as reflected in the Projections.]

"Service Provider" means MHC.

["Service Provider Agreement" means that certain agreement by and between the Property Management Agent and the Service Provider pursuant to which the Service Provider shall have primary responsibility for providing certain services to the tenants of the Project.**]**

["Service Provider Documents" means the Service Provider Agreement and the following related documents : [service commitment letter, dated August 27, 2024, from MHC to the Sacramento Housing and Redevelopment Authority; service amenities information sheet; service amenities budget; and resident service provider job description .**]**

["Services Reimbursement" means an annual, noncumulative reimbursement of up to $[19,152] [(increasing annually by __%)] paid from Cash Flow and/or Net Cash from Sales and Refinancings pursuant to Section 5.1.1 hereof to the Service Provider as a reimbursement for the actual costs of providing services to the residents of the Project.]

"Sponsor" means MHC and CACDC, referred to herein singularly and collectively as the Sponsor, as the context may require or suggest.

["Sponsor Loan" means that certain [fourth priority recourse construction and permanent loan from [the Sponsor] made with Sacramento Municipal Utility District Go Electric multifamily property incentive funds in the amount of $507,678], bearing 0% interest, a 55 year term from Conversion, and payable from available Cash Flow.]

"Stabilized Occupancy" means the date upon which all of the following conditions are satisfied: (a) after Construction Completion, at least 90% of the Residential Units have been occupied for a period of three (3) consecutive months; and (b) the Gross Cash Receipts (excluding, unless otherwise permitted by the Asset Manager in its sole discretion, any non-rental income that exceeds the amount of non-rental income specified in the Projections, as adjusted utilizing a vacancy factor equal to the greater of the percentage set forth on the "Assumptions" page of the Projections or the actual vacancy of the Project, and excluding for this purpose the amount of any income from tenant-based (not project-based) rent subsidy vouchers for Tax Credit Units to the extent that the income from any such unit exceeds the maximum applicable Tax Credit rent) for a three (3) consecutive calendar month period after Construction Completion (and that Asset Manager and the General Partner agree is as close as practicable to the date of Project conversion) from those Residential Units collectively equal or exceed each of the following: (i) the projected revenues as set forth in the Projections for the same three (3) month period; and (ii) an amount sufficient to yield an Expense Coverage Ratio of not less than 1.10 during each month of such three (3) consecutive month period based on the Operational Costs of the Partnership].

"State Housing Finance Agency" means the agency controlling the allocation of Tax Credits and administering the Tax Credits for the Project State.

"Subordinate Cash Flow Lender" means those lenders, together with any successors or assigns in such capacity, reasonably acceptable to the Limited Partner, that are expected to make the Subordinate Cash Flow Loan.

"Subordinate Cash Flow Loan" means those loans expected to be made from the following lenders in the amount(s) set forth after their (its) name(s), which do not have any required payments from Gross Cash Receipts:

	Lender	Loan Amount
1.	HCD	$[25,300,000] - HCD Loan
2.	CADA	$[4,000,000] - CADA Gap Loan
3.	CADA	$[3,280,000] - CADA Land Loan
4.	[Sponsor]	$[507,678] – Sponsor Loan

"Subordinate Cash Flow Loan Documents" means any and all of those Subordinate Loan Documents evidencing, securing, or related to each of the Subordinate Cash Flow Loans, including but not limited to the commitment letter, agreement, note, and mortgage for each such loan.

"Substituted Limited Partner" means a Person who is admitted as a Limited Partner to the Partnership pursuant to Section 9.2 or Section 9.3 in place of and with all the rights of a limited partner under the Partnership Agreement and the Act.

"Supplemental Clearance Certificate" has the meaning prescribed by the BOE, as set forth in BOE Forms, as amended and supplemented from time to time.

"Taxable Note" means [California Municipal Finance Authority Multifamily Housing Revenue Note (Sakura) 2025 Series [A-2] (Taxable)].

"Tax Credit" or "Credit" means the low income housing tax credit under Section 42 of the Code.

"Tax Credit Units" means Project units that are subject to the Tax Credit income limitations under Section 42 of the Code as specified in the Projections.

"Taxes" means any taxes, penalties, additions to tax, additional amounts and interest as described in Section 6226 of the Code.

"Tax-Exempt Note" means [California Municipal Finance Authority Multifamily Housing Revenue Note (Sakura) 2025 Series [A-1]].

"Temporary Permitted Investments" means (a) direct obligations of, or obligations unconditionally guaranteed by, the United States of America or any agency thereof; (b) certificates of deposit, in amounts not exceeding the federally insured amount, issued by any commercial bank organized and doing business under the laws of the United States of America or any state thereof whose deposits are federally insured; (c) money market funds rated in the highest rating category by a nationally recognized statistical rating organization; and/or (d) such other investment vehicle as shall be approved in writing by the Limited Partner.

"Third Installment" has the meaning set forth in Section 3.2.3 of this Partnership Agreement.

"Treasury" means the United States Department of the Treasury, including the United States of America acting through the Treasury.

"Voluntary Transfer" means any sale, assignment, transfer, pledge, or hypothecation of any Partnership Interests by a Partner, except for (a) an Involuntary Transfer, (b) any transfer in connection with an LP Pledge under Section 9.9, (c) a voluntary withdrawal by the Limited Partner under Section 9.10 or (iv) the Limited Partner's exercise of its Put Right under Section 9.7.

"Warehouse Lender" means Morgan Stanley Senior Funding, Inc., as agent (together with its successors and/or assigns in such capacity, "Morgan Stanley"). For purposes of Section 9.7.5 hereof, written notice shall be given to the Warehouse Lender as follows: 201 S. Main Street, Salt Lake City, Utah 84111, Attention: Kisty Morris, Tel: 801-236-3691, Fax: 801-236-3687 and at 1585 Broadway, New York, NY 10036, Attention: Dan Heldridge, Vice President, Tel: 212-761-2159, Fax: 917-760-9634, or at such other address as Warehouse Lender may from time to time designate.

ARTICLE 2: ORGANIZATION

Section 2.1 Continuation of Partnership. The Partnership was formed by filing of the Certificate of Limited Partnership with the Filing Office on July 24, 2024, and by the execution of the Initial Agreement. The Partners desire to continue the Partnership under and pursuant to the provisions of the Act. By executing this Partnership Agreement, the parties hereto agree that the Initial Agreement is hereby amended and restated in its entirety and the Limited Partner is hereby admitted to the Partnership on the terms and conditions set forth herein, and by executing the withdrawal signature page hereof, the Initial Limited Partner hereby concurrently withdraws from the Partnership, all to become effective upon filing of an amended Certificate of Limited Partnership reflecting such changes if and to the extent required by the Act.

Section 2.2 Character and Purpose of Business. The general character and purpose of the business of the Partnership is: (i) primarily to acquire, construct, own, finance, lease, and operate the Project Property in a manner that provides decent, safe and affordable housing for low-income persons and ensures that the Project Property will be and remain a qualified low income housing project within the meaning of Section 42 of the Code; (ii) to eventually sell or otherwise dispose of the Project Property in a manner consistent with the provisions of this Partnership Agreement; and (iii) to engage in all other activities incidental or related thereto.

Section 2.3 Name of Partnership. The name of the Partnership is "2000 16th St Associates, LP".

Section 2.4 Principal Place of Business. The address of the principal place of business of the Partnership shall be 1522 14th Street, Sacramento, CA 95814, or such other address as the Partners may select from time to time.

Section 2.5 Principal Office. The address of the principal office of the Partnership is 1522 14th Street, Sacramento, CA 95814, or such other address as the Partners may select from time to time.

Section 2.6 Agent for Service of Process. The Partnership's agent for service of process is Danielle Foster, or such other agent as the General Partner may select from time to time with written notice to the Limited Partner. The address of the agent for service of process is 1522 14th Street, Sacramento, CA 95814.

Section 2.7 Name and Address of General Partner. The name and address of the Administrative General Partner is:

2000 16th St Mutual Housing Association LLC
3321 Power Inn Road, Suite 320
Sacramento, CA 98826

The name and the address of the Managing General Partner is:

2000 16th St CACDC Association, LLC
1522 14th Street
Sacramento, CA 95814

Section 2.8 **Name and Address of Limited Partner**. The name and address of the Limited Partner is:

NEF Assignment Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attention: General Counsel
Email: projectnotices@nefinc.org with subject line of SMT# 83429

NEF Assignment Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attention: SVP Asset Management

Section 2.9 **Governmental Filings**. The General Partner shall make all governmental filings as are necessary or appropriate to qualify the Partnership (i) to do or continue to do business in the Project State and any other jurisdiction or (ii) to otherwise carry out the purposes and intent of this Partnership Agreement. In addition, the General Partner shall timely and properly file of record the Extended Use Agreement.

Section 2.10 **Term of Partnership**. The term of the Partnership began on July 24, 2024 (the date on which the Certificate of Limited Partnership was first filed with the Filing Office) and the Partnership will continue in existence in perpetuity or such later date as the Partners agree, unless it is earlier dissolved and terminated in accordance with the provisions of this Partnership Agreement.

Section 2.11 **Compliance with Laws**. The Partnership shall comply with all applicable provisions of the Act, and any other applicable statutes and local ordinances governing limited partnerships in the Project State, as well as any other applicable laws of any federal, state, or local government or agency having legal jurisdiction over the Partnership and the Project (including without limitation, Environmental Laws).

Section 2.12 **Statutory Record Keeping**. The Partnership shall keep at its principal place of business the following and any and all other items required by the Act:

2.12.1 a current list of the full name and last known address of each Partner, separately identifying each general partner and all limited partners in alphabetical order and setting forth the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Partner and that each Partner has agreed to contribute in the future, and the date on which each became a Partner;

2.12.2 a copy of the Certificate of Limited Partnership of the Partnership, as amended or restated from time to time, together with executed copies of any powers of attorney pursuant to which any such certificate has been executed;

2.12.3 copies of the Partnership's federal, state, and local income tax returns and reports, if any, for the three (3) most recent years;

2.12.4 a copy of the Partnership Agreement, any original or prior written partnership agreements of the Partnership, and any amendments thereto;

2.12.5 financial statements of the Partnership for the three (3) most recent years.

Section 2.13 Related Party Debt. The Partners agree that any entity that is a lending institution having a direct or indirect ownership or beneficial interest in the Limited Partner (a "Related Lender") may at any time make, guarantee, own, acquire, or otherwise credit-enhance, in whole or in part, a loan secured by a mortgage, deed of trust, or other security instrument encumbering the Project (a "Related Lender Loan"), subject to the provisions of the Subordinate Cash Flow Loan Documents. Under no circumstances shall a Related Lender be considered to be acting on behalf or as an agent or the alter ego of the Limited Partner or any of its members, partners, or beneficiaries. A Related Lender may in its discretion take any actions that it determines advisable in connection with a Mortgage Loan, including enforcement actions. The Partners hereby acknowledges that no Related Lender owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Related Lender's direct or indirect ownership or beneficial interest in the Partnership (the "Related Lender's Equity Interest"). Neither the Partnership nor any other Partner shall make any claim against a Related Lender, or against the Limited Partner or any other entity through which the Related Lender owns the Related Lender's Equity Interest, relating to a Related Lender Loan and alleging any breach of fiduciary duty, duty of care, or any other duty whatsoever to the Partnership, the Limited Partner, or such other Partner, based in any way upon the Related Lender's Equity Interest. As used herein, the term "Limited Partner" includes its successors and assigns, as applicable.

Section 2.14 Non Confidential Tax Shelter. Any obligations of confidentiality contained in or applicable to this Partnership Agreement shall not apply to the federal tax structure or federal tax treatment of the Partnership or the transactions contemplated herein. Each Partner and its employees, representatives, and agents may disclose to any and all persons, without limitation of any kind, such federal tax structure and treatment and such transactions. The Partnership interest shall not be treated as having been issued under conditions of confidentiality for purposes of Treasury Regulations Section 1.6011-4(b) or any successor provision. Each Partner agrees that it has no proprietary or exclusive rights to the federal tax structure of the Partnership, the transactions contemplated herein, or federal tax matters or ideas related to such transactions.

The General Partner shall promptly notify the Limited Partner if it learns that the Partnership has participated in any reportable transaction within the meaning of Treasury Regulations Section 1.6011-4(b)(3).

Section 2.15 Definitions. All capitalized words and phrases used in this Partnership Agreement (other than the full names and addresses of the Partners and governmental subdivisions and agencies) have the meanings set forth in Article 1.

ARTICLE 3: CAPITAL CONTRIBUTIONS AND PARTNER LOANS

Section 3.1 General Partner's Capital Contributions.

3.1.1 The General Partner shall make a cash Capital Contribution to the Partnership thirty (30) days prior to the Third Installment in the amount of One Million Five Hundred Thousand and No/100 Dollars ($1,500,000.00) in exchange for a 0.01% General Partner Partnership Interest, and, upon the execution of this Partnership Agreement, shall provide documentation to the Limited Partner evidencing the fact that the Capital Contribution has been made.

3.1.2 The General Partner has assigned and hereby assigns, and has caused and shall cause its Affiliates to assign, to the Partnership all of its respective rights, title, and interest in, to, and under all agreements, licenses, approvals, permits, Tax Credit allocations, and any other tangible or intangible personal property related to the Project Property or required to permit the Partnership to pursue its business and carry out its purposes as contemplated in this Partnership Agreement. Promptly upon the written request of Limited Partner, the General Partner (and if applicable, General Partner's Affiliates) shall provide any documents, affidavits and instruments, and do such further acts as may be necessary, desirable, or proper in the reasonable determination of Limited Partner to evidence or perfect said assignments. The General Partner's Capital Account will not be credited with any amount as a result of its assignment to the Partnership of the various items referred to in the immediately preceding sentence.

3.1.3 If the Partnership has not paid all amounts due as a Deferred Development Fee by the end of the twelfth (12th) year of the Compliance Period, the General Partner shall make an additional Capital Contribution to the Partnership in the amount of the outstanding balance of the Deferred Development Fee, and any accrued and unpaid interest thereon, and the Partnership shall use this Capital Contribution to pay the remaining balance of the Deferred Development Fee, and any accrued and unpaid interest thereon.

Section 3.2 Limited Partner's Capital Contributions. The Limited Partner shall make Capital Contributions to the Partnership in the aggregate amount of Seventeen Million Thirty-Two Thousand Eight Hundred Forty and No/100 Dollars ($[17,032,840].00) in exchange for a 99.99% Limited Partner Partnership Interest in the Partnership (the "Limited Partner Capital Contribution"). The Limited Partner Capital Contribution shall be paid as equity for Project related costs (other than Developer Fee approved by the Limited Partner) ("Project Equity") and for the non-deferred portion of the Developer Fee ("Non-Deferred Developer Fee Equity"). Subject to Section 6.9 and the other terms and conditions of this Partnership Agreement, the Limited Partner's Capital Contributions will be made as follows:

3.2.1 First Installment. The Limited Partner's first installment of the Limited Partner Capital Contribution shall be in the amount of $[1,703,284] ("First Installment"), of which $70,000 shall be paid directly to the Limited Partner to reimburse it for its due diligence, inspection and closing costs in conjunction with its

acquisition of an interest in the Partnership, and the remainder shall be payable in cash as follows:

(i) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership the Project Equity portion of the First Installment in the amount of $[1,041,389]:

(a) Receipt and approval by the Asset Manager of all of the Limited Partner's Project Closing Checklist requirements (except for those documents reflected in the Post-Closing Document Delivery Agreement), including the notice to proceed;

(b) Admission of the Limited Partner to the Partnership.

(ii) Upon the satisfaction of all of the requirements for payment of the Project Equity portion of the First Installment as set forth in Section 3.2.1(i) above the Limited Partner shall pay to the Partnership the Non-Deferred Developer Fee Equity portion of the First Installment in the amount of $[661,895].

3.2.2 Second Installment. The Limited Partner's second installment of the Limited Partner Capital Contribution, in the amount of $[441,263] ("Second Installment") shall be payable in cash as follows:

(i) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership the Project Equity portion of the Second Installment in the amount of $[0]:

(a) Satisfactory achievement of Construction Completion;

(b) Receipt and approval by the Asset Manager of final (or, if unavailable, and meeting the requirements set forth in the Partnership Agreement), temporary Certificates of Occupancy for all Project Residential Units and, if applicable, all commercial space;

(c) Receipt and approval by the Asset Manager of an Architect Certificate provided to, and approved by, the Asset Manager;

(d) Receipt and approval by the Asset Manager of a conditional lien waiver from Contractor;

(e) Receipt of a satisfactory draft Cost Certification for the Project prepared by the Project Accountant, verifying the Tax Credit basis,;

(f) Receipt and approval by the Asset Manager of an updated financial model from California Housing Partnership, which shall include satisfactory evidence that the 50% Bond Test has been satisfied ;

(g) Receipt and approval by the Asset Manager of all documents set forth in the Post-Closing Document Delivery Agreement;

(h) [Receipt and approval by the Asset Manager of draft Service Provider Documents;]

(i) Satisfaction of all of the conditions to the payment of all prior installments;

(j) Receipt and approval by the Asset Manager of any outstanding delivery items required by this Partnership Agreement, including, without limitation, any outstanding delivery items required by Article 8; and

(k) June 1, 2027.

(ii) Upon the satisfaction of all of the requirements for payment of the Non-Deferred Developer Fee Equity portion of the First Installment as set forth in Section 3.2.1(ii) and the Project Equity portion of the Second Installment as set forth in Section 3.2.2(i) above, the Limited Partner shall pay to the Partnership the Non-Deferred Developer Fee Equity portion of the Second Installment in the amount of $[441,263].

3.2.3 Third Installment. The Limited Partner's third installment of the Limited Partner Capital Contribution, in the amount of $[5,912,242] ("Third Installment") shall be payable in cash as follows:

(i) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership the Project Equity portion of the Third Installment in the amount of $[5,912,242]:

(a) Verification to the satisfaction of the Asset Manager that 95% Qualified Occupancy of all Project Tax Credit Units has been achieved;

(b) Verification to the satisfaction of the Asset Manager that the Project has achieved Stabilized Occupancy;

(c) Completion of any outstanding punch list items to the satisfaction of the Asset Manager;

(d) Receipt by the Asset Manager of an Owner's Title Report, which must (1) be dated within thirty (30) days of the date of payment of the Capital Contribution for this installment, (2) state that all real estate taxes affecting the Project Property have been paid in full, (3) evidence the absence of any mechanic's or other liens (except for liens bonded over in a manner as to preclude the claimant from having any recourse to the Project or Partnership for payment of the debt secured thereby), and (4) evidence

the absence of any recorded judgments against the Partnership, which shall all be satisfactory to the Asset Manager;

(e) Receipt and approval by the Asset Manager of an ALTA "As-Built" Survey of the Project that is certified by the surveyor not earlier than thirty (30) days prior to the date of payment of this installment (unless otherwise approved by the Asset Manager) and for which field work was conducted not earlier than sixty (60) days prior to the date of payment of this installment; provided however, that if field work was conducted earlier than 60 days prior to the date of payment of this installment, said survey (i) is accompanied by a certificate provided by the Architect certifying that no new buildings, other permanent structures or parking lots have been constructed on the Property and the footprints or location of any building(s), other permanent structures or parking lots comprising the Project, as completed, have not been expanded, reduced or otherwise changed in any manner since the completion of the field work that has caused said survey to inaccurately depict the footprint or location of said building(s), other permanent structures or parking lots comprising the Project, and (ii) references or depicts, as applicable, all plottable exceptions listed on the Owner's Title Report required in Section 3.2.[3](i) above;

(f) Receipt and approval by the Asset Manager of final lien waiver from the Contractor in the form attached as Exhibit [_];

(g) Receipt and approval by the Asset Manager of such evidence regarding the receipt, or evidence of filing, of the Project real estate tax abatement as the Asset Manager deems appropriate;

(h) Receipt of a certification by the Project Accountant, verifying, with satisfactory evidence, that the 50% Bond Test has been satisfied;

(i) [Receipt by the Asset Manager of fully executed Service Provider Documents;]

(j) Satisfaction of all of the conditions to the payment of all prior installments;

(k) Receipt and approval by the Asset Manager of any outstanding delivery items required by this Partnership Agreement, including, without limitation, any outstanding delivery items required by Article 8;

(l) April 1, 2028.

(ii) Upon the satisfaction of all of the requirements for payment of the Non-Deferred Developer Fee Equity portion of the Second Installment as set forth in Section 3.2.2(ii) and the Project Equity portion of the Third Installment as set

forth in Section 3.2.3(i) above, the Limited Partner shall pay to the Partnership the Non-Deferred Developer Fee Equity portion of the Third Installment in the amount of $[0].

3.2.4 **Fourth Installment**. The Limited Partner's fourth installment of the Limited Partner Capital Contribution, in the amount of $[8,755,419] ("Fourth Installment") shall be payable in cash as follows:

(i) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership the Project Equity portion of the Fourth Installment in the amount of $[5,912,242]:

(a) [If the Construction Loan has not been repaid in full, receipt and approval by the Asset Manager of a letter from the Construction Lender setting forth the amount required for the repayment in full of the Construction Loan and the account wiring information to be used for the delivery of payment;]

(b) Evidence to the satisfaction of the Asset Manager that all Subordinate Cash Flow Loans have been fully funded and receipt by the Asset Manager of executed Subordinate Cash Flow Loan Documents that have been previously approved by the Asset Manager and were not executed as of the date hereof, which evidence may be provided simultaneously with funding of the Fourth Installment;

(c) Evidence to the satisfaction of the Asset Manager that the GP Capital Contribution was made, no later than 60 days prior to the payment of the Fourth Installment;

(d) Receipt and approval by the Asset Manager of a completed Cost Certification for the Project prepared by the Accountant, verifying the Tax Credit basis;

(e) Receipt and approval by the Asset Manager of final Certificates of Occupancy for all Project residential units [and, if applicable, all commercial space], if not previously provided;

(f) Receipt by the Asset Manager of satisfactory evidence that all reserves, including, but not limited to, the Operating Reserve Account and Replacement Reserve Account have been established by the General Partner and funded in the amounts set forth in the Projections (such amounts may be met with funds from this installment);

(g) [Receipt and approval by the Asset Manager of satisfactory evidence that the Radon Testing Requirements has been satisfied;]

(h) Receipt and approval by the Asset Manager of satisfactory Environmental Certification in the form provided by the Asset Manager;

(i) Satisfaction of all of the conditions to the payment of all prior installments;

(j) Receipt and approval by the Asset Manager of any outstanding delivery items required by this Partnership Agreement, including, without limitation, any outstanding delivery items required by Article 8; and

(k) April 1, 2028.

$[460,650]of this installment shall be used to fund the Operating Reserve Account.

(ii) Upon the satisfaction of all of the requirements for payment of the Non-Deferred Developer Fee Equity portion of the Third Installment as set forth in set forth in Section 3.2.3(ii) and the Project Equity portion of the Fourth Installment as set forth in Section 3.2.4(i) above, the Limited Partner shall pay to the Partnership the Non-Deferred Developer Fee Equity portion of the Fourth Installment in the amount of $[2,382,526].

3.2.5 Fifth Installment. The Limited Partner's fifth installment of the Limited Partner Capital Contribution, in the amount of $[220,632] ("Fifth Installment") shall be payable in cash as follows:

(i) Upon the satisfaction of all of the following conditions, the Limited Partner shall pay to the Partnership the Project Equity portion of the Fifth Installment in the amount of $[0]:

(a) Receipt and approval by the Asset Manager of the tax return and K-1 for the Partnership for the year in which Qualified Occupancy is achieved;

(b) Receipt and approval by the Asset Manager of such evidence regarding the receipt of the approved Project real estate tax abatement;

(c) Receipt and approval by the Asset Manager of a fully executed Form 8609 (including an executed Part 2) issued for each Building in the Project;

(d) Receipt and approval by the Asset Manager of the recorded Extended Use Agreement;

(e) Receipt and approval by the Asset Manager of recorded copies of all previously executed Subordinate Cash Flow Loans Documents.

(f) Satisfaction of all of the conditions to the payment of all prior installments;

(g) Receipt and approval by the Asset Manager of any outstanding delivery items required by this Partnership Agreement, including, without limitation, any outstanding delivery items required by Article 8; and

(h) July 1, 2028.

(ii) Upon the satisfaction of all of the requirements for payment of the Non-Deferred Developer Fee Equity portion of the Fourth Installment as set forth in set forth in set forth in Section 3.2.4(ii) and the Project Equity portion of the Fifth Installment as set forth in Section 3.2.5(i) above, the Limited Partner shall pay to the Partnership the Non-Deferred Developer Fee Equity portion of the Fifth Installment in the amount of $[220,632].

3.2.6 The following additional terms and conditions shall apply to payment of Capital Contributions:

(i) The Asset Manager may, in its sole and absolute discretion, waive or defer any one or more of the requirements set forth in Sections 3.2.1 through 3.2.5 above and pay that installment of Project Equity, provided any requirement that is waived or deferred must be satisfied prior to the payment by the Limited Partner of the respective Developer Fee Equity, unless a later date is agreed to in writing by the Asset Manager.

(ii) Notwithstanding any reduction of the Limited Partner's Capital Contribution installment next due, including a reduction to $0 of the installment next due or a reduction to $0 of all remaining Capital Contributions, that results from the operation of the provisions found in Sections 6.9.1 through 6.9.3, the General Partner shall remain obligated to satisfy on a timely basis all of the conditions related to the payment of the Project Equity and Non-Deferred Developer Fee portions of each installment of Capital Contribution as described in Sections 3.2.1 through 3.2.5 above.

(iii) Any portion of the Development Fee that is not paid out of the Limited Partner's Capital Contribution or the Project financing (currently projected to be $[3,706,315] as set forth in the Projections) shall be payable from available Cash Flow, and, if applicable, as provided in Section 3.1.3, above, subordinated to certain Cash Flow payments to be made to the Limited Partner. If any principal and/or accrued interest on the Deferred Development Fee remain unpaid by the end of the twelfth (12th) year of the Compliance Period, the General Partner shall make a Capital Contribution to the Partnership, as provided for in Section 3.1.3 above, in an amount sufficient to enable the Partnership to pay the outstanding amount of the Deferred Development Fee.

(iv) The General Partner shall deliver to the Limited Partner, not more than thirty (30) days nor less than ten (10) Business Days prior to the due date of each installment of the Limited Partner's Capital Contribution, the General

Partner's written certification in the form attached as **Exhibit D** that each of the applicable conditions set forth in Section 3.2.7, has been satisfied.

(v) [The Limited Partner shall be deemed to have satisfied its obligation under this Partnership Agreement to fund an installment of Capital Contributions upon payment of such installment (a) into a construction escrow or similar account established pursuant to and in accordance with the terms and conditions of the [construction escrow agreement executed by the Partnership] or (b) directly to the Construction Lender for the purpose of repaying the Construction Loan.]

(vi) If Asset Manager estimates in its reasonable judgment that a credit adjuster payment will be owed to Limited Partner pursuant to Section 6.9, then until such time as the amount of the credit adjuster payment can be determined with certainty based on a Form 8609, the Limited Partner may withhold from any Capital Contribution otherwise owing hereunder, an amount equal to 150% of the estimated credit adjuster payment.

3.2.7 The obligation to pay the amounts due under Section 3.2.1 through Section 3.2.5 is expressly conditioned upon each of the following requirements, in addition to those requirements that are set forth above, being satisfied at all times prior to and including the due dates of the above payments:

(i) The General Partner has fully complied with all of its covenants and obligations set forth in this Partnership Agreement (including, without limitation, those covenants, representations, and warranties set forth in Section 6.3);

(ii) The representations and warranties of the General Partner set forth in the Partnership Agreement are true and correct as of the date of funding of the Limited Partner Capital Contribution payment (including, without limitation, those set forth in Section 6.3);

(iii) The General Partner has fully complied with its obligation to furnish the Limited Partner with any reports or other information, in satisfactory form, required to be provided by the General Partner pursuant to Article 8 hereof, it being acknowledged and agreed that any penalty assessed against the General Partner under Section 8.6.1 for late delivery of reports shall be payable by the General Partner to the Limited Partner from any installment of the Developer Fee payable under Section 3.2, and the Limited Partner shall be entitled to deduct and pay such penalty amount from any installment due under Section 3.2 and the amount so deducted and applied shall be deemed for all intents and purposes to have been applied toward payment of the Developer Fee; and

(iv) There has been no, and there is no imminent nor threatened, material adverse change in the General Partner's financial or business condition or operations that affects (or with the passage of time will affect) its ability to perform its obligations hereunder.

3.2.8 Subject to the provisions set forth above, if a Limited Partner's interest in the Partnership is liquidated (within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g)) prior to the payment of the Limited Partner's entire Capital Contribution pursuant to this Section 3.2, the Limited Partner shall pay no later than the end of the taxable year of the Partnership in which the Limited Partner's interest is liquidated or, if later, within ninety (90) days after the date of the liquidation the lesser of (1) the unpaid balance of its Capital Contribution; and (2) its negative Capital Account balance.

Section 3.3 **Intentionally Omitted**.

Section 3.4 **Interest on Capital Contributions**. The Partnership shall not pay any Partner interest on its Capital Contribution.

Section 3.5 **Withdrawal and Return of Capital Contributions**. Except as provided elsewhere herein, no Partner has the right: (i) to withdraw any part of its Capital Contribution from the Partnership; (ii) to demand a return of its Capital Contribution; or (iii) to receive property other than cash in return for its Capital Contribution.

Section 3.6 **Capital Accounts**.

3.6.1 The Partnership shall maintain for each Partner a separate capital account in accordance with Section 1.704-1(b) of the Regulations. The Capital Account of each Partner consists of the amount of its Capital Contribution, and will be (1) increased by (i) the fair market value of any property contributed by it to the Partnership, (ii) the amount of any Partnership liability assumed by such Partner or which is secured by any Partnership Property distributed to such Partner, and (iii) its allocable share of Profits and any items of income or gain specially allocated to it pursuant to Section 4.2.4 through Section 4.2.15, and (2) decreased by (i) the amount of any cash distributed to it, (ii) the fair market value of any Partnership Property distributed to it, (iii) the amount of any liability of such Partner assumed by the Partnership or which is secured by any property contributed by such Partner to the Partnership, and (iv) its allocable share of Losses and any items of loss or deduction specially allocated to it pursuant to Section 4.2.4 through Section 4.2.15.

3.6.2 If any Partnership Interests are transferred in accordance with the terms of this Partnership Agreement, then the transferee will succeed to the Capital Account of the transferor to the extent it relates to the transferred Partnership Interest. Upon the occurrence of any of the following events, the Partnership shall revalue the Partnership Property and adjust the Partners' Capital Accounts to reflect the gain (or loss) that would have been allocated to each Partner if all the Partnership Property had been sold at its fair market value immediately prior to the occurrence of any of the following events, and if required to cause the provisions herein regarding the maintenance of Capital Accounts to comply with Section 1.704-1(b) of the Regulations:

(i) Any new or existing Partner acquiring an additional interest in the Partnership in exchange for more than a de minimis Capital Contribution;

(ii) The Partnership distributing to a Partner more than a de minimis amount of property or money in consideration for an interest in the Partnership; or

(iii) The "liquidation" of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations, other than a "liquidation" resulting from a termination under Section 1.708-1(b)(2) of the Regulations.

The revaluation of the Partnership Property referred to in the immediately preceding sentence will be made in accordance with Section 1.704-1(b)(2)(iv)(f) of the Regulations.

The foregoing provisions and all other provisions of this Partnership Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations and will be interpreted and applied in a manner consistent with such Regulations.

Section 3.7 Partnership Loans. Subject to the limitations set forth in 6.2.6, if from time to time the Partnership needs funds in excess of those provided by the Construction Loan, Subordinate Cash Flow Loans, Capital Contributions of the Partners, and funds required to be provided by the General Partner or any Affiliate of the General Partner pursuant to any obligation hereunder or any other agreement (such as pursuant to Sections 6.4.6(i) and 6.4.6(ii)), any Partner or other person, organization, or institution may loan such additional funds to the Partnership at an interest cost to the Partnership and upon such terms, as agreed upon by the General Partner in its reasonable discretion, subject to compliance with the terms of existing loan agreements and this Partnership Agreement. Any loan made by a General Partner or an Affiliate of a General Partner will not bear interest in excess of the long term annual compounding Applicable Federal Rate. Any Partner making any loan to the Partnership will be considered, in its capacity as maker of the loan, a general creditor of the Partnership and not as a Partner. Any loan made hereunder by a Partner will be repaid as provided in Section 5.1 and Section 5.2 hereof, or in the sole discretion of Asset Manager, may be repaid from a source of funds other than Cash Flow in accordance with Section 5.1 or Net Cash from Sales and Refinancings in accordance with Section 5.2, provided that such source of funds is acceptable to Asset Manager in Asset Manager's sole discretion.

Section 3.8 Additional Capital Contributions. Except as expressly provided in this Partnership Agreement, no Partner is required to make contributions to the capital of the Partnership.

Section 3.9 Limited Partner's Withdrawal Option. In the event that the following events have not occurred by the specified dates, unless such dates are waived or extended in writing by the Limited Partner, then the Limited Partner may, at its sole option and discretion, withdraw from the Partnership at any time unless and until it waives such withdrawal right in writing.

Event	Completion or Delivery Date
1. Commencement of construction of the Project as evidenced in a manner as reasonably required by the Asset Manager.	1. Thirty (30) days after the date of execution of the Partnership Agreement

2. Submission of all outstanding items in the Post-Closing Document Delivery Agreement	2. On or before the date specified in the Post-Closing Document Delivery Agreement for each post-closing delivery item

Upon any such withdrawal, the Partnership shall (i) immediately return to the Limited Partner all Capital Contributions actually made to the Partnership by the Limited Partner, plus all expenses incurred by the Limited Partner in connection with entering into and withdrawing from the Partnership, and (ii) execute and file a release of the Limited Partner's UCC Financing Statement securing its Capital Contribution obligation, the Partners shall execute an amendment to the Partnership Agreement and the General Partner shall execute, file, and record, as applicable, an amendment to the Partnership's Certificate of Limited Partnership, reflecting the withdrawal of the Limited Partner and the release of all of the Limited Partner's obligations and liabilities in connection with the Partnership, all of the foregoing documents to be in form and content satisfactory to the Limited Partner. Notwithstanding any failure or delay in such execution and delivery, however, the Partnership Agreement shall be deemed to have been amended in accordance with the provisions of this Section 3.9 once the Limited Partner has provided the General Partner with written notice of its intent to withdraw. Nothing herein shall be construed to diminish any of the General Partner's obligations under the Partnership Agreement to issue final accounting and tax reports to the Limited Partner for all periods prior to its withdrawal and in which its withdrawal occurred.

ARTICLE 4: ALLOCATION OF PROFITS, LOSSES AND TAX CREDITS

Section 4.1 Profit and Loss Allocations. Except as otherwise provided in Section 4.2, Profits and Losses for any Fiscal Year of the Partnership are allocated among the Partners in accordance with the following percentages:

Partner	Percentage
Administrative General Partner	0.005%
Managing General Partner	0.005%
Limited Partner	99.99%
Total	100.00%

Section 4.2 Special Allocations. Notwithstanding anything to the contrary contained in 4.1, the following special allocations in all events apply in determining the allocation of Profits and Losses among the Partners and are made prior to the allocations required under Section 4.1:

4.2.1 Depreciation and Tax Credits.

(i) Depreciation (cost recovery) deductions and Tax Credits are allocated 0.005% to the Administrative General Partner, 0.005% to the Managing General Partner, and 99.99% to the Limited Partner.

(ii) Any recapture of Tax Credits is allocated to the Partners that were allocated (or whose predecessors-in-interest were allocated) the depreciation/cost recovery deduction or Profits and Losses, as applicable and Tax Credits associated therewith.

4.2.2 Limitation on Allocations of Losses. To the extent the allocation of any Losses to a Limited Partner would cause that Limited Partner to have an Adjusted Capital Account Deficit at the end of any Fiscal Year of the Partnership, then those Losses will not be allocated to that Limited Partner, but rather will be specially allocated to the General Partner.

4.2.3 Profit Chargeback. To the extent any Losses are allocated to the General Partner in accordance with Section 4.2.2 above, then Profits will thereafter first be specially allocated to the General Partner in proportion to and in an amount (1) up to but not exceeding the amount of any such allocations of Losses made to the General Partner under such Section 4.2.2, but (2) not to the extent that Losses would be allocated to the Limited Partner in excess of the amount permitted by such Section 4.2.2.

4.2.4 Partnership Minimum Gain Chargeback. Notwithstanding any other provision of this Article 4, if there is a net decrease in Partnership Minimum Gain

during any Partnership Fiscal Year, then each Partner will be specially allocated items of Partnership income or gain for such Fiscal Year (and, if necessary, subsequent Fiscal Years) in an amount equal to the portion of such Partner's share of the net decrease in the Partnership Minimum Gain (determined in accordance with Section 1.704-2(g) of the Regulations). Any allocations made pursuant to this Section 4.2.4 are to be made in proportion to the respective amounts required to be allocated to each of the Partners pursuant thereto. The items of Partnership income or gain specially allocated under this Section 4.2.4 are to be determined in accordance with Section 1.704-2(f) of the Regulations. This Section 4.2.4 is intended to comply with the minimum gain chargeback requirements of Section 1.704-2(f) of the Regulations and will be interpreted consistently therewith.

4.2.5 Partner Minimum Gain Chargeback. Notwithstanding any other provision of this Article 4 (except Section 4.2.4), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership Fiscal Year, then each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with Section 1.704-2(i)(5) of the Regulations) will be specially allocated items of Partnership income and gain for such Fiscal Year (and if necessary, subsequent Fiscal Years) in an amount equal to the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with Section 1.704-2(i)(4) of the Regulations). Any allocations made pursuant to this Section 4.2.5 will be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items of Partnership income or gain specially allocated under this Section 4.2.5 will be determined in accordance with Section 1.704-2(i)(4) of the Regulations. This Section 4.2.5 is intended to comply with the minimum gain chargeback requirements of Section 1.704-2(i)(4) of the Regulations and will be interpreted consistently therewith.

4.2.6 Qualified Income Offset. If a Limited Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Partnership income or gain will be specially allocated to that Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of that Limited Partner as quickly as possible. The special allocations required pursuant to this Section 4.2.6 are made only if and to the extent that such Limited Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 4 have been tentatively made as if this Section 4.2.6 were not in the Partnership Agreement. This Section 4.2.6 is intended to comply with the qualified income offset requirements of Section 1.704-1(b)(2)(ii)(d) of the Regulations and will be interpreted consistently therewith.

4.2.7 Gross Income Allocation. If a Limited Partner has a deficit balance in its Capital Account at the end of any Partnership Fiscal Year which exceeds the sum of (1) the amount that Limited Partner is obligated to restore pursuant to any provision of this Partnership Agreement and (2) the amount that Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Section 1.704-2(g)(1) and

Section 1.704-2(i)(5) of the Regulations, then that Limited Partner will be specially allocated items of Partnership income or gain in the amount of such excess as quickly as possible. The special allocations required pursuant to this Section 4.2.7 are made only if and to the extent that such Limited Partner would have a deficit Capital Account in excess of the aforementioned sum after all of the allocations provided for in this Article 4 have been tentatively made as if Section 4.2.6 and this Section 4.2.7 were not in the Partnership Agreement.

4.2.8 Nonrecourse Deductions. Nonrecourse Deductions are specially allocated among the Partners in accordance with the same percentages set forth in Section 4.1 with respect to Profits and Losses.

4.2.9 Partner Nonrecourse Deductions. Partner Nonrecourse Deductions are specially allocated to the Partner who bears the economic risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i) of the Regulations.

4.2.10 754 Adjustment. If, pursuant to Section 6.2.10, the Limited Partner consents to an election under Section 754 of the Code, then to the extent an adjustment to the adjusted tax basis of any Partnership Property undertaken pursuant to Section 734(b) or 743(b) of the Code is required to be taken into account in determining the Capital Accounts of the Partners under Section 1.704-1(b)(2)(iv)(m) of the Regulations, the amount of such adjustment to the Capital Accounts will be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss will be specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to the aforementioned section of the Regulations.

4.2.11 Imputed Interest. To the extent the Partnership has taxable interest income with respect to any Capital Contribution pursuant to Section 483 or Sections 1271 through 1288 of the Code, then (i) such interest income will be specially allocated to the Partner to whom such Capital Contribution relates, and (ii) the amount of such interest income will be excluded from the Capital Contributions credited to such Partner's Capital Account in connection with the payments of principal with respect to such Capital Contribution.

4.2.12 Curative Allocations. The special allocations set forth in Section 4.2.4 through Section 4.2.9 are intended to comply with the requirements of Section 1.704-1(b) of the Regulations. These special allocations may lead to results, which are inconsistent with the Partners' intentions concerning their sharing in Partnership distributions. Accordingly, the General Partner is hereby authorized and directed to specially allocate other items of Partnership income, gain, loss, and deduction among the Partners so as to prevent the special allocations required under Section 4.2.4 through Section 4.2.9 of this Section 4.2 from distorting the Partners' understanding of the manner in which Partnership distributions are to be made to the Partners upon the dissolution and termination of the Partnership. In general, it is anticipated that the special allocations, if any, made under this Section 4.2.12 are made

by specially allocating other items of Partnership income, gain, loss, and deduction among the Partners so that the sum of the special allocations made to each Partner pursuant to Section 4.2.4 through Section 4.2.9 of this Section 4.2 equals the sum of the special allocations made under this Section 4.2.4. In order to preserve its Capital Account to allow the allocation of Tax Credits to the Limited Partner in accordance with Section 4.2.1, the Limited Partner may select certain classes of deductions (but not depreciation deductions) to be allocated solely to the General Partner. The Limited Partner shall notify the General Partner in writing no later than the due date (without extension) of the Partnership tax return for any fiscal year of the deductions to be allocated to the General Partner in this manner, and the General Partner and Limited Partner shall cause the Partnership Agreement to be amended to reflect the special allocation described in the preceding sentence. Such amendment shall be considered effective as of the first day of the year for which such return relates.

4.2.13 Matching Income Allocation of Income or Gain from Sales and Refinancing Proceeds. All items of Partnership income or gain arising from events resulting in Net Cash from Sales or Refinancings are allocated:

(i) first, as specified in Sections 4.2.4 through 4.2.7, Section 4.2.10 and Section 4.2.12 and Section 4.4.3 of this Partnership Agreement;

(ii) second, if after the allocation of Profits and Losses for the Fiscal Year in which the gain arose, any Limited Partner has a negative Capital Account balance, 99.99% to the Limited Partner and 0.01% to the General Partner, until each Limited Partner's negative Capital Account is equal to zero;

(iii) third, to any General Partner that has a negative Capital Account balance after the allocation of Profits and Losses for the Fiscal Year in which the gain arose, until its Capital Account balance is equal to zero;

(iv) fourth, 99.99% to the Limited Partner and 0.01% to the General Partner, until each Limited Partner's positive Capital Account balance equals any amount to be distributed to the Limited Partner pursuant to Section 5.2.1(i) and Section 5.2.1(ii); and

(v) fifth, to the Partners in accordance with the percentages specified in Section 5.2.2.

4.2.14 Income Other Than From Operations. Any income (other than from Project operations and otherwise not reflected in the Projections) recognized by the Partnership, including, without limitation, as a result of (a) any receipt of grants by the Partnership, (b) any forgiveness or deemed forgiveness of debt, or (c) Bond related income such as from arbitrage or premiums, shall be allocated ninety percent (90%) to the General Partner. Any such income not allocated to the General Partner, or in the event that such allocation is not respected by the IRS, and such income is instead allocated to the Limited Partner, or if the General Partner does not pay all required taxes on such income and such taxes are assessed against the Partnership (i) the General

Partner, and the Guarantor pursuant to the Guaranty, shall indemnify and hold harmless the Limited Partner and the Partnership for any tax, interest and penalties owed by the Limited Partner or Partnership as a result of such income on an after-tax basis and (ii) during any time that such indemnity remains unpaid, any payments or other distributions payable to the General Partner, Guarantor or any Affiliate of General Partner or Guarantor, including amounts payable or distributable to the General Partner, Guarantor or any Affiliate of General Partner or Guarantor as an Operating Expense or pursuant to Section 5.1.1 of this Partnership Agreement, will for accounting purposes be treated as paid or distributed to such party, but will be paid to the Limited Partner in an amount equal to the tax, interest and penalties owed by the Limited Partner as a result of such income (on an after-tax basis) in each year of the Partnership until paid in full.

4.2.15 **Special Adjustment**. The special allocations in this Section 4.2.15 shall apply notwithstanding any provision of this Partnership Agreement to the contrary. Prior to making any special allocations set forth in this Section 4.2, items of expenses and other deductions (other than depreciation, amortization, cost recovery deductions and Nonrecourse Deductions) equal to the sum of the amount of any loans to the Partnership made by the General Partner or any of its Affiliates pursuant to or for the purposes described in Section 3.7 and Sections 6.4.6(i) and 6.4.6(ii) may, with the consent of the Limited Partner, be specially allocated to the General Partner in each tax year in which any such loan is made if Limited Partner considers such special allocation to be necessary for the Limited Partner to maintain a positive Adjusted Capital Account through the end of the Credit Period. Further, if any loans of the General Partner or its Affiliates are repaid by the Partnership from Cash Flow pursuant to Section 5.1.1 and the General Partner was previously specially allocated items of expense and other deductions related to such loans, the General Partner shall be specially allocated an amount of gross income equal to the lesser of (i) the amount of such repayment, or (ii) the aggregate amount of expenses and deductions specifically allocated to the General Partner under this Section 4.2.15.

4.2.16 **Allocation of Expenses**. Beginning in the first year of the Credit Period and continuing each year thereafter, [20]% of all of the "General & Administrative", the "Payroll & Related", and the "Maintenance & Repair" expenses reflected in the Projections shall be allocated to the General Partner provided that in no event shall the General Partner be specially allocated any depreciation or other Nonrecourse Deductions. The Partners agree that, if needed to prevent the Limited Partner's Capital Account from going negative during the Credit Period, they will consider in good faith specially allocating other expenses and deductions to the General Partner.

Section 4.3 **Timing of Allocations**. Except as otherwise expressly provided in this Partnership Agreement, all allocations of Profits, Losses, and Tax Credits are to be made as of the last day of each Fiscal Year of the Partnership.

Section 4.4 **Other Allocation Rules**. The following rules apply for the purpose of interpreting and applying the provisions of this Article 4 relating to the allocation of Profits, Losses, and Tax Credits among the Partners:

4.4.1 **Excess Nonrecourse Liabilities**. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Section 1.752-3(a)(3) of the Regulations, the Partners' respective interests in Partnership Profits shall be those percentage interests set forth in Section 4.1 (determined without regard to Section 4.2).

4.4.2 **Effect of Cash Distributions**. To the extent permitted by Sections 1.704-2(h) and 1.704-2(i)(6) of the Regulations, the General Partner shall endeavor to treat distributions of Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Partner Nonrecourse Debt only to the extent that such distributions would cause or increase an Adjusted Capital Account Deficit for any Limited Partner.

4.4.3 **Recharacterization of Fee as Distribution**. If any fee or portion thereof payable to any Partner or any Affiliate thereof is determined to be a nondeductible distribution from the Partnership to a Partner for federal income tax purposes, there will be allocated to such Partner an amount of gross income equal to such distribution.

Section 4.5 **Tax Effect of Allocations**. Except as otherwise required under the second paragraph of this Section 4.5, the allocation of Profits, Losses, and Tax Credits to any Partner under this Article 4 is deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction, or credit comprising such Profits, Losses, and Tax Credits, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under Section 751 of the Code. The Partners are aware of the income tax consequences of the allocations made pursuant to this Article 4 and hereby agree to be bound by the provisions of this Article 4 in reporting their respective shares of Partnership income, gain, loss, deduction, and credit for income tax purposes.

Notwithstanding anything to the contrary contained in this Article 4, income, gain, loss, deduction, and credit with respect to any Partnership Property contributed to the capital of the Partnership by any Partner is, solely for tax purposes, allocated among the Partners so as to take into account any variation between the adjusted tax basis of such Partnership Property to the Partnership for federal income tax purposes and the value assigned to such Partnership Property for the purposes of the computation of the Partners' Capital Accounts. If any revaluation of the Partnership Property is made by the General Partner (which revaluation may only be made with the consent of the Limited Partner) then any subsequent allocations of income, gain, loss, deduction, and credit with respect to such Partnership Property will take into account any variation between the adjusted tax basis of such Partnership Property for federal income tax purposes and the value assigned to such Partnership Property as a result of such revaluation. All allocations required under this paragraph of Section 4.5 are solely for purposes of federal, state, and local income taxes. These allocations do not affect and must not in any way be taken into account in computing any Partner's Capital Account or any Partner's share of Profits, Losses, Tax Credits or other items or distributions required or permitted to be made pursuant to any provision of this Partnership Agreement. This Section 4.5 is intended to conform to Section 704(c) of the Code.

Section 4.6 Limitations on Allocations. Notwithstanding anything to the contrary contained in this Article 4, except as required under Section 704(b) of the Code and the Regulations promulgated thereunder, provided that if the General Partner is (i) a "tax-exempt entity" within the meaning of Section 168(h)(2) of the Code, or (ii) a "tax-exempt controlled entity" within the meaning of Section 168(h)(6)(F)(iii) of the Code and has not made a valid election under Section 168(h)(6)(F)(ii) of the Code, the allocations to the General Partner under this Section 4.2 and Section 4.3 shall be limited to the highest percentage of the Partnership's property treated as tax-exempt use property, as reflected in the Projections.

ARTICLE 5: DISTRIBUTIONS

Section 5.1 Distribution of Cash Flow.

5.1.1 Cash Flow shall be paid, prior to the making of any distributions pursuant to Section 5.1.2 hereof, in the following order and priority:

(i) First, to the Limited Partner to the extent of any amount which the Limited Partner is entitled to receive in order to satisfy any and all amounts owed to it pursuant to this Partnership Agreement, including, without limitation, under Section 6.8 and Section 6.9 hereof (other than Section 3.7 hereof);

(ii) Second, to the Asset Manager to pay any accrued and payable Asset Management Fees;

(iii) Third, to pay any accrued and unpaid principal and interest on loans made by the Limited Partner pursuant to Section 3.7;

(iv) Fourth, to the Operating Reserve Account until such time as such account is replenished up to the Operating Reserve Target Amount;

(v) Fifth, to the Developer to pay any unpaid balance on the Deferred Development Fee;

(vi) Sixth, to pay any accrued, unpaid Property Management Agent Fee subordinated in a prior year as a result of the application of the last paragraph of Section 6.4.9;

(vii) Seventh, to repay any accrued and unpaid principal and interest on loans made by the General Partner pursuant to Section 3.7;

(viii) Eighth, to the General Partner (in the order of loans made, with earlier loans repaid in full before subsequent loans are repaid) to repay any amounts treated as loans to the Partnership (without interest) by the General Partner pursuant to Section 6.4.6(i) or 6.4.6(ii) and not yet repaid;

(ix) Ninth, to [the General Partner] to pay the Partnership Management Fee, on a cumulative basis; and **[**

(x) Tenth, to the payment of any then payable Cash Flow Debt Service Payments, in accordance with the applicable Loan Documents;

(xi) Eleventh, until the end of the Compliance Period, ninety percent (90%) of the balance, if any, to [the General Partner] as an Incentive Partnership Management Fee, on a non-cumulative basis.

5.1.2 After making the payments described in Section 5.1.1 hereof, the remaining Cash Flow, if any, shall be distributed to the Partners in accordance with the following percentages:

Administrative General Partner	0.005%
Managing General Partner	0.005%
Limited Partner	99.99%
Total	100.00%

Notwithstanding any other provision of this Section 5.1 to the contrary, for each Fiscal Year a sufficient amount of Cash Flow shall be distributed to the Limited Partner such that, when such distribution is added to all other distributions of Cash Flow made to the Limited Partner with respect to such Fiscal Year, the Limited Partner will have received an amount of Cash Flow equal to at least 10% of all Cash Flow which remains after repayment of the loans referred to in Section 5.1.1(vii) with respect to such Fiscal Year.

Section 5.2 **Net Cash from Sales and Refinancings**. Subject to the terms of the Subordinate Cash Flow Loan Documents, except as otherwise provided in Article 11 of this Partnership Agreement (pertaining to the liquidation and dissolution of the Partnership), Net Cash from Sales and Refinancings shall be paid or distributed to the Partners as provided in this Section 5.2.

5.2.1 **Payments**. Net Cash from Sales and Refinancings shall be paid in the following order and priority:

(i) First, to the Limited Partner to the extent of any amount which the Limited Partner is entitled to receive in order to satisfy any and all amounts owed to it pursuant to this Agreement, including, without limitation, under Section 6.8 and Section 6.9 hereof (other than Section 3.7 hereof);

(ii) Second, to the Limited Partner an amount equal to the amount of taxes which would be imposed upon the Limited Partner as a result of the sale or refinancing, assuming that the Limited Partner is subject to the highest marginal federal, state and local income tax rates in effect at such time for corporations;

(iii) Third, to the payment of current and accrued Asset Management Fees, if outstanding;

(iv) Fourth, to pay any accrued and unpaid principal and interest on loans made by the Limited Partner pursuant to Section 3.7;

(v) Fifth, to the Developer to pay any unpaid balance, if any, on the Deferred Development Fee;

(vi) Sixth, to the Asset Manager to pay the Disposition Fee;

(vii) Seventh, to repay any accrued and unpaid principal and interest on loans made by the General Partner pursuant to Section 3.7;

(viii) Eighth, to [the General Partner] to pay any accrued and unpaid Partnership Management Fee; and

(ix) Ninth, to the General Partner (in the order of loans made, with earlier loans repaid in full before subsequent loans are repaid) to repay any amounts treated as loans to the Partnership (without interest) by the General Partner pursuant to Section 6.4.6(i) or 6.4.6(ii) and not yet repaid.

5.2.2 Distributions. After making the payments specified in Section 5.2.1 hereof, the balance of Net Cash from Sales and Refinancings, if any, shall be distributed 10% to the Limited Partner and [90% to the General Partner.]

Section 5.3 Timing of Distributions. Distributions of Cash Flow shall be made annually within ninety (90) days after the end of each Fiscal Year of the Partnership. The determination of the amount of Cash Flow distributable annually to the Partners under this Article 5 shall be based upon the state of facts existing on the last day of each Fiscal Year of the Partnership.

Section 5.4 Treatment of Distributions. Distributions to a Partner of Cash Flow are considered draws against such Partner's allocable share of the Partnership's Profits and Losses.

ARTICLE 6: POWERS, RIGHTS AND DUTIES OF GENERAL PARTNER

Section 6.1 Management of Partnership. The Partnership is managed by the General Partner, who exercises full and exclusive control over the affairs of the Partnership, subject, however, to the limitations on its authority set forth in this Partnership Agreement (including, without limitation, Section 6.2 and Section 6.3). The General Partner is under a fiduciary duty to conduct and manage the affairs of the Partnership in a prudent, businesslike, and lawful manner and will devote such part of its time to the affairs of the Partnership as is deemed necessary and appropriate to pursue the business and carry out the purposes of the Partnership as contemplated in this Partnership Agreement. The General Partner shall use its best efforts and exercise good faith in all activities related to the business of the Partnership. The General Partner shall perform services in connection with the acquisition of the Project Property, including, if applicable, negotiating the purchase agreement with the seller of the Project Property, acting on behalf of the Partnership with federal, state and local authorities with respect to the Project Property, monitoring compliance with zoning, land use and other requirements with respect to the Project Property, and preparing or causing to be prepared such third-party studies as it deems necessary in connection with the acquisition of the Project Property.

Section 6.2 Restrictions on General Partner's Authority. Notwithstanding anything to the contrary contained in this Partnership Agreement, the General Partner does not have the authority to take any of the actions set forth below without the prior written consent of the Limited Partner:

6.2.1 Do any act in contravention of or inconsistent with this Partnership Agreement or any other agreement to which the Partnership is a party (including, without limitation, those relating to the Project Documents, Construction Loan, and Subordinate Cash Flow Loans);

6.2.2 Do any act making it impossible to carry on the ordinary business of the Partnership;

6.2.3 Initiate any litigation or administrative proceedings on behalf of the Partnership (other than proceedings initiated in the ordinary course of the Partnership's business such as evictions) or confess a judgment against the Partnership;

6.2.4 Use Partnership Property or assign rights in specific Partnership Property for other than a Partnership purpose;

6.2.5 Incur any debt or liability (or enter into any agreement resulting in any such debt or liability being incurred) on behalf of the Partnership (i) that is not in ordinary course of the Partnership's business or (ii) any debt or liabilities in the ordinary course of the Partnership's business, in excess of Twenty-Five Thousand and No/100 Dollars ($25,000.00) other than the Construction Loan and the Subordinate Cash Flow Loans, and those liabilities (or agreements relating thereto) which have been disclosed to and approved in writing by the Limited Partner, provided that in all events a Project loan or other form of financing that is secured by a mortgage, deed of trust, trust deed or other security instrument encumbering the Project or any interest therein, including

without limitation any refinancing of any existing Project debt, shall be subject to the prior, written approval of the Limited Partner;

6.2.6 Sell or otherwise transfer any interest in the Project Property or any material asset of the Partnership (other than leases of Residential Units or, where applicable, commercial space, in the ordinary course of the Partnership's business, and a transfer pursuant to Article 9 below);

6.2.7 Acquire any interest in real property or acquire any item of personal property on behalf of the Partnership having a purchase price of more than Ten Thousand and No/100 Dollars ($10,000.00), unless such acquisition is part of the development budget or annual operating budget that has been approved in writing by the Limited Partner;

6.2.8 Refinance, prepay (except as permitted by the Loan Documents and in accordance with Sections 5.1 and 5.2 of this Partnership Agreement), amend or modify any mortgage or long term liability of the Partnership, including, without limitation the Subordinate Cash Flow Loans;

6.2.9 Compromise any claim or liability in excess of Twenty-Five Thousand and No/100 Dollars ($25,000.00) owed by or to the Partnership;

6.2.10 Make, amend or revoke any tax election required of or permitted to be made by the Partnership under the Code or the Regulations, including, without limitation, any election under Section 42 or Section 754 of the Code. In this regard, the General Partner shall make (and the Limited Partner consents thereto) any elections required or permitted under Section 42 or Section 754 of the Code requested in writing by the Asset Manager;

6.2.11 Change any accounting method or practice of the Partnership;

6.2.12 Take any action that would cause the termination of the Partnership for federal income tax purposes or the dissolution of the Partnership for state law purposes;

6.2.13 Construct any improvements on the Project Property other than those contemplated in the Plans and Specifications (or any modification thereof if such modification is expressly approved in writing by the Limited Partner);

6.2.14 Lease or otherwise operate any Tax Credit Unit in such a manner that such Tax Credit Unit would fail to be treated as a "low-income unit" under Section 42(i)(3) of the Code, 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 of the Code;

6.2.15 Except for the Construction Loan and Subordinate Cash Flow Loans (including any regulatory agreements or declarations governing such loans), mortgage,

pledge or encumber any interest in any Partnership Property, including, without limitation, the Project Property;

6.2.16 Cause the Partnership to make a loan of any funds belonging to the Partnership or cause the Partnership to provide a guarantee of the indebtedness of any other Person;

6.2.17 Change the nature of the business or purpose of the Partnership;

6.2.18 Hire or retain any Person to manage the Project Property or the Partnership's business other than the Property Management Agent. The Project's management agreement with Property Management Agent as the Project Property manager will contain the provisions specified in this Partnership Agreement, including those specified under "Property Management Agent" in the Article 1 hereof;

6.2.19 Take any action (or fail to take any action) causing or resulting in a breach of any of the representations, warranties or covenants of the General Partner set forth in this Partnership Agreement, including, without limitation, those set forth in Section 6.3;

6.2.20 Admit any other person or entity as a Partner, except as specifically permitted herein;

6.2.21 Except as permitted by Section 11.1 (pertaining to dissolution of the Partnership), take any action that may cause the dissolution of the Partnership;

6.2.22 Perform any act subjecting any Limited Partner to liability as a general partner in any jurisdiction;

6.2.23 Deposit any Partnership funds in any bank, savings and loan, or other financial institution whose accounts are not fully insured by the Federal Deposit Insurance Corporation;

6.2.24 Commingle any Partnership funds with the funds of (1) any other partnership or limited liability company in which a General Partner is a partner or managing member, as the case may be, (2) a General Partner or any of its affiliates, or (3) any other entity;

6.2.25 Execute or deliver any assignment for the benefit of creditors;

6.2.26 Become or permit any Affiliate or any other Person related to the General Partner (within the meaning of Treasury Regulations Section 1.752-4(b)) to become personally liable on, or in respect of, or guarantee all or any portion of the indebtedness evidenced by the Loan Documents (other than the Construction Loan, the Sponsor Loan [and the CADA Loans]);

6.2.27 Modify or amend this Partnership Agreement except as authorized herein, or materially amend any Project Document;

6.2.28 After the Construction Completion Date, construct any improvements on the Project Property other than those contemplated in the Plans and Specifications (or any modification thereof if such modification is expressly approved in writing by the Limited Partner) with a cost basis in excess of $50,000. Prior to the Construction Completion Date, materially deviate from the Plans and Specifications for the construction of the Project from those provided to the Limited Partner prior to its admission to the Partnership. If prior to the Construction Completion Date there are change orders for the approved Plans and Specifications for the Project Property, such change orders shall be permitted only with the consent of the Limited Partner, unless all of the following are satisfied: (i) an individual change is for an amount not in excess of $50,000 and, when combined with all prior change orders, does not cause the aggregate amount of change orders to exceed $250,000, (ii) the change order does not cause a material diminishment in the construction materials or methods approved in the Plans and Specifications, and (iii) when combined with all prior change orders, the change order will not extend by more than thirty (30) days the initial scheduled date for Construction Completion as specified in the Project documents;

6.2.29 Acquire or purchase on behalf of the Partnership any automobiles;

6.2.30 Hire any person or persons as an employee of the Partnership;

6.2.31 Other than any Service Provider Agreement, enter into any contractual arrangement on behalf of the Partnership for the provision of medical services, medication management, home health care or related personal care services to the tenants of the Project. The Limited Partner shall have no obligation to consent to any such arrangement at any time and may withhold any consent for such activities in its sole discretion;

6.2.32 Other than any Service Provider Agreement, enter into any contractual arrangement on behalf of the General Partner for the provision of medical services, medication management, home health care or related personal care services to the tenants of the Project without the prior written consent of the Limited Partner. The Limited Partner shall have no obligation to consent to any such arrangement at any time and may withhold any consent for such activities in its sole discretion;

6.2.33 Bring any claim based on any right or interest of the Partnership except in the name and for the benefit of the Partnership;

6.2.34 Cause the Partnership to pay any compensation to the General Partner or any General Partner Affiliate additional to the amounts permitted by this Partnership Agreement;

6.2.35 Do anything contrary to, or fail to take, any action deemed necessary or appropriate by the Limited Partner's tax counsel to cause the Partnership to be treated as a partnership for federal income tax purposes;

6.2.36 File or cause to be filed on behalf of the Partnership a voluntary petition in bankruptcy or a petition or answer seeking a reorganization, liquidation, dissolution or similar relief under any statute, law, rule, or regulation; and

6.2.37 Cause the conversion, merger, or consolidation of the Partnership into or with another entity.

The Limited Partner may specify conditions for its review of any matter requiring Limited Partner consent hereunder, including without limitation payment of fees to the Limited Partner and reimbursement of third party costs related to such review.

Section 6.3 Representations, Warranties and Covenants of the General Partner. As an inducement to the Limited Partner to enter into this Partnership Agreement, and in addition to the representations, warranties, and covenants set forth elsewhere in this Partnership Agreement, each General Partner hereby makes the following representations, warranties, and covenants to and with the Limited Partner. All of the representations and warranties are deemed given as of the date hereof and as of every date thereafter throughout the term of the Partnership's existence and may be relied upon by counsel to the Limited Partner in connection with the Limited Partner's investment in the Partnership. In addition, each General Partner hereby agrees that all of the representations, warranties, and covenants made herein may be relied upon by the Limited Partner's tax counsel in rendering its tax opinion to the Limited Partner. The General Partner shall fully comply with and abide by all of these covenants at all times throughout the term of the Partnership's existence.

6.3.1 The Partnership has received a letter (the "42(m) Letter") from the State Housing Finance Agency, dated December 11, 2024, indicating that the Project meets the State Housing Finance Agency's Qualified Allocation Plan, and requires $2,022,553 in annual Tax Credits in order to be financially feasible, and has or will timely comply with all requirements necessary to receive an allocation of Tax Credits in an amount that will deliver no less than the Projected Tax Credits to the Limited Partner;

6.3.2 At all times following the completion of the contemplated improvements to the Project Property, the General Partner shall operate the Project Property in order to qualify one hundred thirty four (134) of the Residential Units in the Project Property for the Tax Credit with one-hundred percent (100%) of the tenants thereof qualifying under the appropriate income and rent restrictions of Section 42 of the Code as the same may be modified pursuant to the Extended Use Agreement (assuming no repeal or amendment of Section 42 of the Code renders such qualification impracticable), and in all other respects shall comply with the provision of Section 42 of the Code;

6.3.3 To the best of the General Partner's knowledge, after due inquiry, and except as otherwise disclosed and certified in writing to the Limited Partner prior to the date of this Partnership Agreement, there are no actions, suits, or proceedings pending, threatened, by any person or governmental authority against or affecting the

Project Property, the General Partner or any of its Affiliates that may have a material adverse effect on the Project Property or the Partnership or on the ability of the General Partner to perform its obligations hereunder;

6.3.4 The Partnership is not liable (nor has any claim been made against it) for any expense, debt, cost, liability, or other charge other than costs incurred in connection with the acquisition and construction of the Project Property, operating expenses arising in the normal course of business, and those relating to the Construction Loan and Subordinate Cash Flow Loans;

6.3.5 All current leases (if any) for the Residential Units in the Project Property are and all future leases will be for an initial term of at least six (6) months;

6.3.6 The General Partner hereby represents and warrants as follows:

(i) To the best of its knowledge, after due inquiry and investigation, except to the extent, if any, disclosed in the environmental report(s) for the Project heretofore delivered to the Limited Partner:

(a) the Project does not contain any Hazardous Substance;

(b) the Project is not in violation of any Environmental Law or any amendments of these acts or successor statutes, has occurred or is continuing; and

(c) the General Partner has no knowledge and has not received any notice from any source whatsoever of the actual or potential existence of any Hazardous Substances on the Project, or of a violation of any Environmental Law, and the General Partner shall throughout the term of the Partnership, notify the Limited Partner in writing of any notice it may receive that such a condition or violation exists or may exist.

(ii) If any such hazardous condition or violation, or the presence of any Hazardous Substance, is disclosed in the aforesaid environmental report(s) for the Project and such condition, violation or substance has not already been properly encased, encapsulated or otherwise corrected in a manner consistent with federal, state and local law:

(a) the Project budget includes an amount necessary for recommended removal, encapsulation, or other remediation of such condition or substance or correction of such violation, and

(b) the General Partner will verify that rehabilitation or construction of the Project has been or is being completed in accordance with the recommendations for removal, encapsulation, or remediation of such conditions or substances or correction of such violation and will certify to such in writing to the Limited Partner, upon completion of the rehabilitation or construction.

(iii) The General Partner will deliver to the Limited Partner copies of all test results of materials or soils that are indicated in the environmental report(s) for the Project to be potentially hazardous or copies of any supplemental environmental report(s) that discuss the results of such tests.

(iv) The General Partner will take all actions within its control necessary to comply with and continue to comply with all ongoing or newly arising monitoring, maintenance, inspection, reporting, and remediation requirements of any applicable federal, state, or local environmental laws and regulations and if any bona fide prospective purchaser or innocent purchaser environmental liability defenses under state and federal law are available to the General Partner, then the General Partner shall take all necessary actions to satisfy the requirements of said defenses.

(v) If the Project has received project-based or tenant-based Section 8 rental subsidies, the Project operating budget shall include sufficient funds for the Project to comply with all applicable federal, state and local lead based paint laws and regulations.

(vi) Unless otherwise approved by the Limited Partner in writing, the aforesaid environmental report(s) are based on assessments of the Project that were performed or recertified not more than one hundred eighty (180) days prior to the date of execution of the Partnership Agreement by the Limited Partner and that include, but are not limited to, a Phase I Environmental Site Assessment that meets the requirements for All Appropriate Inquiries at 40 CFR §312.20 and all similar requirements under applicable state law.

(vii) The General Partner shall, to the extent any such recommendation is set forth in any of the environmental report(s) for the Project, (A) cause a qualified environmental consultant to prepare a lead and/or asbestos operations and maintenance plan for the Project Property, and (B) ensure that such plan is located in a readily accessible and appropriate area on the Project Property.

For purposes of the representations contained in this Section 6.3.6, Hazardous Substances shall not include small amounts of chemicals, cleaning agents, or similar substances employed in routine household uses in a manner typical of occupants in other residential properties, or incidental cleaning supplies, provided that they are used at all times in strict compliance with all applicable laws and regulations and industry standards.

6.3.7 The Partnership is a duly organized limited partnership, validly existing under the Act, and has complied with all filing requirements necessary under the Act for the preservation of the limited liability of the Limited Partner;

6.3.8 No event has occurred that has caused and the General Partner will 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, rather than as a partnership, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) any Limited Partner to be liable for Partnership obligations in excess of its Capital Contribution, plus the limited dollar amount of any deficit restoration obligation agreed to by such Limited Partner pursuant to Section 11.4 and any amount required to be repaid by such Limited Partner to the Partnership pursuant to Section 7.1 hereof and the Act;

6.3.9 The Partnership owns the fee simple interest in the Project Property including the improvements in fee simple free and clear of all liens, charges, and encumbrances other than mortgages and other security instruments securing any of the Construction Loan or the Subordinate Cash Flow Loans and those liens, charges, and encumbrances expressly agreed to in writing by the Limited Partner and the General Partner and set forth in the owner's title insurance policy for the Project;

6.3.10 The Project Property conforms (or will timely conform) in all respects to all applicable laws, including, without limitation, all zoning, building, health, fire, and environmental rules and regulations and there are no laws, planning rules, regulations, ordinances, requirements, or environmental laws, regulations, or procedures applicable to the Project Property that would materially inhibit or materially adversely affect the operation of the Project Property as a low income housing development;

6.3.11 The General Partner: (i) has caused and will cause the Partnership to maintain with financially sound insurers with a rating of A VIII or better, as designated by A.M. Best & Company, all insurance coverage required by the Limited Partner in accordance with the Limited Partner's current insurance standards, as posted on the NEF website (www.nefinc.org) under the portal for developers or made available to the General Partner in another manner specified in writing by the Asset Manager (or the Asset Manager's designated insurance consultant), (ii) shall deliver to the Limited Partner, at least ten (10) Business Days prior to the date such insurance policy expires, a certificate of insurance for each insurance coverage required by the Limited Partner as evidence of renewal; and (iii) shall collect from any commercial tenants that contract with the Partnership to utilize the Project Property, proof of general liability insurance and, if applicable, workers compensation or other insurance coverage that said commercial tenant is required by law to maintain;

6.3.12 Neither the execution or delivery by the Partnership or the General Partner of the Project Documents, nor any loan or other agreement to which the Partnership or the General Partner is a party, nor the performance by the Partnership or the General Partner of its obligations thereunder or hereunder, violates or constitutes a default under any provision of law, order of court, indenture, or other instrument affecting the General Partner, the Partnership, or the Project Property or, except for the Loan Documents, result in the creation or imposition of any lien, charge, or encumbrance on the Project Property;

6.3.13 The General Partner has provided the Limited Partner with the Plans and Specifications (including, without limitation, all working drawings) and all

construction schedules, approved construction draws, certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to the Plans and Specifications, all available documents pertaining to the Construction Loan and Subordinate Cash Flow Loans and any other information which is relevant to the construction and development of the Project Property;

6.3.14 All material information concerning the Project Property known to the General Partner or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, has been disclosed by the General Partner to the Limited Partner and there are no facts or information known to the General Partner or any of its Affiliates, or which should have been known to any of them in the exercise of reasonable care, which would make any of the facts or information submitted by the General Partner to the Limited Partner with respect to the Project Property inaccurate, incomplete, or misleading in any material respect;

6.3.15 Except with respect to the [CADA Loans and] the Sponsor Loan, none of the Partnership or any Partner (nor any Affiliate of any Partner) has or will have direct or indirect personal liability as maker, guarantor, partner, or otherwise with respect to the payment of principal or interest or any other sum due under the Subordinate Cash Flow Loans except as a consequence of certain bad acts such as gross negligence and willful misconduct, which are carved-out in the non-recourse provisions of such loans. The Construction Loan is recourse as to the Partnership and the General Partner and/or its Affiliate is a guarantor thereof. As of the date of this Partnership Agreement, there are no outstanding loans or advances from the General Partner nor any of its Affiliates to the Partnership and the Partnership has no unsatisfied obligations to make any payments of any kind to the General Partner or any of its Affiliates;

6.3.16 The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken pertaining to the Partnership by the General Partner have been or will be duly authorized by all necessary corporate or other action and the consummation of any such transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the articles of organization or operating agreement of either General Partner or any agreement by which either General Partner or any of its properties is bound, nor constitutes a violation of any law, administrative regulations or court decree;

6.3.17 Neither the Partners nor any Affiliate of a Partner is a lender to the Partnership unless, based upon the advice of tax counsel or adviser satisfactory to the Limited Partner, such loan will not likely adversely affect or cause a material reallocation among the Partners of Tax Credits or Profits and Losses;

6.3.18 The General Partner has no knowledge of, and has not received any notices with respect to, any violations by the Partnership or the Project of federal or state law or municipal ordinances or orders or requirements of any governmental body or authority in whose jurisdiction the Project Property is subject, and the General Partner shall furnish to the Limited Partner, immediately but no later than five (5) Business Days of receipt thereof, a copy of any notice of default (or other notice of a failure to perform)

under any of the Project Documents or Loan Documents given to the Partnership or the General Partner by any of the Lenders or any other party thereto;

6.3.19 There is no default existing, pending or threatened under any provision of the Construction Loan Subordinate Cash Flow Loans, the Project Documents or any other agreement to which the Partnership is a party and the General Partner shall take all requisite action to comply with the provisions of all such loans and agreements; and, if any such default is alleged, the General Partner shall notify the Limited Partner of such alleged default within five (5) days of any General Partner's receipt of notification of the alleged default;

6.3.20 All appropriate roadway and public utilities, including, without limitation, telephone, sewer, water, electricity and gas, are available in sufficient volume to the Project Property, and all easements required in connection therewith have been obtained and filed of public record and the General Partner shall use its best efforts to keep all such utilities operating in a manner sufficient to service the Project Property and the Residential Units contained therein;

6.3.21 The construction of the Project Property will be completed in a timely and workmanlike manner by the Construction Completion Date and in compliance with: (i) applicable requirements of the Construction Loan, any Subordinate Cash Flow Loans and the Project Documents; (ii) the Plans and Specifications; (iii) the Projections; (iv) the QAP (to the extent applicable); and (v) the requirements of all governmental agencies with jurisdiction over the Project Property and the development and construction thereof;

6.3.22 All building permits, environmental permits or other clearances, easements and governmental permits, licenses, and approvals required in connection with the construction, development, ownership, operation, use, and occupancy of the Project Property and all Residential Units contained therein, have been or will be timely obtained and the General Partner shall take all actions necessary to maintain such approvals in full force and effect;

6.3.23 Intentionally Omitted;

6.3.24 No General Partner is 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 arrangements disclosed in writing to the Limited Partner prior to the date hereof;

6.3.25 Intentionally Omitted;

6.3.26 Each General Partner (i) is a limited liability company duly organized, in good standing, and validly existing under the laws of the Project State, and (ii) has full power to enter into this Partnership Agreement and to perform its obligations hereunder, and the consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by the General Partner does not and will not result in any breach or violation of, or default under, any

agreements by which the General Partner is bound, or under any applicable law, administrative regulation or court decree;

6.3.27 Each General Partner has previously provided a true, complete, and current copy of the Partnership's original limited partnership agreement, together with all amendments thereto, to the Limited Partner, which original limited partnership agreement and amendments reflect all agreements among the Partners of the Partnership prior to its amendment hereby;

6.3.28 The execution and delivery of this Partnership Agreement and each of the other documents and agreements described in or contemplated by this Partnership Agreement by the General Partner, and the performance of the transactions contemplated herein and in each such other document have been duly authorized by all requisite limited liability company or corporate actions, as applicable, and will not result in the breach of or default under any agreement, mortgage or other instrument to which any General Partner is a party or by which any General Partner is bound;

6.3.29 This Partnership Agreement is binding upon and enforceable against the General Partner in accordance with its terms;

6.3.30 The General Partner will not transfer a controlling interest in itself without the consent of the Limited Partner;

6.3.31 The General Partner shall not, and shall cause the Property Management Agent not to, (i) cause or permit any waste or damage to the Project Property, or (ii) allow any tenant to use a Residential Unit, or, if applicable, commercial space, within the Project Property or any of the common areas in any manner which is unlawful, hazardous, unsanitary, noxious, or offensive or which unreasonably interferes with the use of the Project Property by the other tenants;

6.3.32 The General Partner shall maintain the Project Property in a decent, safe and sanitary condition;

6.3.33 The General Partner shall operate the Project Property in accordance with, and lease the Residential Units within the Project Property in compliance with, all applicable laws, regulations, ordinances, the Loan Documents, and the QAP (to the extent applicable);

6.3.34 To the best of the General Partner's knowledge after due inquiry (including, but not limited to, consulting with the Accountant regarding the Projections), the Projections attached hereto as Appendix I are accurate, and the financial assumptions upon which such Projections are based are true and correct in all material respects as of the date hereof;

6.3.35 The General Partner has determined that neither the General Partner, Sponsor, or any Guarantor, nor any of the officers, directors, principals, employees or owners of the General Partner, Sponsor or any Guarantor is on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the

Treasury pursuant to Executive Order 13224 and located on the internet at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx;

6.3.36 The General Partner shall, and shall cause the Property Management Agent to, operate the Project in accordance with, and lease the Residential Units in compliance with, the provisions of all federal, state and local fair housing laws prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, or handicap, including, without limitation, Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, Title VI of the Civil Rights Act of 1964 (Public Law 88-353, 78 Stat. 241), Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975;

6.3.37 The General Partner shall obtain from the Property Management Agent and maintain copies of the First Year Tenant Files in a secure location under its control in accordance with requirements of Section 42 of the Code;

6.3.38 The General Partner shall deliver to the Asset Manager evidence satisfactory to the Asset Manager that the Partnership has (i) timely prepared and filed, on an annual basis if applicable, all necessary documentation for the Project to receive real estate tax abatement or other real estate tax relief; and (ii) received, on an annual basis if applicable, such real estate tax abatement or other real estate tax relief, within 10 Business Days of its receipt;

6.3.39 If there are any building, multiple dwelling and/or other municipal violations filed or noted against the land on which the Project is located or the Project, including any unsafe building violation or lien, such violation will be corrected upon completion of the construction substantially in accordance with the Plans and Specifications;

6.3.40 To the best of the General Partner's knowledge after due and diligent inquiry, the General Partner, the Partnership, its Property Management Agent, the Project Property, and all Loan Documents and Project Documents are in compliance with all applicable federal, regional, state and local laws, rules, regulations, statutes, decisions, orders, judgments, directives, decrees, codes guidelines or ordinances of any governmental or regulatory authority, court or arbitrator;

6.3.41 Neither the General Partner nor any of its Affiliates have (a) made an assignment for the benefit of creditors; (b) filed a voluntary petition in bankruptcy; (c) been adjudicated as bankrupt or insolvent; (d) filed a petition or answer seeking for itself a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or rule; (e) sought, consented to or acquiesced in the appointment of a trustee, receiver, or liquidator of it or of all or any substantial part of its properties; or (f) suffered the filing of a bankruptcy petition or similar creditor's action by or against it that has not been dismissed;

6.3.42 Intentionally Omitted;

6.3.43 The General Partner shall promptly deliver or cause to be delivered to the Limited Partner, for its review and approval, prior to its execution or implementation, the following Project related documents: Service Provider Documents, residency service plan agreement, certificate or license, Property Management Agreement, and any other agreements or documents related to the administration of health care services to residents of the Project, provided if any such agreement is dated prior to the date hereof, the parties hereto agree that, to the extent required by the Limited Partner, such agreement shall be re-negotiated to the satisfaction of the Limited Partner [Primary Lease, sub-tenant lease, easement agreement, and insurance policy for the [primary tenant] and/or sub-tenant, in connection with the commercial use component of the Project Property];

6.3.44 The General Partner shall cause the Partnership to enter into a Property Management Agreement with the Property Management Agent pursuant to the provisions set forth in Section 6.4.9 below and, if the Property Management Agent is an Affiliate of the General Partner, the General Partner shall ensure that such Property Management Agreement provides for the subordination of the Property Management Agent's Fee to the payment of Operating Deficits until such time as funds are available to pay such fees;

6.3.45 Any counseling, healthcare, housekeeping or similar supportive services ("Supportive Services") to be provided to the residents of the Project shall be performed, unless otherwise approved by the Asset Manager, in writing, under service agreements between the General Partner, the Partnership, or residents receiving such Supportive Services and the provider of such Supportive Services. The service provider shall be a third party other than the Partnership or the General Partner. To the extent that any services are required to be provided to the tenants of the Project by any Lender or any Project Document (including, but not limited to any Supportive Services), the General Partner shall be responsible for ensuring that such services are made available by one or more service providers to the tenants and a failure to do so will be a default under Section 10.6.1 hereof to the extent that it creates a default under any Project Document. If the costs of such services are not included in the Projections, the General Partner shall be responsible for ensuring that all such required services continue at no cost to the Partnership, except to the extent that the Project Documents are modified, waived or released such that some or all of the services are no longer required to be provided to the tenants of the Project. In addition, to the extent any Supportive Services are provided at the Project, the General Partner shall require the Property Management Agent to include in all residential leases for the Project a provision (to be approved by the Asset Manager prior to the provision of such services) that releases the Partnership from any liabilities or damage caused to the residents as a result of the provision of such services;

6.3.46 The Project complies with the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act of 1988, all federal, state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto including, without limitation, the American with

Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted;

6.3.47 The General Partner shall cause the Partnership to satisfy the requirements pursuant to Code Section 42(h)(4) with respect to the financing of 50% or more of the Project's Building and the land on which the Building is located with tax-exempt bonds subject to the volume cap under Code Section 146;

6.3.48 The rents charged to the tenants of the Tax Credit Units will not exceed 30% of the applicable income limitation as determined under Code Section 42(g)(1);

6.3.49 All requirements under Code Section 42 will have been met at the time of the Project's Placement in Service so that the Project's Tax Credit Units will qualify for the Tax Credits if leased to qualified tenants pursuant to Section 42 of the Code;

6.3.50 The land on which the Project is located is, and will be at all times, properly zoned, and the General Partner will not act or omit to act in a manner that would cause such proper zoning to be terminated;

6.3.51 The General Partner shall promptly correct all building code and Environmental Law violations, including any such violations that occur during the construction or rehabilitation of the Project;

6.3.52 The General Partner shall and shall cause the Partnership to perform all radon mitigation, testing, evaluation and/or remediation pursuant to and in accordance with all appropriate federal, state, and local laws, regulations, guidelines, and requirements;

6.3.53 The General Partner shall and shall cause the Partnership to comply with all provisions contained in the application for Tax Credits submitted to the State Housing Finance Agency as to which the State Housing Finance Agency awarded points pursuant to its scoring or award procedures;

6.3.54 The General Partner shall and shall cause the Partnership, the General Partner, each Affiliate of the General Partner, the Sponsor and each Guarantor to comply with the Money Laundering Control Act, Executive Order 13224, USA Patriot Act of 2001 (Public Law 107-56), and all federal regulations issued with respect thereto, which shall include, but not be limited to, providing to each Project lender the names, addresses, tax identification numbers and/or such other identification information concerning the Partnership, the General Partner, any Affiliate of the General Partner, the Sponsor and each Guarantor as shall be necessary for each Project lender to comply with federal law;

6.3.55 The General Partner shall cause the Accountant to prepare the Partnership's financial statement in accordance with GAAP and to comply with any

instructions received from the Limited Partner concerning depreciation periods to be used for real and personal property in accordance with GAAP.

6.3.56 No Foreign Drywall was used or will be used in the construction and/or rehabilitation of the Project;

6.3.57 The General Partner shall deliver to the Limited Partner within thirty (30) days of the date first set forth above, the Owner's Title Insurance Policy;

6.3.58 The General Partner shall (i) cause the Partnership to pay, on or prior to any applicable due date related thereto, any and all taxes, fees, and impositions, including but not limited to, transfer taxes, stamp taxes, and other related costs or charges incurred by or to be incurred by the Partnership in connection with the Partnership's acquisition, either in fee simple or through a leasehold interest, of the land underlying the Project Property; and (ii) promptly deliver to the Limited Partner satisfactory evidence of such payments, including but not limited to, any state and/or local transfer tax declarations, provided that if the acquisition, either in fee simple or through a leasehold interest, of the land underlying the Project Property is exempt from any such aforementioned taxes, then the General Partner's counsel shall deliver a letter to the Limited Partner (and its successors and/or assigns) setting forth the basis of such exemption, which shall also include a copy of any filings required to support such exemption;

6.3.59 To the extent not inconsistent with the Loan Documents and unless otherwise directed in writing by the Limited Partner, the General Partner shall promptly apply all proceeds of insurance and condemnation awards to the restoration and rebuilding of the Project, provided that such proceeds shall be applied in accordance with (i) all requirements of any applicable laws, rules, regulations, and ordinances, and (ii) plans and specifications previously approved by the Limited Partner;

6.3.60 The aggregate Tax Credits applicable to the Project which are anticipated to be available to the Partnership for the Credit Period is $[18,719,278];

6.3.61 All of the infrastructure constituting the "Off-Site Work" (as referred to in the Projections) will be owned by [the ____], and [the _____]will have responsibility for maintenance of such Off-Site Work.

6.3.62 There is a reasonable relationship between the scope and character of the Off-Site Work and the residential rental building constituting the Project.

6.3.63 If any General Partner is required by the terms of this Agreement to make an additional Capital Contribution in the performance of its obligations hereunder, such General Partner shall give the Limited Partner ten (10) Business Days' prior written notice and the Limited Partner shall have the right, based on the advice of its tax counsel, to provide written direction to such General Partner within such ten (10) Business Day period confirming that the action to be taken shall be structured as the making of a Capital Contribution or redirecting the General Partner to structure the action as a non-interest bearing loan to the Partnership in the same amount in lieu of a Capital

Contribution. Such General Partner agrees to abide by such direction from the Limited Partner, provided that if the Limited Partner fails to respond to such General Partner's notice within such ten (10) Business Day period, such General Partner may proceed to satisfy its obligations by making the additional Capital Contribution in accordance with the terms of this Partnership Agreement;

6.3.64 The General Partner shall cause all Project-related financing to be closed in accordance with the Projections and the terms and conditions of this Agreement, and in furtherance of the foregoing, the Limited Partner hereby acknowledges the General Partner's authority to execute the Loan Documents on behalf of the Partnership;

6.3.65 The General Partner hereby represents and warrants as follows:

(i) The General Partner shall not engage, has not engaged and does not engage, in any business other than being the General Partner of the Partnership;

(ii) The General Partner shall not enter into and has not entered into any contract or agreement with any affiliate of the General Partner, any constituent party of the General Partner, or any affiliate of any constituent party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm's length basis with third parties other than any such party;

(iii) To the extent that the General Partner and any of its Affiliates: (a) occupy any premises in the same location; (b) share the same officers and other employees; (c) jointly contract or do business with vendors or service providers or share overhead expenses; and (d) contract or do business with vendors or service providers where the goods or services are wholly or partially for the benefit of its Affiliates, the General Partner, to the extent that the General Partner is liable for any such expenses, has and shall always allocate fairly, appropriately and non-arbitrarily any expenses and costs among and between such entities with the result that each entity bears its fair share of all such rent and expenses;

(iv) The General Partner has and shall continue to pay its debts and liabilities from its own assets as the same shall become due, provided that the foregoing shall not be construed as a guaranty of the Partnership's obligations except as expressly provided in this Partnership Agreement. No Affiliate has paid any debts or liabilities on behalf of the General Partner;

(v) The General Partner has and shall continue to maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate;

(vi) The General Partner has and shall continue to maintain separate annual financial statements prepared in accordance with GAAP, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the General Partner are consolidated with the financial

statements of any other entity, the General Partner has and shall continue to cause to be included in such consolidated financial statements: (a) a narrative description of the separate assets, liabilities, business functions, operations and existence of the General Partner to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (b) a statement that the General Partner's assets and credit are not available to satisfy the debts of such other entity or any other person;

(vii) The General Partner has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law;

(viii) The General Partner has and shall continue to (a) hold itself out as an entity separate and distinct from any other Person; (b) not identify itself or any of its Affiliates as a division or part of the other; (c) correct any known misunderstanding regarding its separate status; and (d) use separate stationery, invoices, checks, and the like bearing its own name;

(ix) The General Partner has and shall continue to conduct its business in its own name so as to avoid or correct any misunderstanding on the part of any creditor concerning the fact that any invoices and other statements of account from creditors of the General Partner are to be addressed and mailed directly to the General Partner, though this provision shall not prohibit such mail to be delivered to the General Partner c/o any other entity;

(x) The General Partner has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations consistent with the requirements of this Partnership Agreement;

(xi) The General Partner has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate;

(xii) The General Partner has and shall continue to maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any party;

(xiii) Except pursuant to the Loan Documents approved by the Limited Partner, t he General Partner has not and shall not (a) assume or guaranty the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Partnership, (b) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Partnership (whether by operation of law or otherwise), (c) otherwise pledge, encumber, transfer or hypothecate the assets of the Partnership for the benefit of another Person or permit the same to

occur, or (d) hold the Partnership's credit as being available to satisfy the obligations of any other Person; and

(xiv) All transactions carried out by the General Partner have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the General Partner.

6.3.66 Intentionally Omitted;

6.3.67 The General Partner shall pay, if and when due after an event of default by the Partnership, any amounts it is liable for on the Subordinate Cash Flow Loans as a result of such loans being recourse obligations of the General Partner or of the Partnership;

6.3.68 Notwithstanding any provision herein to the contrary, each General Partner, collectively with its successors and assigns, waives, for the benefit of Limited Partner, its beneficiaries, successors and assigns, any right (a "Qualified Contract Right") that each General Partner or the Partnership may have to request that the State Housing Finance Agency procure or assist in procuring a "Qualified Contract," as defined in Section 42(h)(6)(F) of the Code, with respect to the Project Property or any portion thereof (the "Qualified Contract Waiver"). The right to enforce the Qualified Contract Waiver is personal to and enforceable by Limited Partner and will remain effective notwithstanding any assignment or transfer of the rights or obligations of any Partner hereunder.

6.3.69 The General Partner has and will at all times file all necessary information required by the CTA with respect to itself and the Partnership.

6.3.70 The General Partner, on behalf of the Partnership and at the Partnership's reasonable expense, shall file any and all information required by the CTA within the time frames required by the CTA and shall provide the Limited Partner with proof of such filing and a copy of the same.

Section 6.4 **Specific Obligations of General Partner**. The General Partner shall, on behalf of and in the name of the Partnership and in addition to any obligations placed upon it elsewhere in this Partnership Agreement, have the following specific obligations:

6.4.1 **Securities Law and Corporate Transparency Act Matters**.

(i) The General Partner shall prepare and file appropriate reports for the Partnership, if any, with the Securities and Exchange Commission and state securities administrators.

(ii) General Partner shall be required to timely file any information required by the CTA. Each Partner hereby consents to any filings required to be made by the Partnership under the CTA. Each Partner shall provide such information concerning itself and its beneficial owners as is reasonably required in order to comply with the CTA. The Limited Partner will timely provide to the

General Partner either its Reporting Company FinCen ID or a statement that it reasonably believes it is an exempt entity for CTA reporting purposes.

6.4.2 **Limited Partnership Status**. The General Partner shall (i) file such certificates and do such other acts as may be required to qualify and maintain the Partnership as a limited partnership under the Act and to qualify the Partnership to transact business in all such jurisdictions as may be required under applicable provisions of law and (ii) take or cause the Partnership to take all reasonable steps deemed necessary by counsel to the Partnership to assure that the Partnership is at all times classified as a partnership for federal and state income tax purposes.

6.4.3 **Intentionally Omitted**.

6.4.4 **Governmental Filings**. The General Partner shall prepare, sign, and submit to the IRS, the State Housing Finance Agency, and any other governmental authority having jurisdiction over the Project Property, on a timely basis, any and all annual reports, information returns, and other certifications and information required by any such governmental agency. The General Partner shall comply with all other applicable requirements of any federal, state, or local agency having jurisdiction over the Project Property, including, without limitation, any requirements of any such governmental agency with respect to the funding and maintenance of any operating or replacement reserves for the Project Property.

6.4.5 **Bank Accounts**. The General Partner shall establish in the name and on behalf of the Partnership such bank accounts as shall be required to facilitate the operation of the Partnership's business. The Partnership's funds shall not be commingled with any other funds of the General Partner or any of its Affiliates, including without limitation, any other partnership in which the General Partner is a general partner. Funds of the Partnership held in bank accounts shall be deposited in one or more interest bearing accounts maintained in FDIC insured banking institutions, with no such account having a balance in excess of the maximum insured amount, or in Temporary Permitted Investments. If the Partnership incurs any loss due to any Partnership funds being deposited in FDIC insured accounts with balances in excess of the maximum insured amount, the General Partner and the Guarantor (pursuant to the Guaranty Agreement) shall be absolutely and unconditionally liable to the Partnership and the Limited Partner with respect to any such loss. Promptly upon the request of the Limited Partner, the General Partner shall obtain and deliver to the Limited Partner full, complete, and accurate statements of the amount and status of all Partnership bank accounts and all withdrawals therefrom and deposits thereto.

6.4.6 **Guaranties**. The General Partner shall have the following guaranty obligations.

(i) **Development Completion Guaranty.**

(a) The General Partner hereby absolutely and unconditionally guaranties to the Partnership and the Limited Partner that the Project

Property will be constructed in a good and workmanlike manner free and clear of all mechanics', materialmen's, and similar liens, in accordance with the Plans and Specifications and in accordance with the terms, conditions and provisions of the Construction Loan Subordinate Cash Flow Loans and this Partnership Agreement, will be equipped with all necessary and appropriate fixtures, equipment and personal property on or before the Construction Completion Date, and the Project will be leased-up in accordance with the Projections. The obligations of the General Partner under the Development Completion Guaranty shall be unlimited in amount and shall include, without limitation, the obligation to provide all funds (a) required of the Partnership to achieve Construction Completion of the Project Property and to repair any latent defects that occur within one year of Construction Completion (to the extent not then available under the Construction Loan Subordinate Cash Flow Loans or Capital Contributions), (b) needed for unanticipated or additional development or construction costs, on and off site escrows, taxes, insurance premiums, interest, funding of Operating Deficits, reserves, escrows, legal expenses, accounting expenses until the Project achieves Stabilized Occupancy, (c) needed for repayment in full of the Construction Loan and (d) required to pay the Right-Sized Payment Amount and any other amounts due from the General Partner under Section 6.4.6(i)(b) hereof. The repayment of any borrowings arranged by the General Partner to fund its obligations under this Section 6.4.6(i) are the sole obligation of the General Partner. Funds made available by the General Partner to fulfill its obligations pursuant to this Section 6.4.6(i) shall be accounted for as unsecured loans to the Partnership by the General Partner and may be reimbursed to the General Partner, without interest, in accordance with Section 5.1 hereof, or out of the proceeds of refinancing or sale pursuant to Section 5.2 hereof, or in the sole discretion of Asset Manager, may be repaid from a source of funds other than Cash Flow in accordance with Section 5.1 or Net Cash from Sales and Refinancings in accordance with Section 5.2, provided that such source of funds is acceptable to Asset Manager in Asset Manager's sole discretion. If the construction cost overruns are due to the gross negligence or willful misconduct of the General Partner or any of its Affiliates, then any guaranty advances made by the General Partner to cover such costs shall be deemed to be capital contributions.

(b) If, immediately prior to the disbursement of the Third Installment, Asset Manager determines that (i) that the Project has not achieved Stabilized Occupancy and (ii) the Right-Sized Escrow Amount is necessary for the Partnership to achieve an Expense Coverage Ratio of at least 1.10 or better for a period commencing upon disbursement of the Third Installment and ending upon the expiration of the Compliance Period, then the General Partner shall be required, as part of its Development Completion Guaranty, to deposit the Right-Sized Escrow Amount into the Operating Reserve Account to Asset Manager's satisfaction.

(ii) **Operating Deficit Guaranty**.

(a) The General Partner shall be required , upon the reduction of the Operating Reserve Account to zero, to promptly provide funds to the Partnership from time to time as needed in an amount up to the Operating Deficit Guaranty Amount for Operating Deficits occurring during the Operating Deficit Guaranty Period. Repayment of any letters of credit or other borrowings arranged by the General Partner to meet its obligations under this Section 6.4.6(ii) (a) shall be the sole obligation of the General Partner. Subject to Section 6.4.6(ii)(b) below, funds made available by the General Partner to fulfill its obligations pursuant to this Section 6.4.6(ii)(a) shall be accounted for as unsecured loans to the Partnership by the General Partner and may be reimbursed to the General Partner, without interest, in accordance with Section 5.1 hereof, or out of the proceeds of refinancing or sale pursuant to Section 5.2 hereof.

(b) If the Operating Deficits overruns are due to the gross negligence or willful misconduct of a General Partner, then any guaranty advances made by such General Partner to cover such costs shall be deemed to be capital contributions.

(iii) **Cumulative Guaranty Obligations**. The various guaranty obligations under this Section 6.4.6 are cumulative, not concurrent. Any limitation of liability under one guaranty shall not affect the amount of liability under any other guaranty, and any payment of obligations under one guaranty shall not reduce the amount of liability under any other guaranty.

6.4.7 Required Reserves.

(i) **Operating Reserve**. The General Partner shall establish an operating reserve (the "Operating Reserve") to fund Operating Deficits incurred by the Partnership. The Operating Reserve shall be funded from Limited Partner's Fourth Installment of Project Equity in the amount of Four Hundred Sixty Thousand Six Hundred Fifty and No/100 Dollars ($460,650), held in a separate bank account (the "Operating Reserve Account"), controlled by the General Partner (or a Project lender, if required by such lender), and maintained until the end of the Project's Compliance Period. Throughout the Compliance Period, the General Partner shall also be obligated, to the extent funds are available, to replenish the Operating Reserve Account up to the Operating Reserve Target Amount out of Cash Flow in accordance with Section 5.1 hereof or from sales or refinancings (prior to the distribution of Net Cash from Sales and Refinancings). Withdrawals from the Operating Reserve Account will require the prior written approval of the Asset Manager. If the Operating Reserve Account is under the control of a Project lender, the General Partner shall first obtain the approval of the Asset Manager prior to obtaining the consent of the Project lender. Within thirty (30) days of receipt by the Asset Manager of such request, the Asset Manager shall notify the General Partner whether the request has been approved, disapproved or whether additional

information is needed to evaluate the request. If the Asset Manager does not respond within such thirty (30) day period, the withdrawal request will be deemed to be approved. Upon depletion of all of the funds in the Operating Reserve Account, any continuing shortfalls shall be funded pursuant to the Operating Deficit Guaranty described above in Section 6.4.6(ii). Notwithstanding any language to the contrary in Section 6.4.7[(vi)] of this Partnership Agreement, any withdrawal from the Operating Reserve shall require the prior written approval of the Asset Manager.

(ii) **Replacement Reserve**. The General Partner shall establish a replacement reserve (the "Replacement Reserve") to fund capital improvements and repairs to the Project. The General Partner shall fund the Replacement Reserve with proceeds from Gross Cash Receipts beginning on January 1st of the year immediately following the year in which the Project is Placed in Service. The Replacement Reserve shall be held in a separate bank account (the "Replacement Reserve Account"), controlled by the General Partner (or a Project lender, if required by such lender), and maintained throughout the Project's Compliance Period. The General Partner will also be required to fund the Replacement Reserve Account on a cumulative basis, annually, in an amount equal to the greater of $500 per unit per year (not to be increased annually) or such amount as required by any Project lender, from Gross Cash Receipts prior to distribution of Cash Flow. Withdrawals from the Replacement Reserve Account during any calendar year that in the aggregate exceed the lesser of Five Thousand and No/100 Dollars ($5,000.00) or ten percent (10%) of the amount of any remaining funds in the Replacement Reserve Account at such time, shall require the written approval of the General Partner and the Asset Manager. Within ten (10) Business Days of receipt by the Asset Manager of such request, the Asset Manager shall notify the General Partner whether the request has been approved, disapproved or whether additional information is needed to evaluate the request. If the Asset Manager does not respond within such ten (10) Business Day period, the withdrawal request will be deemed to be approved. After the completion of the seventh (7th) year of the Project's Compliance Period, the Asset Manager shall have the right to require a physical assessment of the Project pursuant to which the amount required to be maintained in the Replacement Reserve Account may be increased at the discretion of the Asset Manager. (iv) Notwithstanding any language to the contrary in this Partnership Agreement, for the full term of the Extended Use Agreement, all funds in project reserve accounts described in this Partnership Agreement shall remain with the Project Property to be used for the benefit of the Project and/or its residents. The only exception to the foregoing is with the prior written consent of the Limited Partner, the release of Operating Reserve to pay Deferred Development Fee following the achievement of a minimum annual Expense Coverage Ratio of 1.05 for two (2) consecutive years following the third anniversary of the date Stabilized Occupancy is achieved.

(iii) Notwithstanding any language to the contrary in this Partnership Agreement, for the full term of the Extended Use Agreement, all funds in project reserve accounts described in this Partnership Agreement shall remain with the

Project Property to be used for the benefit of the Project and/or its residents. The only exception to the foregoing is with the prior written consent of the Limited Partner, the release of Operating Reserve to pay Deferred Development Fee following the achievement of a minimum annual Expense Coverage Ratio of 1.15 for three (3) consecutive years following Stabilized Occupancy.

The above reserves shall be held in segregated interest bearing accounts. Any failure to obtain any required approval of the Asset Manager or failure to provide the Asset Manager with proper notice shall constitute an Event of Default under Section 10.6 below. Any interest earned with respect to any of the above reserve accounts shall be deposited into that respective reserve account for the benefit of the Partnership.

6.4.8 **Qualified Occupancy**. The General Partner shall use its best efforts to cause the Project Property to achieve Qualified Occupancy on or before the Qualified Occupancy Date.

6.4.9 **Property Management**. The General Partner, on behalf of the Partnership, shall enter into a Property Management Agreement with the Property Management Agent for the physical property management and leasing of the Project, in form and of content as set forth in a separate document approved in writing by the General Partner and the Asset Manager. The General Partner, on behalf of the Partnership, shall diligently enforce all of the obligations of the Property Management Agent under the Property Management Agreement and shall perform all of the Partnership's obligations as owner thereunder, subject to the following terms and conditions:

(i) **Renewal or Successor Agreements**. Upon the termination of such Property Management Agreement or any subsequent Property Management Agreement, the General Partner shall renew the same or enter into an agreement that does not differ materially from the initial Property Management Agreement in Property Management Agent obligations and owner remedies, or in any other respect, with the same Property Management Agent or another Property Management Agent of at least comparable ability and experience who can reasonably be expected to perform at least as well, subject to the requirements of subparagraphs (ii) and (iii) hereinbelow.

(ii) **Notice and Consultation**. If the General Partner wishes to enter into a new form of management agreement or retain the services of a different Property Management Agent, it shall give the Asset Manager at least thirty (30) Business Days' prior written notice of the proposed change, accompanied by a copy of any proposed new Property Management Agreement and a written description of the identity and qualifications of any proposed new Property Management Agent, and the General Partner shall consult with the Asset Manager regarding the proposed change.

(iii) **Asset Manager Consent**. Under any circumstances, the General Partner shall not enter into a new management agreement materially different from the initial Property Management Agreement in any respect without the prior written consent of the Asset Manager as to the form and content of such new management agreement, nor shall the General Partner retain the services of a property management agent other than a property management agent previously approved by the Asset Manager without the prior written consent of the Asset Manager as to the identity and qualifications of such new property management agent, provided such consent shall not be unreasonably withheld, conditioned or delayed. For purposes of this provision, a management agreement shall be deemed to be materially different if the agreement involves a change in the parties, services or fees to be provided to the Property Management Agent.

(iv) **Termination of Non-Performing Property Management Agent**. If the Property Management Agent fails to perform any of its obligations under the Property Management Agreement, whether general or specific obligations, in any material respect, including without limitation, in Limited Partner's judgment, failure to capably manage the Project as measured by sustained high Project vacancies, delinquent rents, or Operating Deficits (in each case beyond levels specified in the Projections), inadequate maintenance, or failure to qualify tenants under low-income housing tax credit requirements, or repeated failure to provide or unreasonable delay in providing accurate financial or operating reports to the General Partner and the Limited Partner, the General Partner shall promptly comply with the terms of the Property Management Agreement regarding notice to the Property Management Agent and its opportunity to cure. The General Partner shall also simultaneously provide the Asset Manager with a copy of this notice and any documentation explaining why the Property Management Agent should not be terminated for cause. Upon expiration of the applicable cure period, and the failure of the Property Management Agent to cure its breach of the Property Management Agreement, the General Partner shall consult with the Asset Manager as to whether or not the Property Management Agent should be retained and, if so, under what terms and conditions. Unless within ten (10) Business Days of the delivery of this notice the Asset Manager consents in writing to the retention of the managing agent, the General Partner shall terminate the Property Management Agent for cause, in accordance with the terms of the Property Management Agreement. The General Partner shall also immediately enter into a new Property Management Agreement with a substitute Property Management Agent, subject to the prior written consent of the Asset Manager. For purposes of this Section 6.4.9(iv), "cause" shall include, but not be limited to, any one of the following: (a) failure to promptly and competently perform (after any applicable notice and within the applicable cure period) all duties of the Property Management Agent under the Property Management Agreement with the Partnership, (b) failure of the Project to generate at least 80% of the Projected Tax Credits in any calendar year, (c) failure to materially comply with the record keeping, tenant qualification and rental requirements of the Extended Use Agreement and Section 42 of the Code and the Regulations, rulings, and policies related thereto, (d) material mismanagement of

the Project, or (e) if the Property Management Agent is an Affiliate of the General Partner, removal of the General Partner pursuant to Section 10.6 hereof.

(v) **Removal of Non-Complying General Partner**. If the General Partner fails to comply with any of the requirements of this Section 6.4.9, it may be removed for cause pursuant to Section 10.6 hereof.

All Property Management Agreements shall contain specific provisions requiring the Property Management Agent to comply with the requirements for the operation of the Project contained in the Project Documents, including the requirements to rent to low-income tenants at the level required to maintain Qualified Occupancy, to obtain prior written approval of the General Partner for any deviation from such level, to obtain tenant income certifications and employer and/or other relevant verifications of tenant income, to determine low-income tenant eligibility for tax credit purposes, to deliver certifications of its compliance with these requirements and of Project rent rolls upon Qualified Occupancy and annually prior to the times such information is required for low-income housing tax credit purposes, to keep records of such low-income rental and occupancy and deliver copies of leases, certifications, and verifications to the Partnership, and to prepare elections, certifications, and any other materials contemplated by Section 6.4.12 hereof, to the extent necessary or advisable to qualify for and maintain the Tax Credit and any other available tax benefits in connection with such rental and occupancy. Where the Property Management Agent is the General Partner or its Affiliate, each management agreement shall provide that the property management agent's monthly fees are accrued and subordinated to payment of Operating Deficits until funds are available to pay such fees.

6.4.10 Cooperation with Asset Manager. The General Partner shall cooperate and shall cause the Property Management Agent to cooperate fully with the Asset Manager so that the Asset Manager may carry out its duties and obligations. In the event that the Asset Manager is replaced or substituted by the Limited Partner, in its sole and absolute discretion, all rights, duties and obligations of the Asset Manager shall be assumed by and inure to the benefit of any such substitute or replacement Asset Manager upon delivery of notice by the Limited Partner to the General Partner of such replacement or substitution.

6.4.11 Rental Program. The General Partner shall cause the Project to be rented to Code Section 42 qualified low-income tenants to the extent required in the Extended Use Agreement and projected in the Projections. Without limitation of the foregoing, the General Partner shall (i) use its best efforts to achieve Qualified Occupancy (as defined in Article I) within the time specified in the Projections; (ii) comply with the rent schedule set forth in the Projections; (iii) cause to be kept all records of rental and occupancy throughout the Compliance Period; (iv) cause the

Property Management Agent to comply with all income certification or other record-keeping requirements of the Code and Regulations, any Regulatory Agreement, and of prudent management accounting practices, to support the claim of a low-income housing tax credit based on the occupancy requirements for the Project and any other material tax benefits resulting from such low-income occupancy of the Project; and (v) take such other actions required under Section 6.4.12 below to claim all available tax benefits in connection therewith. The General Partner and the Property Management Agent shall comply with all income certification or other record-keeping requirements of the Code and Regulations, any Regulatory Agreement, and of prudent management accounting practices, to support the claim of a Tax Credit based on the occupancy requirements for the Project and any other material tax benefits resulting from such low-income occupancy of the Project.

6.4.12 Tax Benefits Requirements. The General Partner acknowledges that it is of great importance that the Tax Credits and all other tax benefits contemplated in the Projections be achieved and maintained. Accordingly, the General Partner agrees as follows:

(i) **No Delays**. The General Partner shall not cause or suffer any delay in Placement in Service or Qualified Occupancy that would reduce such anticipated tax benefits.

(ii) **Record-Keeping**. The General Partner shall cause to be kept all records and cause to be made all elections and certifications, pertaining to the number and size of apartment units, occupancy thereof by tenants, income levels of tenants, set-aside for low-income tenants, and any other matters now or hereafter required to qualify for and maintain the Tax Credits and any other available tax benefits in connection with low-income occupancy of the Project.

(iii) **Set-Aside Election**. The General Partner shall elect the minimum low-income set-aside requirement specified in the Projections within twelve (12) months after Placement in Service or such other time period as may hereafter be required by the Code or Regulations thereunder for such Tax Credits, provided that in the event it becomes reasonably certain that such set-aside either will not be met or will be exceeded, the General Partner shall promptly so notify the Partners in writing and shall proceed to elect such other minimum set-aside requirement as will best protect or enhance the projected tax benefits to the Partners under the circumstances.

(iv) **Initial Tax Credit Year**. The General Partner shall elect, upon the request of the Limited Partner or subject to the approval of the Limited Partner, to claim such Tax Credits for each Building in the Project commencing with the earlier of the year in which Qualified Occupancy for such Building is achieved or (if the Partnership, with the express consent of the Limited Partner, makes a timely election pursuant to Code Section 42(f)(1)(B)) the year succeeding the year in which Placement in Service occurs. The General Partner shall develop and lease

the Project so that the initial year during which such Tax Credit is claimed will be no later than the year specified in the Projections.

(v) **Annual Compliance Procedures**. As soon as feasible after Qualified Occupancy has occurred and annually thereafter, prior to the times such information is required for Tax Credit reporting purposes, the General Partner shall:

(a) cause the Partnership's Property Management Agent to submit to the Partnership the certifications and all other applicable materials related to low-income leasing described in Section 6.4.11 hereof;

(b) check and verify the same against leases, certifications, and other appropriate back-up materials to the extent necessary or advisable to determine with reasonable assurance that the low-income leasing requirements have been met for Tax Credit purposes; and

(c) execute and deliver to the Limited Partner a certification, in form reasonably acceptable to the Limited Partner, stating that the General Partner has complied with the foregoing requirements and attaching copies of the managing agent's certification and rent roll in a format reasonably acceptable to the Limited Partner.

The General Partner's initial certification following Qualified Occupancy shall also specify the Qualified Occupancy Date.

(vi) **Cost Accounting**. As soon as feasible after Placement in Service has occurred, prior to the time such information is required for Tax Credit reporting purposes, the General Partner shall:

(a) cause the Accountant to submit to the General Partner a letter, as required by the State Housing Finance Agency and in a form and content reasonably acceptable to the Limited Partner, certifying that the Accountant has examined the Partnership's books and records for the Project and, subject to any changes in facts or applicable law, is prepared to sign a tax return for the Partnership reflecting that all costs specified in the letter or in an attached schedule are includable in qualified basis for the Tax Credits; and

(b) execute and deliver to the Limited Partner a Cost Certification, in form and content reasonably acceptable to the Limited Partner, stating that the amounts described in the Accountant's letter accurately reflect Project costs incurred and attaching a copy of such letter.

(vii) **Tax Filings**. The General Partner shall properly reflect all Tax Credits and other tax benefits in preparing and filing federal return of income forms on behalf of the Partnership in accordance with Section 8.4 hereof. Notwithstanding anything in this Partnership Agreement to the contrary, in no event shall the General Partner cause or suffer any delay in the filing of such form

covering the year in which Qualified Occupancy occurred. The General Partner shall obtain and deliver to the Limited Partner at the earliest feasible time a fully executed Form 8609.

(viii) **[Section 163(j)(7)(B) Election**. The General Partner shall cause the Partnership to make a Section 163(j)(7)(B) Election on the Partnership's tax return for the first taxable year in which Limited Partner has been admitted as a partner of the Partnership.]

(ix) **Compliance Certifications**. The General Partner shall certify compliance with the elected set-aside requirement and report the dollar amount of Qualified Basis, maximum Applicable Percentage and Qualified Basis under the State Housing Finance Agency allocation, date of Placement in Service, and any other information required for the aforesaid Tax Credit within ninety (90) days after the end of the first taxable year for which such Tax Credit is claimed and for each taxable year thereafter during the Compliance Period for such Tax Credit, or such other time periods as may hereafter be required by the Code or Regulations thereunder for such Tax Credit.

(x) **Notice of Tax Benefits Reduction**. In the event at any time it becomes apparent that the tax benefits projected in the Projections are likely to be reduced, the General Partner shall promptly notify the Limited Partner of the circumstances.

(xi) **Consequences of Tax Benefits Reduction or Delay**. In the event there is a reduction or delay of tax benefits, then the provisions of Section 6.9 hereof relating to reduction in the amount of remaining installments of Limited Partner's Capital Contributions and other consequences described therein shall govern where applicable.

(xii) **Extended Use Agreement**. The General Partner, on behalf of the Partnership, shall enter into an Extended Use Agreement pursuant to Section 42(h)(6) of the Code, in the form of an agreement between the Partnership and the State Housing Finance Agency that is acceptable to Limited Partner and that has allocated or will allocate Tax Credits to the Project, and shall cause such agreement to be recorded pursuant to state law as a restrictive covenant as soon as feasible but in any event prior to the end of the tax year during which the Project is deemed to achieve Placement in Service under Section 42 of the Code.

(xiii) **Local Code Compliance**. The General Partner shall maintain the Project in compliance with rules prescribed by the Secretary of Treasury pursuant to Section 42(i)(3)(B)(ii) of the Code. The General Partner shall also promptly provide the Limited Partner with any notice or other documentation sent by any federal, state or local governmental agency that the Project may be in violation of any health, environmental, safety, building, or other federal, state or local statute, regulation, or ordinance. With respect to building code or Environmental Law violations that are to be corrected during the construction or rehabilitation of the

Project, the General Partner shall certify or shall cause the Architect or the project general contractor to certify upon completion of the Project that such building code and Environmental Law violations have been corrected. In lieu of a certification regarding the correction of building code violations, the General Partner may obtain or cause to be obtained an indemnity, bond or other security acceptable to Limited Partner in an amount that Limited Partner considers to be adequate to cover possible fines and costs associated with said building code violations, and a current owner's title insurance policy indicating that no building code violations exist at the time construction or rehabilitation is completed.

(xiv) **Tax-Exempt Bond Allocation**. The General Partner shall obtain (i) documentation from the State Housing Finance Agency stating that the Project satisfies the State Housing Finance Agency's low-income housing tax credit allocation plan and project feasibility requirements and (ii) a letter from the bond issuer or a tax opinion stating that the tax-exempt bond allocation is subject to the Project State's volume cap restrictions.

(xiv) **Depreciation Schedule**. The General Partners shall take all acts and make any necessary filings or elections to cause the Project's improvements to be depreciated for tax purposes in accordance with the Projections and shall not take any action or permit any event or circumstances to occur which would cause depreciation of the Project's improvements to be changed therefrom. The General Partners shall cause to be kept adequate records of any such filings or elections and all other matters applicable to the Partnership's depreciation of the Project's improvements.

6.4.13 Mold Inspections. The General Partner agrees to inspect the Project Property at least once annually for the presence of any Microbial Matter including mold or fungus, or moisture buildup in or on the Project Property. In the event any Microbial Matter including mold or fungus, or moisture buildup is identified in or on the Project Property, the General Partner shall notify the Limited Partner within ten (10) Business Days and shall consult with the Limited Partner regarding the need to hire an environmental consultant to evaluate the mold, fungus or moisture buildup and the need to prepare and implement a remediation plan.

6.4.14 BOE Regulations. For purposes of Section 6.4.14, 6.4.15, and 6.4.16, the Managing General Partner shall be the "managing general partner" of the Partnership, as such term is used in Section 214(g) of the RT Code, and as further defined in the BOE Regulations. Except as otherwise set forth in this Partnership Agreement, the Managing General Partner, within the authority granted to it under this Partnership Agreement, shall Materially Participate in the control, management and direction of the Partnership's business to the best of its ability. 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 time as is necessary to the affairs of the Partnership. The Managing General Partner shall undertake and actually perform the following management duties on behalf of the Partnership:

(i) execute and deliver all Project Documents on behalf of the Partnership (BOE Rule 140.1(a)(10)(D));

(ii) execute and enforce all contracts executed by the Partnership (BOE Rule 140.1(a)(10)(C));

(iii) participate in hiring, and overseeing the work of all Persons necessary to provide services to the Partnership for the management and operation of the Partnership business (BOE Rule 140.1(a)(10)(B);

(iv) monitor and document compliance with all government regulations and file or supervise the filing of all required documents with any Authority (BOE Regulation 140.1(a)(10)(G));

(v) ensure and document that charitable services or benefits, such as appropriate cultural activities, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits is made available to tenants qualifying under the appropriate income and rent restrictions of Section 42 of the Code (BOE Rule 140.1(a)(10)(L));

(vi) rents, maintains and repairs the Project, or if such duties are delegated to a property management agent, participates in hiring and overseeing the work of the property management agent(BOE Rule 140.1(a)(10)(A));

(vii) acquires, holds, assigns or disposes of the Property or any interest in the Property (BOE Rule 140.1(a)(10)(H));

(viii) borrows money on behalf of the Partnership, encumbers Partnership assets, places title in the name of a nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies or extends any obligation (BOE Rule 140.1(a)(10)(I));

(ix) determines the amount and timing of distributions to partners and establishes and maintains all required reserves (BOE Rule 140.1(a)(10)(K));

(x) prepare and maintain records and documents evidencing the duties which it performs and provide copies of such records to all Partners, at least annually along with IRS Forms K-1, to each Partner (BOE Rule 140.1(b)); and

(xi) on behalf of, and in the name of the Partnership, apply for, use best efforts to obtain and maintain the eligibility of the Partnership with respect to the Welfare Exemption or similar status for the Project, and any savings to the Partnership and the Project attributable to the Welfare Exemption shall be used in accordance with Section 214 of the RT Code, as amended, and this Partnership Agreement.

The Managing General Partner may delegate some or all of its "substantial management duties" assigned to it under this Section 6.4.14, to Persons who, under its continuing supervision,

agree to perform such duties for the Partnership, subject to the supervision of the Managing General Partner. The Managing General Partner shall meet the requirements of BOE's Rule 140.1 and Rule 140.2

6.4.15 Welfare Exemption. The Managing General Partner shall obtain and maintain the Welfare Exemption for so long as the Project and the Partnership are eligible for such Welfare Exemption. Any savings to the Partnership and the Project attributable to the Welfare Exemption shall be used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income individuals or otherwise be passed onto the low income tenants of the Project in accordance with all applicable provisions of Section 214 of the RT Code.

6.4.16 Nonprofit Status. Throughout the Compliance Period, the Managing General Partner shall maintain its federal tax exempt status and take such other actions, if any, as may be required to qualify as a "qualified non-profit organization" under Section 42(h)(5)(c) of the Code. In accordance with the BOE Regulations, the Managing General Partner shall Materially Participate (as defined in this Partnership Agreement) in the control, management and direction of the Partnership's business for the purposes stated in Section 2.2 of this Partnership Agreement.

6.4.17 Administrative General Partner Duties. Subject to the terms hereof and in addition to and not limitation of any other duties, powers or obligations of the Administrative General Partner pursuant to this Partnership Agreement the Administrative General Partner shall perform the following duties on behalf of the Partnership:

(i) renting, maintaining and repairing the low-income housing property (or if these duties are delegated to an agent, hiring and overseeing the agent's duties);

(ii) acquiring, holding, assigning or disposing of property or any interest in property;

(iii) borrowing money on behalf of the special purpose entity, encumbering the special purpose entity's assets, placing title in the name of a nominee to obtain financing, preparing items in whole or in part, in connection to refinancing, increasing, modifying or extending any obligation; and

(iv) determining the amount and timing of distributions to partners and establishing and maintaining all required reserves.

Section 6.5 Fees for Services Rendered. The Partnership shall pay the following described fees to the Partners or Affiliates of one or more Partners indicated below:

6.5.1 Development Fee. As provided in the Development Fee Agreement and Section 3.2 hereof, the Partnership shall pay the Developer Fee to the Developer for the services and obligations described in the Development Fee Agreement.

6.5.2 Partnership Management Fee. The Partnership shall pay to the General Partner a Partnership Management Fee, on an annual, cumulative basis, in the amount and priority specified in Section 5.1.1 from Cash Flow and in Section 5.2.1 from Net Cash from Sales and Refinancing to compensate the General Partner for managing the Partnership's operations and assets and coordinating the preparation of the required State Housing Finance Agency, federal, state, and local tax and other required filings and financial reports.

6.5.3 Asset Management Fee. The Partnership shall pay the Asset Management Fee annually to the Asset Manager for property management oversight, tax credit compliance monitoring, and related services. The Asset Management Fee shall begin accruing on the day that the Limited Partner funds any portion of the Second Installment. The Asset Manager will not incur any liability to the General Partner or the Partnership as a result of the Asset Manager's performance of or failure to perform its asset management services. The Asset Manager owes no duty to the General Partner or the Partnership and may only be terminated by the Limited Partner.

6.5.4 Disposition Fee. The Partnership shall pay a Disposition Fee in the amount of [$_____] which shall be divided evenly between the Asset Manager and the Sponsor at the time of closing of the sale of the Project or the Limited Partner's interest in the Project.

6.5.5 Incentive Partnership Management Fee. The Partnership shall pay an Incentive Partnership Management Fee, on an annual, non-cumulative basis, in the amount and priority specified in Section 5.1.1 hereof to compensate the General Partner for monitoring the activities of the Partnership, supervising the Property Management Agent, and reporting to the Asset Manager so as to enable the Partnership to comply with all Code requirements for the Tax Credit and to establish eligibility for such Tax Credit with respect to the Project and avoid recapture thereof during the Compliance Period.

6.5.6 [Services Reimbursement. The Partnership shall pay to the Service Provider a Services Reimbursement as reimbursement for costs actually incurred associated with providing social services to residents on an annual, non-cumulative basis, as supported by invoices and documentation submitted to the General Partner and the Asset Manager. The Services Reimbursement shall be payable only as provided in Section 5.1.1, to compensate the Service Provider for the actual cost of providing required services to the Project.]

6.5.7 Other Considerations.

(i) The Development Fee Agreement and any other agreements entered into by the Partnership and the General Partner or any Affiliate thereof will specifically provide that such agreement shall be terminable at the election of the Limited Partner if any General Partner is removed pursuant to Section 10.6 hereof and that, upon the delivery of notice of such removal pursuant to Section 12.1 hereof, the General Partner's obligation to make an additional Capital Contribution

in accordance with Section 3.1.3 in the amount of the outstanding balance of the Deferred Development Fee and any accrued and unpaid interest thereon shall be accelerated, and the General Partner shall be obligated to make such additional Capital Contribution within five (5) Business Days after delivery of notice of removal. The Partnership shall use this Capital Contribution to pay the remaining balance of the Deferred Development Fee and any accrued and unpaid interest thereon, and if the General Partner fails to pay this additional Capital Contribution in full within such five (5) Business Day period, the Partnership shall receive a dollar credit for payment of the Deferred Development Fee and accrued and unpaid interest thereon for each dollar by which the amount of the additional Capital Contribution so paid by the General Partner is less than the required payment amount. Once proceeds of the General Partner's additional Capital Contribution or any such credits, or both, have been so applied, the Partnership shall have no obligation to make any further payments to the General Partner or any Affiliate thereof for fees that would otherwise be due and payable pursuant to such agreement.

(ii) None of the fee payments or reimbursements to any of the Persons indicated in Section 6.5 or elsewhere in this Partnership Agreement will be considered a distribution of Cash Flow to any Partner pursuant to Section 5.1.2, and, except as otherwise specifically provided herein, the General Partner may make any such reimbursement or fee payment prior to any distribution of any Cash Flow to the Partners.

Notwithstanding anything to the contrary herein, the sum of (a) the Partnership Management Fee, plus (b) the Incentive Partnership Management Fee, plus (c) any other incentive fees, plus (d) if the Property Management Agent is an Affiliate of the General Partner, the fee payable to the Property Management Agent pursuant to the Property Management Agreement, shall not exceed 12% of the gross income of the Partnership.

Section 6.6 Outside Ventures of Partners. Any Limited Partner or Affiliate of the General Partner may engage in or possess an interest in any other business venture of any type or description, independently or with others (including, without limitation, any venture which may be competitive with the business being conducted by the Partnership) and neither the Partnership, nor any General Partner will, by virtue of this Partnership Agreement, have any right, title or interest in or to such outside ventures or the income or other benefits derived therefrom.

Section 6.7 Dealing With Affiliates The General Partner may employ or retain in any capacity any Partner or Affiliate of any Partner so long as the terms upon which such Partner or such Affiliate is employed or retained are commercially reasonable under the circumstances and comparable to those terms which could be obtained from an independent person for comparable services in the area where the Project is located or the Partnership has its principal office.

Section 6.8 Indemnification of Partnership and Limited Partner

The General Partner hereby agrees to defend, indemnify, and hold harmless the Partnership and the Limited Partner and their successors and assigns, from and against any loss, claims, demands, liabilities, lawsuits and other proceedings, judgments, awards, costs, and expenses including, without limitation, attorneys' fees or damages (including foreseen and unforeseen damages and consequential damages) arising directly or indirectly out of the presence on, under or about the Project Property of any Hazardous Substance, or the use, release, generation, manufacture, storage, or disposal of any Hazardous Substance on, under or about the Project Property.

6.8.1 In the event the Partnership or the Limited Partner becomes liable, due to the presence of any Hazardous Substance in the Project, under any statute, regulation, ordinance, or other provision of federal, state, or local law pertaining to the protection of the environment or otherwise pertaining to public health or employee health and safety, including without limitation protection from hazardous waste, lead-based paint, asbestos, methane gas, urea formaldehyde insulation, oil, toxic substance, underground storage tanks, PCBs, and radon, the General Partner shall indemnify and hold harmless the Limited Partner and the Partnership for any and all actual out of pocket costs, expenses (including reasonable attorneys' fees), damages, or liabilities incurred by the Limited Partner upon demand by the Limited Partner at any time and from time to time, to the extent that the Partnership or the Limited Partner is required to discharge such costs, expenses, damages, or liabilities in whole or in part from any source. The foregoing indemnification obligations of the General Partner shall be limited if and to the extent the Limited Partner participates in the control of the Partnership's business after the formation of the Partnership and such participation is the direct cause of the conditions affecting the Project that resulted in such liability under applicable law and the consequent costs, expenses, damages, or liability of the Limited Partner. References in this Section 6.8.2 to the Limited Partner shall include each of the Limited Partner's assignee(s) (and their respective partners, if any). The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the General Partner. The indemnification authorized by this Section 6.8.2 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. The parties hereto agree and acknowledge that the Limited Partner's exercise of the rights and approvals reserved to the Limited Partner under this Partnership Agreement shall not constitute participation in the control of the Partnership's business for purposes of this paragraph.

6.8.2 The General Partner shall defend, indemnify, and hold harmless the Partnership, the Limited Partner, its beneficiaries and their respective successors and assigns from and against any claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments, awards, costs, and expenses including, without limitation, attorneys' fees, arising directly or indirectly, in whole or in part, out of the General Partner's gross negligence, fraud, willful misconduct, malfeasance, breach of fiduciary duty or actions performed outside the scope of the authority of the General Partner, or breach of any or all of the representations, warranties, covenants, and agreements contained in this Partnership Agreement, including, without limitation, those contained

in Section 6.3 hereof, including any breach of any CTA requirement. In addition to the foregoing indemnification, the Partnership and/or the Limited Partner may pursue any other available legal or equitable remedy against the General Partner with respect to the General Partner's breach of any of the representations, warranties, or covenants contained herein, including, without limitation, the Limited Partner's deferral of the payment of its Capital Contribution pursuant to Section 3.2. The General Partner shall defend, indemnify and hold harmless the Limited Partner for any liability incurred by it for Partnership obligations (including, without limitation, the Loan Documents), except to the extent that either (i) a court of competent jurisdiction, or (ii) a mediator mutually selected by both the General Partner and the Limited Partner, has made a determination that such liability is the result of actions taken by the Limited Partner or rights exercised by the Limited Partner with respect to the operation of the Limited Partner in excess of those actions and rights granted or allowed under this Partnership Agreement or the Act. The General Partner's obligations described in this Section 6.8 shall survive the termination and/or liquidation of the Partnership.

Section 6.9 Credit Adjusters.

6.9.1 Permanent Reduction in Tax Credits. If, as of the end of the first year of the Credit Period and based upon the Cost Certification prepared by the Accountant or the IRS Form(s) 8609 for the Project, it is determined that the amount of Actual Tax Credits over the Credit Period for the Project will be less than the Projected Tax Credits over the Credit Period (a "Permanent Credit Reduction"), then there will be a reduction (the "Permanent Credit Reduction Adjustment") in the Limited Partner's Capital Contribution in an amount equal to the product of (i) the Permanent Credit Reduction and (ii) $0.91. The Permanent Credit Reduction means the amount by which the Actual Tax Credits are or will be less than the Projected Tax Credits over the Credit Period due to (a) the actual Applicable Percentage being less than projected; (b) the actual Eligible Basis being less than projected; (c) the actual Qualified Basis as of the end of the first year of the Credit Period being less than the projected Qualified Basis; (d) the actual final allocation of Tax Credits as indicated on Form 8609 being less than the Projected Tax Credits; or (e) any combination of the above. This Permanent Credit Reduction Adjustment shall be made, at the option of the Limited Partner, by first decreasing the amount, if any, of the Limited Partner's Capital Contribution installment next due, and, if necessary, further installments (reducing the earliest ones first) by the amount of the Permanent Credit Reduction Adjustment. In the event that there are no remaining Limited Partner Capital Contributions, or the Permanent Credit Reduction Adjustment required hereunder exceeds the remaining Capital Contributions of the Limited Partner, or the Limited Partner elects not to offset the Permanent Credit Reduction Adjustment against the remaining Limited Partner Capital Contribution installments, the General Partner shall immediately make a Capital Contribution to the Partnership in an amount necessary for the Partnership to make the Permanent Credit Reduction Adjustment, followed by an immediate distribution in such amount by the Partnership to the Limited Partner, unless it is determined by the Limited Partner's tax counsel that such a distribution would cause the Partnership profits, losses, and credits to be allocated other than in accordance with the percentage interests of the Partners, in which event the General Partner shall pay directly to the Limited Partner an amount

which, on an after-tax basis, will be equal to the Permanent Credit Reduction Adjustment.

6.9.2 **Timing Difference in Tax Credits (Downward)**. If with respect to any Building:

(i) If for the Projected First Tax Credit Year of a Building, any portion of the Projected Tax Credits cannot be claimed with respect to such Building (as determined by the Accountant) by the Limited Partner during such Projected First Tax Credit Year, but must be delayed and may be taken in a later year or years of the Compliance Period, then the Limited Partner shall be entitled to reduce its Capital Contribution by an amount equal to $0.40 times the amount by which the Projected Tax Credits for such Building for the Projected First Tax Credit Year exceed the Actual Tax Credits for such Building for such year (the "First Year Timing Reduction"). This First Year Timing Reduction is intended to compensate the Limited Partner for the reduced present value of such delayed Tax Credits, while taking into account the Tax Credits the Limited Partner may be entitled to receive with respect to such Building no later than the 11th year of the Compliance Period. No adjustment shall be made under this Section 6.9.2 for any shortfall in Tax Credits for which an adjustment is already made pursuant to Section 6.9.1. In the event that there are no remaining Limited Partner Capital Contributions, or the First Year Timing Reduction required hereunder exceeds the remaining Capital Contributions of the Limited Partner, or the Limited Partner elects not to offset the First Year Timing Reduction against the remaining Limited Partner Capital Contribution installments, the General Partner shall immediately make a Capital Contribution to the Partnership in an amount necessary for the Partnership to make the First Year Timing Reduction, followed by an immediate distribution in such amount by the Partnership to the Limited Partner, unless it is determined by the Limited Partner's Tax counsel that such a distribution would cause the Partnership profits, losses, and credits to be allocated other than in accordance with the percentage interests of the Partners, in which event the General Partner shall pay directly to the Limited Partner an amount which, on an after-tax basis will be equal to the First Year Timing Reduction.

(ii) If for the Projected Second Tax Credit Year for the Project, any Building has its first Tax Credit year and any portion of the Projected Tax Credits with respect to such Building cannot be claimed (as determined by the Accountant) by the Limited Partner during such Projected Second Tax Credit Year, but must be delayed and may be taken in a later year or years of the Compliance Period, then the Limited Partner shall be entitled to reduce its Capital Contribution by an amount equal to $0.40 times the amount by which the Projected Tax Credits for the Projected Second Tax Credit Year exceed the Actual Tax Credits for such year (the "Second Year Timing Reduction"). This Second Year Timing Reduction is intended to compensate the Limited Partner for the reduced present value of such delayed Tax Credits with respect to a Building in its first Tax Credit year, while taking into account the Tax Credits the Limited Partner may be entitled to receive no later than the 11th year of the Compliance Period for such Building. No

adjustment shall be made under this Section 6.9.2 for any shortfall in Tax Credits for which an adjustment is already made pursuant to Section 6.9.1. In the event that there are no remaining Limited Partner Capital Contributions, or the Second Year Timing Reduction required hereunder exceeds the remaining Capital Contributions of the Limited Partner, or the Limited Partner elects not to offset the Second Year Timing Reduction against the remaining Limited Partner Capital Contribution installments, the General Partner shall immediately make a Capital Contribution to the Partnership in an amount necessary for the Partnership to make the Second Year Timing Reduction, followed by an immediate distribution in such amount by the Partnership to the Limited Partner, unless it is determined by the Limited Partner's Tax counsel that such a distribution would cause the Partnership profits, losses, and credits to be allocated other than in accordance with the percentage interests of the Partners, in which event the General Partner shall pay directly to the Limited Partner an amount which, on an after-tax basis will be equal to the Second Year Timing Reduction.

(iii) Notwithstanding the foregoing, if there is an upward basis adjuster pursuant to Section 6.9.4, the Projected Tax Credits shall be deemed revised to take into account such increased total amount of Tax Credits prior to the application of this Section 6.9.2.

(iv) Notwithstanding the foregoing, if there is a downward basis adjuster pursuant to Section 6.9.1, the Projected Tax Credits shall be deemed revised to take into account such decreased total amount of Tax Credits prior to the application of this Section 6.9.2.

6.9.3 Ongoing Tax Credit Shortfall. If, for any Fiscal Year after the Projected First Tax Credit Year (unless otherwise taken into account in Sections 6.9.2(ii) or 6.9.2(iii)), for any reason whatsoever (including any change to or removal of a Unit from a Qualified Group, if applicable) (1) the Actual Tax Credits are less than the Projected Tax Credits (as adjusted in any revised Projections prepared pursuant to Section 6.9.1 or Section 6.9.2) for such Fiscal Year or there is a loss or recapture as provided in Section 6.3,[70], if applicable; (2) a Limited Partner is required to recapture (resulting from other than a transfer of part or all of the Limited Partner's Partnership Interest) all or any part of the Tax Credits claimed by it in any prior Fiscal Year of the Partnership (the "Credit Shortfall"), then, at the option of the Limited Partner, the Limited Partner's Capital Contributions shall be reduced in chronological order in an amount (the "Credit Reduction Payment") equal to the sum of (i) One Dollar ($1.00) times the difference between (A) the Projected Tax Credits (as adjusted in any revised Projections prepared in connection with Section 6.9.1 or Section 6.9.2) for the Fiscal Year and all subsequent Fiscal Years, and (B) the Actual Tax Credits for such Fiscal Year and the Tax Credits projected by the Accountant as being available to the Limited Partner for all subsequent Fiscal Years, and (ii) the amount of the Credits recaptured in such Fiscal Year or otherwise reduced from those taken on a tax return in a prior year, plus the amount of any interest or penalty payable by the Limited Partner as a result of the recapture or reduction in the Credit. In the event there are no remaining Capital Contributions or the Credit Reduction Payment exceeds the amount of remaining

Capital Contributions of the Limited Partner, or the Limited Partner elects not to offset the Credit Reduction Payment against the remaining Limited Partner Capital Contribution payments, the General Partner shall immediately [or in no event later than provided in Section 6.3.[70]] make a Capital Contribution to the Partnership in an amount equal to the Credit Reduction Payment or the unpaid portion thereof, and the Credit Reduction Payment shall be immediately distributed to the Limited Partner and shall neither constitute nor be limited by the distribution limits for Cash Flow, pursuant to Section 5.1, hereof, or for Net Cash from Sales and Refinancings, pursuant to Section 5.2, hereof, unless it is determined by the Limited Partner's Tax counsel that such a distribution would cause the Partnership profits, losses, and credits to be allocated other than in accordance with the percentage interests of the Partners, in which event the General Partner shall pay directly to the Limited Partner an amount which, on an after-tax basis will be equal to the Credit Reduction Payment.

6.9.4 Permanent Increase in Tax Credits. If it is determined that the amount of Actual Tax Credits over the Credit Period for the Project will be greater than the Projected Tax Credits over the Credit Period (such difference being defined herein as the "Permanent Credit Increase") and the Asset Manager is provided with satisfactory written documentation to evidence the allocation of the Permanent Credit Increase, the Limited Partner will increase its Capital Contribution by an amount that is equal to the product of (i) the Permanent Credit Increase, and (ii) $0.91, subject to the limitations described in Section 6.9.6.

6.9.5 Increase in First and/or Second Year Tax Credits. If it is determined that the amount of Actual Tax Credits for the period prior to the end of the Projected First Tax Credit Year and Projected Second Tax Credit Year if it is the first Credit Year for a Building will be greater than the Projected Tax Credits for the period prior to the end of the Projected First Tax Credit Year and Projected Second Tax Credit Year, respectively (such difference being defined herein as the "Projected First and Second Tax Credit Year Increase"), and the Asset Manager is provided with satisfactory written documentation to evidence the allocation of the Projected First and Second Tax Credit Year Increase, the Limited Partner will increase its Capital Contribution by an amount that is equal to the product of (i) the Projected First and Second Tax Credit Year Increase, and (ii) $0.40. Such increase will be subject to the limitations described in Section 6.9.6. Notwithstanding the foregoing, if there is an upward basis adjuster pursuant to Section 6.9.4, the Projected Tax Credits shall be deemed revised to take into account such increased total amount of Tax Credits prior to the application of this section 6.9.5.

6.9.6 Limitation on Upward Adjuster. Notwithstanding anything to the contrary contained herein, the Limited Partner will increase its Capital Contribution only once during the 90-day period following the later of (i) achievement of Stabilized Occupancy or (ii) the allocating agency's issuance of the Form 8609 for all Buildings. The Limited Partner will increase its Capital Contribution under Sections 6.9.4 and 6.9.5 only if the Limited Partner, in the exercise of its sole discretion, determines that is has sufficient funds to make the additional Capital Contribution. In no event shall the increase in the Limited Partner's Capital Contribution pursuant to Sections 6.9.4 and

6.9.5 [and 6.9.8 and 6.9.9] exceed, in the aggregate, five percent (5%) of the Limited Partner's Capital Contribution as set forth in the Projections in effect on the date of this Partnership Agreement (i.e., no subsequent increases in the Limited Partner's Capital Contribution shall be taken into account for purposes of calculating the five percent (5%) limitation).

6.9.7 **Intentionally Omitted.**.

6.9.8 **Intentionally Omitted.**

6.9.9 **Intentionally Omitted.**

6.9.10 **Intentionally Omitted.**

6.9.11 **Repurchase**. Notwithstanding anything contained herein to the contrary, in the event that (i) any Building does not generate any Tax Credits during the taxable year succeeding the taxable year in which such Building is placed in service or the Project Property does not generate any Tax Credits during calendar year [2028] for any reason whatsoever, (ii) Construction Completion and Placement in Service of all Buildings are not achieved, or in the reasonable judgment of the Limited Partner, based on all of the relevant facts and circumstances, will not be achieved on or before December 31,2027 (which in no event shall exceed the end of the second year after the year in which the Project receives a Tax Credit allocation pursuant to Section 42(h)(1)(E) of the Code or by the date required by any Lender or State Housing Finance Agency), (iii) the Partnership fails to comply with the minimum set-aside test and/or the rent restriction test (as described in Section 42(g) of the Code) before the end of the year in which the Building is placed in service or, at the election of the General Partner pursuant to Section 42(f)(i)(B) (which election shall be made in accordance with Section 6.4.12(iv) hereof), the end of the succeeding taxable year, (iv) Stabilized Occupancy does not occur within six (6) months of the Projected Stabilized Occupancy Date, (v) intentionally omitted, (vi) proceedings have been commenced, filed or initiated to foreclose the Construction Loan mortgage or permanently enjoin construction or rehabilitation of the Project and such proceedings have not been stayed or vacated within thirty (30) days of commencement, filing or initiation, (vii) if the Project is financed with tax-exempt bonds, the Project fails to meet the 50% Bond Test on or before the end of the year in which the Building is placed in service or, at the timely election of the General Partner pursuant to Code Section 42(f)(1)(B) (which election shall be made only with the consent of the Limited Partner), the end of the succeeding taxable year, (viii) the General Partner fails to deliver to the Asset Manager a Form 8609 for each Building in the Project on or before the date by which the General Partner is required to deliver to the Asset Manager the Tax Return Documents for the first year of the Credit Period pursuant to Section 8.4.3, (ix) [intentionally omitted], (x) upon the Partnership's receipt of a Form 8609 for each Building in the Project, it is determined that the Project will deliver less than 80% of the aggregate Projected Tax Credits over the Credit Period to the Limited Partner, or (xi) the General Partner fails to perform any obligation under its Development Completion Guaranty that is not fully performed within any applicable cure period contained in the Guaranty Agreement, if

applicable, then, in the event any of the conditions described in clauses (i) through (xi) above occurs, upon the written notice of the Limited Partner, the General Partner shall purchase the Limited Partner's entire interest in the Partnership for an amount equal to (x) the sum of (1) all Capital Contributions actually made to the Partnership by the Limited Partner, plus (2) all expenses incurred by the Limited Partner in connection with entering into the Partnership, minus (y) an amount equal to the purchase price paid by the Limited Partner for any Tax Credits already received by the Limited Partner, net of any amounts that the Limited Partner has paid or may have to pay as the result of any recapture of any portion of the Tax Credits that the Limited Partner has received, and (z) any amounts that have already been reimbursed to the Limited Partner by the Partnership and/or the General Partner (the "Repurchase Amount"). Notwithstanding anything to the contrary in this Partnership Agreement, the Limited Partner may, in its sole discretion and at any time following any of the events described in this Section 6.9.11, after any applicable notice and cure period and regardless of whether the Repurchase Amount or any portion thereof has been received by the Limited Partner at such time, withdraw from the Partnership as the Limited Partner.

6.9.12 Failure to Pay; Remedies. If the General Partner fails to pay any amount payable pursuant to Section 6.9.1, 6.9.2 or 6.9.3 above, or the Repurchase Amount pursuant to the preceding section owing to the Limited Partner within ten (10) days after written demand by the Limited Partner, then, in addition to any other rights the Limited Partner may have, any sums payable to the General Partner (or any Affiliate thereof) pursuant to the terms of this Partnership Agreement (including, without limitation, Cash Flow and any fees payable by the Partnership to the General Partner or its Affiliates) will instead be paid to the Limited Partner until such time as all amounts owing to the Limited Partner pursuant to this Section 6.9 are fully repaid. For purposes of this Partnership Agreement, any sums distributed to the Limited Partner pursuant to the immediately preceding sentence are deemed to have been paid to the General Partner (or its Affiliates) and subsequently paid by the General Partner to the Partnership as a capital contribution, followed by a distribution to the Limited Partner from the Partnership of such capital contribution proceeds in satisfaction of the General Partner's obligations hereunder, unless it is determined by Limited Partner's tax counsel that such a distribution would cause Partnership profits, losses, and credits to be allocated other than in accordance with the percentage interests of the Partners, in which event the amount payable to the Limited Partner in accordance with the preceding sentence shall be an amount that, on an after-tax basis, will be equal to the Permanent Credit Reduction Adjustment, a First Year Timing Reduction or Second Year Timing Reduction pursuant to Section 6.9.2, Credit Reduction Payment or Repurchase Amount, as applicable, and such amount shall be deemed to have been paid directly by the General Partner to the Limited Partner. The rights and remedies granted to the Limited Partner by this Section 6.9 are not exclusive of, but are in addition to, any other rights and remedies granted to the Limited Partner under this Partnership Agreement or by applicable law. The obligations of the General Partner under this Section 6.9 are deemed to have arisen as a consequence of a transaction between the General Partner and the Limited Partner other than in their capacities as Partners and the Capital Accounts or loans of the Partners are not affected in any way as a result of the making of any credits or payments hereunder.

6.9.13 **Survival**. The obligations of the General Partner and its Affiliates prescribed or described in this Section 6.9 will survive the termination and/or liquidation of the Partnership.

Section 6.10 Publicity and Promotional Events. The General Partner shall be obligated to notify the Asset Manager at least thirty (30) days in advance of any (i) groundbreaking, (ii) open house, (iii) public relations event or other similar activities related to the Project. Representatives of the Limited Partner (including any beneficial owners thereof), the Asset Manager, and any investors who have provided funds that have been invested in the Project by the Limited Partner (collectively, the "Publicity Parties") shall be entitled to attend such events. The General Partner shall also be obligated to place the names of any entities that the Asset Manager might designate on any signage that is erected for publicity purposes during the construction of the Project. Any costs related thereto shall be paid by the Partnership. The General Partner shall notify the Asset Manager when any such signage is being prepared and provide the Asset Manager with a reasonable amount of time to provide the names it wants included on the signs. The General Partner acknowledges that it will benefit from any publicity generated by the Publicity Parties with respect to the Project. In consideration thereof, the General Partner hereby consents, grants, and releases to the Publicity Parties all rights related to the use of the Project, including, but not limited to, the use of the name of the Project, any photographs of the Project, and any written materials related to the Project, in any commercial, promotional or marketing materials such as press releases, publications, and publicity events that any of the Publicity Parties may wish to issue or conduct.

Section 6.11 Co-General Partners. If there is more than one General Partner, or if the General Partner is a joint venture or partnership in which there is more than one general partner, then all general partners of the partnership or of such joint venture of partnership shall be jointly and severally liable to the Partnership, to the Limited Partner, and to its successors and assigns for all obligations of the General Partner, and for any damages that may arise from the acts or omissions of any of such general partners in their performance or breach of the guaranties, management, and all other obligations and the representations and warranties of the General Partner, whether now existing or hereafter created, under this Partnership Agreement as the same may from time to time be amended and under applicable law. Notwithstanding anything to the contrary herein, no General Partner shall be liable to the Partnership or to the Limited Partner for the fraud of any other General Partner.

Section 6.12 Partnership Representative Rules.

6.12.1 Appointment and Designation. Subject to the terms and conditions of this Section 6.12, the General Partner shall serve as the partnership representative of the Partnership ("Partnership Representative") pursuant to Section 6223(a) of the Code. The Partnership Representative shall timely designate, subject to the Limited Partner's approval in its sole and absolute discretion, an individual (who is an officer of the General Partner or an Affiliate thereof) through whom the Partnership Representative will act at any time for all purposes of the Revised Partnership Audit Procedures (the "Designated Individual"). The Designated Individual must agree in writing with the Partnership to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Section 6.12 prior to and as a condition of such

designation. The Limited Partner in its sole and absolute discretion shall appoint a Partnership Representative and Designated Individual or replacement Partnership Representative and Designated Individual of the Partnership for all taxable years of the Partnership during which the Limited Partner held for any period a Partnership Interest if, at any time, the General Partner is removed as Partnership Representative as provided below or does not qualify as a partnership representative under the Code, provided that the General Partner shall be responsible for appointing a Partnership Representative and Designated Individual for any subsequent taxable year occurring after the last taxable year during which the Limited Partner held for any period a Partnership Interest. The timing of any change in the Partnership Representative and Designated Individual pursuant to this Section 6.12 shall be subject to all applicable requirements of the Code and Regulations.

6.12.2 Resignation and Removal. If the Partnership Representative or Designated Individual, or both, resign, or if the General Partner is removed in accordance with any provision of this Agreement, or if for any other reason the General Partner no longer serves as general partner of the Partnership, then the Limited Partner in its sole and absolute discretion shall designate a replacement Partnership Representative or Designated Individual or both for all taxable years of the Partnership. If the Partnership Representative or Designated Individual fails to obtain the Limited Partner's prior written consent as to any filing, election, or course of action in accordance with this Section 6.12 or if the Partnership Representative or Designated Individual fails to perform or observe any other covenant, term or condition to be performed or observed by the Partnership Representative or Designated Individual, respectively, under this Section 6.12, then the Limited Partner, whether or not it exercises its right to remove the General Partner under Section 10.6 in connection with such Event of Default, shall have the right any time thereafter to remove and replace the General Partner as Partnership Representative and the individual serving as the Designated Individual for any and all taxable years during which the Limited Partner held or holds for any period a Partnership Interest. If a Designated Individual becomes unable to perform the tasks required of a Designated Individual, ceases to be an officer of the General Partner or an Affiliate thereof, or the Partnership Representative otherwise determines that such individual should be removed as the Designated Individual, the Partnership Representative shall promptly notify the Limited Partner of such determination and take all necessary actions to effectuate the resignation of such individual as Designated Individual for all applicable taxable years. The General Partner shall be responsible for providing notice of any revocation of a Partnership Representative or Designated Individual 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 and/or the designation of another Person selected by the Partnership Representative (with the consent of the Limited Partner, which consent may be granted or withheld in the sole and absolute discretion of the Limited Partner) as the successor Designated Individual. The resigning or removed Partnership Representative and/or Designated Individual shall remain obligated hereunder in such capacity until the replacement is acknowledged by the IRS. The 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 6.12.2 and take any action which the Limited Partner may deem necessary or appropriate in connection herewith, including, without limitation, removal and replacement of the Partnership Representative or Designated Individual or both. 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 General Partner as the Partnership Representative.

6.12.3 Notice of Communication; Cooperation. The General Partner shall keep the Limited Partner advised of any dispute the Partnership may have with the IRS or any state or local taxing authority, and, to the extent permitted by applicable rules of procedure adopted by such taxing bodies, shall afford the Affected Partners the right to participate directly in negotiations with any such taxing authority in an effort to resolve any such dispute. In addition, within five (5) Business Days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS or any state or local taxing authority, the General Partner or Partnership Representative shall forward to the Limited Partner a photocopy of all such correspondence or communication(s). The General Partner or Partnership Representative shall, within five (5) calendar days thereafter, advise the Limited Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS or any state or local taxing authority.

6.12.4 Authority of Partnership Representative. Subject to the limitations set forth in this Partnership Agreement, the Partnership Representative and Designated Individual shall have all of the power and authority of a partnership representative and designated individual, respectively, under the Revised Partnership Audit Procedures and shall represent the Partnership in all dealings with the IRS and state and local taxing authorities for all taxable years during which they serve in in such positions in accordance with this Section 6.12, provided that (a) the Partnership Representative and Designated Individual shall give prior written notice to the Affected Partners of any administrative or judicial proceeding ("Proceedings") involving the adjustment of any tax items affecting the Partnership or the Affected Partners and obtain the prior written consent of the Affected Partners (which consent may be granted or withheld in the sole and absolute discretion of the Affected Partners) regarding the course of action to be taken in such Proceedings, and (b) neither the Partnership Representative nor the Designated Individual shall enter into or consent to a settlement with the IRS that binds the Partnership or the Affected Partners with respect to any Partnership item without obtaining the prior written consent of the Affected Partners (which consent may be granted or withheld in the sole and absolute discretion of the Affected Partners).

6.12.5 Duty to Comply with Limited Partner's Direction. The Partnership Representative and Designated Individual shall comply with any written direction given by the Limited Partner at any time with regard to making an Opt-Out Election, Push-Out Election, Administrative Adjustment Request or any other tax decisions and elections on behalf of the Partnership or the Limited Partner for any taxable year and shall not make an Opt-Out Election, Push-Out Election, Administrative Adjustment Request or any other tax decisions and elections on behalf of the Partnership or the

Limited Partner for any taxable year without obtaining the Limited Partner's prior written consent (which consent may be granted or withheld in the sole and absolute discretion of the Limited Partner). If requested to do so by the Limited Partner, the Partnership Representative shall request modification of an Imputed Underpayment (a) in accordance with any applicable Regulations, forms, instructions, and other guidance prescribed by the IRS or (b) based on an amended return (or, to the extent permitted by law, any similar statement) filed by the Limited Partner (or the owner of any interest therein or thereunder) that takes account of all of the Partnership Adjustments properly allocated to the Limited Partner (or such owners). In either case, the Limited Partner shall describe the modifications or adjustment factors that the Limited Partner believes affect the calculation of the Imputed Underpayment.

6.12.6 Additional Limitations on Authority. In addition to the other limitations on the Partnership Representative's authority set forth herein, the Partnership Representative shall not take any of the following actions without obtaining the prior written consent of the Limited Partner (and, in the case of (ii) and (iii), the Affected Partner for the Reviewed Year) (which consent may be granted or withheld in the sole and absolute discretion of the Limited Partner or the Affected Partner, as applicable):

(i) Extend the statute of limitations for assessing or computing any tax liability against the Partnership (or the amount or character of any Partnership tax item);

(ii) Settle any audit or Proceeding with the IRS or any state or local taxing authority;

(iii) File a request for an administrative adjustment of any kind with the IRS or any state or local taxing authority at any time or file a petition for judicial review with respect to any adjustment made by the IRS or any state and local taxing authority;

(iv) Initiate or settle any judicial review or action concerning the amount or character of any Partnership tax item;

(v) Select any judicial forum for the litigation of any Partnership tax dispute;

(vi) Intervene in any action brought by any other Partner for judicial review of a final adjustment of any Partnership tax item; or

(vii) Take any other action that would have the effect of finally resolving a tax matter affecting the rights of the Partnership and the Affected Partners or otherwise have a material effect on any tax matters affecting the Partnership and the Affected Partners.

6.12.7 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.

6.12.8 Reimbursement of Expenses. To the extent of available funds, the Partnership shall indemnify and reimburse the Partnership Representative and the Designated Individual for all reasonable expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred by the Partnership Representative and Designated Individual, respectively, solely in their respective capacities as Partnership Representative and Designated Individual, with respect to the tax liability of the Affected Partners and/or the Partnership in connection with any audit or administrative or judicial proceeding, provided that the Partnership Representative and Designated Individual will not be entitled to indemnification for fraud, gross negligence, willful misconduct, breach of fiduciary duty or breach of its obligations under this Section 6.12. The Partnership's indemnification and reimbursement obligations under this Section 6.12.8 shall constitute Operating Expenses payable solely from Gross Cash Receipts (before any distributions are made from Cash Flow or any discretionary reserves are set aside by the General Partner) or the Operating Reserve.

6.12.9 Liability for Taxes and Imputed Underpayment. 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 (as determined with the consent of the Limited Partner for such Reviewed Year) (which consent may be granted or withheld in the sole and absolute discretion of the Limited Partner)) and shall be liable for any Taxes as described in Section 6226 of the Code and any applicable Regulations or other guidance by the IRS. If the Partnership becomes obligated to make an Imputed Underpayment under Code Section 6225, each of the Affected Partners to whom such liability relates (as determined with the consent of the Limited Partner) (which consent may be granted or withheld in the sole and absolute discretion of the Limited Partner)) shall be obligated to pay an amount that is equal to its allocable share of such amount to the Partnership, provided that if and to the extent that the Partnership's liability for an Imputed Underpayment results from a loss, disallowance or recapture of Tax Credits for which a payment is due from and has not been paid by the General Partner or any Guarantor under this Partnership Agreement (the amount of such payment being referred to herein as the "Unpaid Obligation"), then the amount otherwise allocable to and payable by the Affected Partners with respect to such Imputed Underpayment shall be reduced by such Unpaid Obligation (or the Affected Partner's allocable share thereof) and the General Partner shall be responsible for payment of all or such portion of the Imputed Underpayment equal to such Unpaid Obligation.

6.12.10 Amendments. The General Partner shall cooperate with the Limited Partner to amend this Partnership Agreement if, after promulgation of final or amended Regulations or other guidance or rules issued by the IRS implementing the Revised Partnership Audit Procedures, the Limited Partner determines in good faith that an amendment to this Partnership Agreement is required in order to maintain the intent of the Partners as expressed in this Section 6.12 with respect to any issues raised by such final or amended Regulations or other guidance or rules.

6.12.11 Continuing Obligations. The Partners acknowledge and agree that nothing in this Section 6.12 is intended, nor shall it be construed, to limit or waive any obligations of the General Partner set forth under any other section of this Partnership Agreement, including, without limitation, the General Partner's payment obligations under Sections 6.4.6 and 6.9 of this Partnership Agreement.

6.12.12 Survival. The rights and obligations of each Partner or Former Partner under this Section 6.12 shall survive the transfer, redemption or liquidation by such Partner of its Partnership Interest and the termination of this Partnership Agreement or the dissolution of the Partnership.

6.12.13 State and Local Income Tax Matters. The provisions of this Section 6.12 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 7: POWERS, RIGHTS AND DUTIES OF LIMITED PARTNER

Section 7.1 Limitation of Liability. Except as otherwise required under the Act (relating to a limited partner's liability under certain circumstances to refund to the Partnership distributions of cash previously made to it as a return of capital), the Limited Partner shall not be personally liable for any loss or liability of the Partnership beyond the amount of such Limited Partner's agreed upon Capital Contribution.

Section 7.2 No Participation in Management. Except as otherwise expressly provided in this Partnership Agreement, the Limited Partner shall not participate in the operation, management, or control of the Partnership's business, transact any business in the Partnership's name, or have any power to sign documents for or otherwise bind the Partnership.

ARTICLE 8: ACCOUNTING AND FISCAL AFFAIRS

Section 8.1 Books of Account. The General Partner shall keep proper books of account for the Partnership. Such books of account shall be kept at the principal office of the Partnership and the General Partner shall make them available during normal business hours for examination and copying by the Limited Partner or its authorized representatives. The General Partner shall retain such books of account for six (6) years after the termination of the Partnership. The fiscal year of the Partnership shall be the calendar year, unless otherwise specified in writing by the Limited Partner, and all Partnership accounts shall be maintained on an accrual basis. Decisions as to other accounting methods to be used by the Partnership shall be made only with the prior written consent of the Limited Partner.

The General Partner shall retain all documentation with respect to initial qualification of the Project as a qualified Tax Credit project until the later of six (6) years after completion of the Project's Compliance Period or any longer period required under applicable law. The General Partner shall retain such other documentation relating to the continuing Tax Credit qualification of the Project for at least six (6) years, unless requested by the Asset Manager or required by applicable law to retain such documentation for a longer period.

The General Partner shall cooperate fully and in good faith, and shall instruct and cause the Property Management Agent to cooperate fully and in good faith, with the Asset Manager and the Limited Partner with respect to their monitoring of the Partnership's operation of the Project Property, including the review of and compliance with Tax Credit related laws and regulations.

Section 8.2 **Management Reports**. The General Partner shall deliver or cause to be furnished to the Asset Manager any periodic financial or performance report provided by the Partnership to any federal, state, or local governmental agency or to any Lender or any compliance monitoring report provided to the Partnership by the State Housing Finance Agency responsible for compliance monitoring or its designee. The General Partner shall deliver any such report to the Asset Manager within twenty (20) days after such report is filed with any such governmental agency, a Lender or provided to the Partnership.

The General Partner shall also prepare and deliver to or shall cause to be prepared and delivered to the Asset Manager the following reports:

8.2.1 **Monthly Development Reports**. During the Project development period and through completion of lease-up of the Project, within ten (10) days after the end of each month, the General Partner shall provide a monthly status report on the development of the Project, containing information on development costs, completion schedule, projected occupancy, operating income and expenses, accounts payable, and any difficulties encountered or anticipated in conjunction with any of these matters. The General Partner shall also submit, such additional documentation or supporting documentation as the Limited Partner may reasonably request.

8.2.2 **Quarterly Management Reports**. Before and after lease-up of the Project, as soon as practicable after the end of each calendar quarter but in no event later than fifteen (15) days thereafter, the General Partner shall provide a management report on the Project and any other Partnership affairs, containing such information as is reasonably necessary to advise the Asset Manager about its investment in the Partnership and the development or operation of the Project (including, to the extent now or hereafter requested by the Asset Manager, a rent roll containing tenant names and addresses, monthly rent, maximum allowable Tax Credit rent, area median income designation per unit, security deposit, lease renewal date; an income and expense statement with budget comparison, a balance sheet and a NEF quarterly status report). The General Partner shall also submit such additional documentation or supporting documentation as the Asset Manager may request.

8.2.3 **Annual Budget**. Annually, no later than October 15th of each calendar year, throughout the term of the Partnership, the General Partner shall prepare and submit, for approval by the Asset Manager, a proposed operating budget for the Project that provides budget projections based upon anticipated Project revenues and expenses, beginning with the first full calendar year after the year of Placement in Service, and for each succeeding year thereafter. The proposed budgets shall include without limitation an itemized account of projected operating income, expenses, an analysis prepared by the General Partner in a form satisfactory to the Asset Manager of

reserve sufficiency for the period covered by the budget, and a copy of the most recent rent roll for the Project.

(i) The Asset Manager shall review and approve or disapprove the proposed budget based on the financial statements for preceding operating years, the anticipated increases in operating expenses, the current and projected operating income, and the completeness of the documentation provided by the General Partner.

(ii) The Asset Manager shall submit to the General Partner, in writing, any comments on the proposed budget within thirty (30) days after receipt of same. If the Asset Manager does not submit comments on the proposed budget within said 30 day period, the proposed budget shall be deemed to be approved by the Asset Manager.

(iii) The General Partner shall have fifteen (15) days to submit a response, in writing, to the Asset Manager's comments on the proposed budget. If the Asset Manager does not respond in writing to the General Partner's comments within 15 days after receipt of same, the proposed budget shall be deemed approved by the Asset Manager.

(iv) If the Asset Manager responds in writing to the General Partner's comments within fifteen (15) days after receipt of same, the General Partner shall submit a revised proposed budget within fifteen (15) days after receipt of the Asset Manager's comments, responding to same.

8.2.4 Annual Real Property Tax-Exemption or Abatement. To the extent the Partnership is expected to receive, on an annual basis, an abatement or exemption from real property taxes in respect of the Project, the General Partner shall, no later than the applicable due date of each calendar year throughout the term of the Compliance Period, prepare and submit to the appropriate agency or authority and the Asset Manager such documents as may be required to permit the Partnership to receive the abatement or exemption from real property taxes.

8.2.5 Evidence of Insurance. The General Partner shall deliver to the Limited Partner, at least ten (10) Business Days prior to the date such insurance policy expires, a certificate of insurance for each insurance coverage required by the Limited Partner as evidence of its renewal.

8.2.6 Other Information. Upon request from time to time, the General Partner shall provide such information and reports as may be reasonably requested by the Limited Partner with respect to the Partnership and the Project.

8.2.7 Annual Certification of Compliance. The General Partner shall deliver to the Asset Manager, within five (5) days after submission, a copy of the Project's annual certification of compliance that was submitted to the State Housing Finance Agency.

Section 8.3 General Disclosure.

8.3.1 The General Partner shall deliver to the Asset Manager a detailed report of any of the following events or receipt of the following information as quickly as possible but no later than five (5) days after the occurrence of such event or receipt of such information:

(i) a material default by the Partnership under any loan, grant, subsidy, construction or property management documents or in payment of any mortgage, taxes, interest, or other obligation on secured or unsecured debt;

(ii) receipt by the General Partner of any information regarding any lawsuits to which the Partnership has been made a party, any claims against the Project's hazard or liability insurance, any tax liens filed against the Project or the Partnership, or any notices of violations pertaining to the Project or the Partnership;

(iii) receipt of any notice, including any Form 8823, Report of Noncompliance or Building Disposition from the State Housing Finance Agency, together with a copy of any such notice;

(iv) receipt of any notice of any IRS or State Housing Finance Agency audit or proceeding involving the Partnership, together with a copy of any such notice; and

(v) the occurrence of any natural disaster or incident of widespread property damage having an impact on the Project, containing the following information to the extent available: (a) the extent of the damage to the Project, (b) any expected delays in construction or rehabilitation, (c) the effect that the damage sustained, if any, may have on marketing and lease-up activity, and (d) the amount that is anticipated to be recoverable under available insurance policies.

8.3.2 The General Partner shall deliver to the Asset Manager a detailed report of any of the following events with ten (10) days after the end of any calendar quarter during which such event occurred:

(i) any reserve has been reduced or terminated by application of funds therein for purposes materially different from those for which such reserves was established; or

(ii) any General Partner has received any notice of a material fact which may substantially affect further distributions.

Section 8.4 Tax Information.

8.4.1 Tax Credit Eligible Basis. Within forty-five (45) days after substantial completion of the Project's construction, a Tax Credit Eligible Basis worksheet for each Building of the Project shall be provided to the Asset Manager by the General Partner, in a form specified by the Asset Manager.

8.4.2 Financial Reports.

(i) The General Partner shall, within fifteen (15) days after each calendar quarter, submit or cause to be submitted to the Asset Manager unaudited financial statements, prepared in accordance with GAAP, for the Partnership. With respect to each taxable year of the Partnership, the General Partner shall submit or cause to be submitted to the Asset Manager (a) on or before February 15 of the following calendar year, a draft of the audited financial statements prepared by the Accountant in accordance with GAAP for review and comment by the Asset Manager, and (b) on or before February 28 of the following calendar year (the "Submission Date"), a written report prepared by the Accountant, which shall include which shall include a Schedule K-1 or its successor form for preparing federal income tax returns and audited financial statements, prepared in accordance with GAAP, certified by the Accountant, and reflecting the comments received from the Asset Manager to the draft documents (the "Report"). The Report's audited financial statement shall include the following: a balance sheet of the Partnership as at the end of such year; an itemized statement of income, expenses, surplus and deficits; a financial summary which reconciles and summarizes the financial statements and bank statements as of the end of such year; changes in fund balances and changes in financial position for such year; supporting schedules; a statement of Partners' capital; the status, amount, and timing of the Projected Tax Credits and other tax benefits from the Project as compared with the Projections; and such additional statements with respect to the status of the Partnership and the distribution of profits and losses therefrom as are considered necessary by the General Partner or the Accountant to advise all Partners properly about their investment in the Partnership for federal income tax reporting purposes. Submissions required by this section also may include such supplemental or alternative audit-related documentation as the Limited Partner may request. If the General Partner fails to submit the Report to the Asset Manager by the Submission Date, the General Partner shall be assessed a penalty of $100 per day pursuant to Section 8.6 below. Without limiting the right of the Limited Partner under Section 8.6.3 below, the Limited Partner shall have the right to require the General Partner to remove the Accountant and the right to approve or identify a replacement accountant if the Accountant fails to submit the Report to the Asset Manager by the Submission Date.

(ii) In addition to the requirements set forth in Section 8.4.2(i) above, the General Partner shall submit or cause to be submitted to the Asset Manager, (a) on or before December 31st of the year the Project achieves Placement in Service, an "interim" audited financial statement, prepared in accordance with GAAP, which shall reflect the financial status of the Project as of September 30th of that year, and (b) at any time after the first calendar quarter of each year within thirty (30) days after notice from the Asset Manager, (1) unaudited or, at the election of the Asset Manager, audited financial statements, prepared in accordance with GAAP, of the General Partner for the prior calendar year, (2) tax returns of the General Partner and Guarantor for the preceding calendar year and (3) such other

financial information documenting the current financial condition of the General Partner and Guarantor as the Asset Manager may reasonably require.

(iii) At the request of the Asset Manager, the General Partner shall submit or cause to be submitted to the Asset Manager within (a) fifteen (15) days after each calendar quarter, unaudited financial statements, prepared in accordance with GAAP, for the Guarantor(s); (b) forty-five (45) days after each calendar year, audited financial statements, prepared in accordance with GAAP, [and a schedule of Real Estate Owned] for the Guarantor(s), until such time as all of the "General Partner Obligations" or "Guaranteed Obligations" (as such terms are defined in the Guaranty Agreement) have been fully performed or paid; and (c) within forty-five (45 days) after the end of each fiscal year, or at the option of the Asset Manager, in its sole discretion, within fifteen (15) days after each calendar quarter, a schedule of real estate owned by Sponsor, or at Asset Manager's request, any Sponsor Affiliate, that lists all real estate developments owned by Sponsor or its Affiliate and contains sufficient information to provide Asset Manager a reasonable understanding of the financial health of Sponsor's or any Sponsor Affiliate's real estate portfolio.

(iv) If the date of Placement in Service occurs after September 30 of the Fiscal Year in which Placement in Service occurs (the "Subject Fiscal Year"), then the General Partner shall have the option to participate in a Mini Audit performed by the Limited Partner's accountants for the Subject Fiscal Year, in lieu of submitting annual audited financial statements for such year in accordance with Section 8.4.2(i) and the interim audited financial statements in accordance with Section 8.4.2(ii)(a). The cost of the Mini Audit shall be a Partnership expense. If the final Cost Certification of the Project prepared by the Accountant is not submitted and approved by the Asset Manager by February 15 of the year following the Subject Fiscal Year, then performance of the Mini Audit will require submission by the General Partner of such additional audit-related documentation as the Limited Partner's accountants may request to complete the Mini Audit in the absence of the final and approved Cost Certification.

8.4.3 **Tax Returns**. With respect to each taxable year of the Partnership, the General Partner shall (i) deliver to the Asset Manager, for its review and approval, within forty-five (45) days after each taxable year ends, drafts of Form 1065 and Schedule K-1 or any successor federal return of income forms required to be filed on behalf of the Partnership, and any and all other forms, schedules, materials required in connection therewith (the "Tax Return Documents"), and (ii) cause to be prepared and filed with the appropriate agencies within sixty (60) days after each taxable year ends, the Tax Return Documents, which shall be revised or amended to include any comments made by the Asset Manager. Within such sixty (60) day period, the General Partner shall deliver a copy of the filed Tax Return Documents to the Asset Manager. The General Partner shall cause the Accountants to include in the Tax Return Documents (a) a capital account analysis that includes a calculation of Partner Minimum Gain and Partnership Minimum Gain for the current taxable year and all prior taxable years, (b) a GAAP-to-tax reconciliation of the Capital Accounts, and (c) for the first and second

taxable year in which the Partnership claims Tax Credits, a schedule describing the Accountant's calculation of the Tax Credits claimed by the Partnership for such tax year. In addition, the General Partner shall comply with all requirements of Section 6.3.2 hereof with respect to anticipated Tax Credits and other tax benefits.

8.4.4 **Tax Returns Due to Termination**. If, pursuant to Section 9.1 below, there are subsequent transfers of Limited Partner's beneficial interests or partnership interests which cause a termination of the Partnership pursuant to Section 708(b) of the Code ("Termination"), the General Partner shall (i) deliver to the Asset Manager, for its review and approval, within thirty (30) days after receipt of written notice from the Limited Partner of such Termination, a draft of Form 1065 and Schedule K-1 or any successor federal return of income forms required to be filed on behalf of the Partnership, and any and all other forms, schedules or materials required in connection therewith (the "Termination Tax Return Documents"), and (ii) cause to be prepared and filed with the appropriate agencies within the time period prescribed under the Code, the Termination Tax Return Documents, which shall be revised or amended to include any comments made by the Asset Manager. Any costs associated with the General Partner's satisfaction of this Section 8.4.4 shall be paid in accordance with Section 9.1 below.

8.4.5 **Estimated Tax Credits**. Prior to October 15th of each year, throughout the Compliance Period, the General Partner shall send to the Asset Manager an estimate of the Limited Partner's share of Tax Credits by each Building of the Project, estimate of total Tax Credits, and estimates of Profits and Losses for federal income tax purposes in a form specified by the Limited Partners. The General Partner and the Accountant shall prepare this estimate.

8.4.6 **Tax Information Required by Partnership Representative.** The General Partner shall deliver, or shall cause the Accountant to deliver, to the Partnership Representative, within the timeframes established by the Partnership Representative pursuant to its obligations under Section 6.12 hereof and the Code and Regulations, all information and documentation required by the Partnership Representative for the performance of its duties as Partnership Representative under Section 6.12 hereof and the Code and Regulations.

Section 8.5 **Review of Compliance**.

8.5.1 The General Partner shall, seventy-five (75) days after the end of each Fiscal Year of the Partnership, certify to the Asset Manager in the same scope and manner that it is required to certify, if requested, to the applicable State Housing Finance Agency, that the Partnership is in compliance with all regulations and procedures relating to the operation of the Project as a qualified Tax Credit project within the meaning of Section 42(h) of the Code. Upon initial lease-up of the Project and thereafter, but no more frequently than annually, the Limited Partner may, at the Partnership's expense, conduct or cause to be conducted an audit or review (which may include an on-site inspection of the Project) of the Partnership's compliance with all regulations and procedures relating to the operation of the Project as a qualified Tax

Credit project within the meaning of Section 42(h) of the Code. This audit or review will be conducted not less than thirty (30) nor more than ninety (90) days following a written request by the Limited Partner for such audit or review. The General Partner shall cooperate with any such audit by making appropriate personnel of the General Partner and the Property Management Agent and all books and records (including, without limitation, copies of initial tenant files, any IRS Forms 8823 issued to the Partnership, and other applicable related documents and reports) of the Project and Partnership available to the Limited Partner or its representatives at the offices of the Partnership during regular business hours.

8.5.2 The General Partner shall, within thirty (30) days following achievement of Qualified Occupancy, deliver to the Asset Manager one or more electronic files containing scanned copies of the First Year Tenant Files.

8.5.3 The General Partner shall provide access to the Project at all reasonable times and upon reasonable advance notice and shall extend full cooperation to the Asset Manager in connection with such physical inspections of the Project and any records as the Asset Manager may wish to conduct in order to monitor the General Partner's performance of its obligations under this Partnership Agreement.

Section 8.6 Failure to Provide Information.

8.6.1 Failure by the General Partner to provide the reports required under this Article 8 will result in the assessment of a $100 per day penalty, due and payable to the Limited Partner, until the reports are received in a form that is acceptable to the Limited Partner. This penalty will not be applicable if (i) waived by the Limited Partner, or (ii) the required information is received within seven (7) Business Days of receipt of a written notice of demand from the Limited Partner.

8.6.2 If the General Partner fails to provide in a timely manner any information, report or data required to be provided by the General Partner under this Article 8, or otherwise fails to perform its obligations under this Article 8, then, in addition to any other remedies the Limited Partner may have under this Partnership Agreement or applicable law, the Partnership shall not make any distributions or payments to the General Partner pursuant to Section 5.1 or Section 5.2 hereof until such time as such information, report, or data have been provided or such other obligations have been fulfilled.

8.6.3 Regardless of whether the penalties are paid or waived, the Limited Partner shall have the right to require the General Partner to remove the Accountant and the right to approve or identify a replacement accountant if any of the above applicable reporting requirements are not met. The failure on the part of the General Partner to remove the Accountant and replace it with an accounting firm that is acceptable to the Limited Partner within thirty (30) days of a written request to do so from the Limited Partner shall be an Event of Default under Section 10.6.1 hereof.

8.6.4 If the General Partner causes or suffers repeated or unreasonable delay in providing any reports or information required to be submitted to the Limited Partner under Article 8, and fails to provide such report or information within ten (10) Business Days after receiving notice of such delay from the Limited Partner, such delay shall constitute an Event of Default under Section 10.6.1 hereof.

ARTICLE 9: TRANSFER OF LIMITED PARTNER'S PARTNERSHIP INTERESTS

Section 9.1 Voluntary Transfers. A Limited Partner may at any time make a Voluntary Transfer of all or any part of its Partnership Interest, so long as such Voluntary Transfer complies with the following conditions: (i) the General Partner has received a written instrument of transfer of all such Partnership Interest, which instrument shall be signed by the transferor Limited Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of and agreement to be bound by all of the terms and conditions of this Partnership Agreement; (ii) all requirements of applicable state and federal securities laws, if any, have been complied with; (iii) such Voluntary Transfer will not result in the Partnership's loss of any exemption (federal or state) from the registration of the sale of securities relied upon in its offering of the Partnership Interest; and (iv) such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for federal income tax purposes. Upon compliance with all of the conditions of this Section 9.1, such Voluntary Transfer of a Limited Partner's Partnership Interest binds the Partnership and the General Partner. No such transfer may cause the dissolution and termination (other than tax termination) of the Partnership and the transferee shall automatically be deemed to be an Assignee with respect to such Partnership Interest. If any transfer of a Limited Partner's Partnership Interest, including the transfer of beneficial interests, results in a tax termination of the Partnership, the Limited Partner shall be responsible for the cost of preparing and filing any additional tax returns.

9.1.1 The Limited Partner intends to either (i) hold only bare legal title to its Partnership Interest and will ultimately transfer beneficial interests in its Partnership Interest to one or more Persons, or (ii) ultimately transfer its Partnership Interest to an investment fund managed by an Affiliate of the Limited Partner and transfer partner or member interests in such fund to one or more Persons, and in either case, the Limited Partner or such Persons or investment fund may also sell, transfer, or, as security for debt, assign or pledge such beneficial interests, Partnership Interest or partner or member interests in the investment fund without the consent of the General Partner. Notwithstanding the provisions of Section 9.1, the General Partner hereby acknowledges and consents to any such transfers, assignments or pledges, and agrees that, upon any such transfer or any foreclosure or other enforcement under any such assignment or pledge, it will recognize the assignee of the (a) beneficial interests as the owner of such beneficial interests in the Partnership Interest, or (b) Partnership Interest as the Substituted Limited Partner.

9.1.2 Transfers by Limited Partner of its Partnership Interest, including beneficial interests, directly to a Prohibited Actor shall require General Partner's written consent. "Prohibited Actor" shall mean any Person that (i) is the subject of any conviction, order, judgment, decree, suspension, expulsion, or bar with respect to any program administered by a State Housing Finance Agency from participating in any such program, or (ii) has instituted an unsuccessful lawsuit against a developer of an Affordable Housing Project or a syndicator investing in such Affordable Housing Project, for the purpose of, or having the effect of, prohibiting a developer of an Affordable Housing Project from exercising said developer's rights under (x) an option to purchase an Affordable Housing Project or an investor's interest in the owner of an Affordable Housing Project and/or (y) a right of first refusal to purchase an Affordable

Housing Project if such Person is not a bank, savings and loan association, insurance company, public utility, or employee benefit plan with assets greater than $1,000,000,000 (an "Institutional Investor") or a Person controlled by an Institutional Investor. "Affordable Housing Project" shall mean any affordable housing project that is or has benefited from Tax Credits.

Section 9.2 General Partner's Consent to Substitution as a Limited Partner.

9.2.1 In addition to the requirements set forth in Section 9.1, an Assignee of a Limited Partner's Partnership Interest in connection with a Voluntary Transfer, other than an assignee of a beneficial interest, will not become a Substituted Limited Partner, unless and until the General Partner consents in writing to such substitution, which consent may not be unreasonably withheld and is hereby granted for the transfers, assignments and pledges described in Section 9.1.1, provided that no such consent shall be required for the (i) substitution of an Assignee that is an Affiliate of the Limited Partner, or (ii) any transfer by the Limited Partner of its Partnership Interest after its Capital Contribution has been paid in full. The General Partner shall duly file for record any required amendment to the Certificate of Limited Partnership reflecting such substitution in such public offices as shall be required under the Act. The effective date of the substitution of the Assignee as a Substituted Limited Partner shall be the date on which the General Partner provides its consent if required or the date of the assignment to such Affiliated Assignee, as the case may be.

9.2.2 If the General Partner's consent is required but the General Partner does not consent to the substitution of an Assignee of a Limited Partner's Partnership Interest in connection with a Voluntary Transfer, then the transferor Limited Partner retains all the rights of a transferor of a limited partnership interest under the Act and, except as otherwise provided in Section 9.4, the Assignee shall not be treated as owning any interest in the Partnership. In particular, an Assignee of a Limited Partner's Partnership Interest in connection with a Voluntary Transfer, other than an assignee of a beneficial interest, who is not admitted as a Substituted Limited Partner under this Section 9.2 shall not be entitled to: (i) require any accounting of the Partnership's transactions; (ii) inspect the Partnership's books and records; (iii) require any information from the Partnership; or (iv) exercise any privilege or right of a Limited Partner that is not specifically granted to a nonsubstituted transferee of a limited partnership interest under the Act.

Section 9.3 Involuntary Transfers. The Involuntary Transfer of all or any part of any Limited Partner's Partnership Interest will not cause the dissolution and termination of the Partnership, but rather the business of the Partnership is continued without interruption in accordance with the provisions of this Section 9.3. Upon an Involuntary Transfer of all or any part of any Limited Partner's Partnership Interest, such Limited Partner's successor or legal representative shall automatically be deemed to be a Substituted Limited Partner.

Section 9.4 Distributions and Allocations with Respect to Transferred Partnership Interests. Upon any transfer (whether a Voluntary Transfer or Involuntary Transfer recognized by the Partnership or other transfer) of the Limited Partner's Partnership Interest under this

Article 9, all allocations of Profits and Losses attributable to the transferred Partnership Interest shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the General Partner which is then permitted under Section 706 of the Code and the Regulations promulgated thereunder. All distributions of Cash Flow made prior to the effective date of any such transfer shall be made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee.

Section 9.5 Purchase Option and Right of First Refusal. The Partnership, as grantor, and Sponsor, as grantee ("Grantee"), shall execute that certain Purchase Option and Right of First Refusal Agreement dated on or about the date hereof (the "Purchase Option and Right of First Refusal Agreement"), pursuant to which the Partnership has granted to Grantee an option to purchase the Project or the Limited Partner's Partnership Interest and a right of first refusal to purchase the Project, on the terms and conditions set forth therein, provided that the General Partner remains in good standing as General Partner without the occurrence of any event described in Section 10.6 hereof, in the form attached hereto as **Exhibit A**.

Section 9.6 Disposition of Project. A sale of the Project by the General Partner shall cause the dissolution and liquidation of the Partnership only if required by the provisions of Article 11 hereof. Upon any sale of the Project (which term, as used in this Section 9.6, shall include any portion of the Project containing one or more rental units and any related assets or business of the Partnership), the net proceeds thereof shall be distributed in accordance with Section 5.2 or Section 11.2 hereof, as applicable. Except as specifically provided in the Purchase Option and Right of First Refusal Agreement or this Section 9.6, the General Partner shall not sell the Project or the Limited Partner's Partnership Interest without the prior written consent of the Limited Partner.

Section 9.7 Put Right. Commencing upon the expiration or termination of the options and right of first refusal to purchase the Project or Limited Partner's Partnership Interest granted in the Purchase Option and Right of First Refusal Agreement, the Limited Partner shall have the right to require the General Partner to purchase the Limited Partner's Partnership Interest (the "Put Right") for a purchase price of One Hundred and No/100 Dollars ($100.00) (the "Purchase Price"), plus any unpaid obligations owed to the Limited Partner and the Asset Manager under this Partnership Agreement, including, but not limited to, repayment of outstanding loans made by the Limited Partner to the Partnership and any credit adjuster payments pursuant to Section 6.9 of the Partnership Agreement. The Put Right may be exercised by the Limited Partner by giving written notice to the General Partner at any time after the expiration or termination of the options and right of first refusal to purchase the Project or Limited Partner's Partnership Interest granted in the Purchase Option and Right of First Refusal Agreement. In the event that the Limited Partner exercises its Put Right pursuant to this Section 9.7, the Purchase Price shall be paid to the Limited Partner in cash or immediately available funds, unless otherwise mutually agreed, at a closing to occur on the first Business Day following the date that is thirty (30) days after the Limited Partner has given notice to the General Partner of the exercise of the Put Right. All costs of the purchase of the Limited Partner's Partnership Interest pursuant to this Section 9.7 shall be paid by the General Partner, including, without limitation, any transfer taxes charged by any taxing authority in connection with the Put Right. Upon receipt of the Purchase Price, the Limited Partner shall transfer the Partnership Interest free and clear of any liens, charges, encumbrances or interests of

any third party and shall execute or cause to be executed any documents required to fully transfer such Partnership Interest. As of the effective date of such closing, the Limited Partner shall have no further interest in the Partnership.

Section 9.8 Intentionally Omitted.

Section 9.9 Warehouse Lender. Notwithstanding the foregoing provisions of this Article or any other provision of this Partnership Agreement:

9.9.1 The General Partner acknowledges and consents to (i) the Limited Partner's pledge and collateral assignment of its Partnership Interest (the "LP Pledge") to the Warehouse Lender;

9.9.2 The Warehouse Lender shall have the rights of a secured party to retain, sell or transfer the Partnership Interest so pledged in accordance with the LP Pledge, including, without limitation, the right to transfer or assign its rights hereunder and under the LP Pledge without the consent of the Partnership, any Partner or any other Person, subject only to Section 9.9.6;

9.9.3 Upon the enforcement of the LP Pledge and the foreclosure upon the Partnership Interest pledged thereunder, the Warehouse Lender (or its nominee or transferee) shall be immediately, automatically and unconditionally admitted as a Substituted Limited Partner, subject only to Section 9.9.6;

9.9.4 Neither the Partnership nor any Partner shall cause the Partnership Interest to be or become, a "security", "investment property" or held in a "securities account" (within the meaning of Articles 8 and 9 of the Uniform Commercial Code of the State (the "UCC")) and the Partnership Interest will be, and will remain, "general intangibles" within the meaning of Article 9 of the UCC, and any action by the Partnership or any Partner to cause any of the Partnership Interest to be deemed to be or to be treated other than as general intangibles within the meanings of Article 9 of the UCC shall be void and of no effect;

9.9.5 The Partnership and the Partners agree (i) to notify the Warehouse Lender in writing at the applicable addresses provided in the definition of "Warehouse Lender" of any default by the Limited Partner of any of its obligations hereunder, (ii) to refrain from exercising any rights or remedies as a result of such default (whether hereunder or otherwise at law or in equity) until the Warehouse Lender has received such notice and has been given 60 days to cure such default, and (iii) that the Warehouse Lender can cure such default by paying only those portions of the Limited Partner's Capital Contribution for which the conditions to payment set forth in Sections 3.2 have then been satisfied;

9.9.6 The Warehouse Lender's rights hereunder are subject to compliance with all HUD requirements regarding transfer of physical assets and submission and approval of a HUD Prior Participation Certificate, and/or obtaining the State Housing Finance Agency's written consent if required; and

9.9.7 So long as the Limited Partner's Partnership Interest continues to be "Pledged Collateral" under the LP Pledge, any amendment to (i) this section, (ii) any other provision herein which would materially affect the Warehouse Lender's rights and priorities under the LP Pledge, or (iii) the identity of the Asset Manager, the Asset Management Fee, the Disposition Fee or any other fee payable to the Asset Manager, or the terms of payment thereof, shall require the prior written consent of the Warehouse Lender.

9.9.8 The Warehouse Lender is an intended third party beneficiary of this Section.

Section 9.10 Voluntary Withdrawal. Notwithstanding anything in this Article 9 to the contrary, the Limited Partner shall have the right to withdraw from the Partnership without the General Partner's consent at any time after the Limited Partner has paid in full its Capital Contribution. The Limited Partner shall provide the General Partner with ten (10) days' prior written notice of the effective date of such withdrawal. At the Limited Partner's request, the General Partner shall cooperate with the Limited Partner by taking such actions as the Limited Partner determines are necessary or advisable in order to effectuate such withdrawal.

ARTICLE 10: TRANSFER OF GENERAL PARTNER'S PARTNERSHIP INTERESTS

Section 10.1 Voluntary Transfers.

10.1.1 Subject to the provisions of the Subordinate Cash Flow Loan Documents, The Partnership shall not recognize any Voluntary Transfer of a General Partner's Partnership Interest and any such attempted Voluntary Transfer shall be invalid and ineffective as to the Partnership and the Limited Partner, unless and until: (i) the proposed transfer is of all the Partnership Interest owned by such General Partner; (ii) the Limited Partner has received a written instrument of transfer of all such Partnership Interest, which instrument shall be signed by the General Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of an agreement to be bound by all of the terms and conditions of this Partnership Agreement; (iii) the General Partner has paid or caused to be paid all costs related to such Voluntary Transfer, including, without limitation, the reimbursement of all legal fees and expenses incurred by the Partnership in connection with such transfer; (iv) such Voluntary Transfer will not result in the termination of the Partnership for federal income tax purposes; (v) such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for federal income tax purposes; (vi) the Partnership receives an opinion of legal counsel to the effect of clause (v); and (vii) the Limited Partner has consented in writing to such Voluntary Transfer, which consent may be withheld or given, in the sole discretion of the Limited Partner.

10.1.2 Upon compliance with this Section 10.1, such transfer of a General Partner's Partnership Interest shall bind the Partnership and all the Limited Partners and no such Voluntary Transfer shall cause the termination of the Partnership. In addition, effective as of the date of full compliance with the requirements of this Section 10.1, the

transferee of a General Partner's Partnership Interest shall be admitted as a new General Partner of the Partnership and shall be vested with all the powers and obligations with respect to the management of the Partnership as are granted to and placed upon the transferor General Partner under this Partnership Agreement.

Section 10.2 Involuntary Transfers. An Involuntary Transfer of a General Partner's Partnership Interest at such time as there is more than one General Partner shall not dissolve the Partnership, but rather the business of the Partnership shall be continued without interruption and all of the management powers and authority granted herein to the General Partner making such Involuntary Transfer shall automatically be placed upon the remaining General Partner(s), unless the Limited Partner otherwise elects within thirty (30) days after the occurrence of such Involuntary Transfer to dissolve the Partnership and have the Partnership's affairs and business wound up and terminated pursuant to Article 11. An Involuntary Transfer of a General Partner's Partnership Interest when there is no other General Partner in existence shall dissolve the Partnership and the Partnership's affairs and business shall be wound up and terminated under Article 11, unless the Limited Partner agrees in writing to the continuation of the business of the Partnership and the appointment of a new General Partner pursuant to the provisions of Section 10.3.

Section 10.3 Continuation of Partnership After Involuntary Transfer of General Partner's Partnership Interests. Upon an Involuntary Transfer of the last remaining General Partner's Partnership Interest, the Partnership will dissolve and the affairs and business of the Partnership will be wound up and terminated under Article 11, unless within ninety (90) days after the occurrence of such Involuntary Transfer, the Limited Partner agrees in writing to the continuation of the business of the Partnership and the appointment of a new General Partner. Unless such an election is made within such 90 day period, the Partnership may conduct only those activities that are necessary to wind up and terminate its affairs and business. If such an election is made within such 90 day period, then: (a) the reconstituted partnership will continue until the end of the term of the Partnership's existence set forth in this Partnership Agreement; and (b) immediately upon its receipt of cash in an amount equal to the greater of (1) $100 or (2) the then positive balance in its Capital Account, the former General Partner is automatically (and without the need for the execution of any further documentation) deemed to have relinquished its entire Partnership Interest, with such relinquished Partnership Interest being automatically allocated to the new General Partner.

Section 10.4 Distributions and Allocations with Respect to Transferred Partnership Interests. If any transfer (whether a Voluntary or Involuntary Transfer) of a General Partner's Partnership Interest is recognized by the Partnership under this Article 10, then all allocations of Profits and Losses attributable to the transferred Partnership Interest are divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the Limited Partner which is then permitted under Section 706 of the Code and the Regulations promulgated thereunder. Any distributions of Cash Flow made prior to the effective date of any such transfer are made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee. Neither the Partnership nor the Limited Partner will incur any liability for making allocations and distributions in accordance with the provisions of this Section 10.4.

Section 10.5 Voluntary Withdrawal. A General Partner may not voluntarily withdraw from the Partnership without the prior written consent of the Limited Partner.

Section 10.6 Removal of General Partner. The Limited Partner may remove the General Partner, or at its election any individual General Partner if there is more than one General Partner, for the occurrence of any of the following events (each an "Event of Default"):

10.6.1 Events of Default.

(i) Any fraud, gross negligence, malfeasance or intentional misconduct of the General Partner; or

(ii) Any act by the General Partner outside the scope of its duties or obligations under this Partnership Agreement or any breach by the General Partner of any fiduciary duty to the Partnership or the Limited Partner; or

(iii) The breach of any representation or warranty of the General Partner contained in this Partnership Agreement, including, without limitation, those contained in Section 6.3 hereof that has a material adverse effect on the Partnership, the Limited Partner or the Project; or

(iv) The breach by the General Partner of any covenant of the General Partner contained in this Partnership Agreement, including without limitation those contained in Section 6.3 hereof that has a material adverse effect on the Partnership, the Limited Partner or the Project; or

(v) Any action or inaction by the Partnership, General Partner or any Affiliate of the General Partner that does, or with the passage of time would, (a) cause the termination of the Partnership for federal income tax purposes (except to the extent such action is expressly authorized herein), (b) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (c) violate any applicable federal or state securities laws (as they relate to the Partnership or the Partnership Interest), (d) cause the Partnership to fail to qualify as a limited partnership under the Act, (e) cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contribution, (f) qualify as an event of removal or withdrawal with respect to the General Partner under the Act, or (g) otherwise substantially reduce tax benefits or substantially increase tax liabilities of the Limited Partner and otherwise is not cured by payments made pursuant to Section 6.9 hereof; or

(vi) Any construction cost overruns or Operating Deficits are incurred by the Partnership and such cost overruns and Operating Deficits are not funded by loans or other sources of funds that are acceptable to the Limited Partner and are on terms that do not adversely affect the Projections or financial viability of the Project or the Partnership; or

(vii) A material default occurs under the Construction Loan Subordinate Cash Flow Loan, or any Project Documents and such default is not cured or waived

by the Lender (or other applicable non-defaulting party) within thirty (30) days after the occurrence of such default, or if such default takes more than thirty (30) days to cure, the General Partner has failed to commence diligent efforts to effect a cure within such thirty (30) day period and diligently pursue such remedies until the default is fully cured (it being acknowledged and agreed that an Event of Default under this subsection (vii) exists independently of an Event of Default under subsection (ix) hereof and does not merge with subsection (ix) if a foreclosure or other creditor's action is filed in connection with the Construction Loan or Subordinate Cash Flow Loans); or

(viii) The Project or the Partnership is substantially mismanaged and such mismanagement has a material adverse effect on the Partnership, the Project, or the Limited Partner; or

(ix) Any Lender to the Partnership or other creditor of the Partnership files a foreclosure or other creditor's action for exercise of control over the Project or the rents therefrom, or the filing of a bankruptcy petition or similar creditor's action by or against the Partnership and any such action is not dismissed within thirty (30) days; or

(x) The Partnership fails to deliver 80% of Projected Tax Credits to the Limited Partner with respect to any calendar year; or

(xi) The General Partner fails to timely and promptly discharge and replace the Property Management Agent in accordance with the requirements of Section 6.4.9(iv) hereof; or

(xii) The General Partner fails to timely and promptly remove the Accountant and replace it with an accountant that is approved by the Limited Partner in accordance with the requirements of Section 8.6.3 hereof; or

(xiii) Any payment required to be made to the Limited Partner or the Partnership by the General Partner pursuant to Sections 4.2.14, 6.4.6(i), 6.4.6(ii), and 6.9 is not timely made by or on behalf of the General Partner or any guarantor of such obligation; or

(xiv) The occurrence of an "Event of Default" under the Guaranty Agreement; or

(xv) A General Partner transfers a controlling interest in itself without the consent of the Limited Partner as required in Section 6.3.30 of this Partnership Agreement; or

(xvi) The occurrence of an Event of Default as described in Section 8.6.4; or

(xvii) The commencement by a General Partner or a Guarantor of a proceeding in bankruptcy or insolvency seeking a compromise, adjustment or other

relief under the laws of the United States or of any state relating to the relief of debtors; or

(xviii) The failure of the General Partner or a Guarantor to obtain the dismissal of any case commenced against a General Partner or a Guarantor (i) for the appointment of a trustee for such General Partner or Guarantor, or any of its property or (ii) in bankruptcy or insolvency or for compromise adjustment or other relief under the laws of the United States or any state relating to the relief of debtors; or

(xix) During the Compliance Period, if at any time the General Partner has operated the Project in a manner such as that 20% or more of the Tax Credit Units fail to qualify for the Tax Credits; or

(xx) The use by the General Partner of any funds in any of the reserves described in Section 6.4.7 above for purposes other than permitted therein; or

(xxi) The failure of the Partnership Representative or the Designated Individual to perform or observe any of the covenants, terms and conditions to be performed or observed by the Partnership Representative or the Designated Individual, respectively, under Section 6.12 hereof; or

(xxii) The commencement of, or the filing of a request by a governmental body for, a voluntary or involuntary appointment of a receiver of the Project for any violation of Law, including, but not limited to a health, safety or building code violation; or

10.6.2 **Effectiveness**. Prior to removing and replacing the General Partner for an Event of Default, the Limited Partner shall give the General Partner reasonable prior written notice setting forth in detail the Event of Default(s) providing the basis for such possible removal and a reasonable opportunity (as determined by the Limited Partner in its discretion) to cure such default(s), provided that no opportunity to cure such default(s) shall be given where the extent or nature of the default is such that there is a likelihood of material loss, liability, or prejudice to the Partnership or the Limited Partner, or both, from any delay in removal and replacement. If the grounds for removal justify an immediate removal under the preceding sentence, such removal shall be effective upon the delivery of a notice thereof to the specified address in accordance with Section 12.1 hereof. Under all other circumstances, such removal shall be effective only after:

(i) failure by the General Partner to cure the default(s) set forth in the notice of removal within the prescribed cure period, if any,

(ii) a decision by the Limited Partner, in its sole discretion, to remove the General Partner, and

(iii) the Limited Partner provides the General Partner with written notice of its removal as General Partner, which notice shall specify the date on which such removal shall become effective.

Notwithstanding such removal, the General Partner shall remain liable to the Partnership and the Limited Partner for (i) all obligations and liabilities (including, without limitation, its obligations to make any payments pursuant to Sections 6.4.6(i), 6.4.6(ii), and Section 6.9 of this Partnership Agreement and liabilities resulting from any breach of any of the representations and warranties set forth in Section 6.3 of this Partnership Agreement) incurred by it as a General Partner before the effective date of such removal but is free of any obligations and liabilities incurred on account of Partnership activities from and after the time of such removal and (ii) all damages and other amounts recoverable or payable hereunder or under applicable law by or to the Partnership or the Limited Partner as a result of the occurrence of the event giving rise to such removal. From and after delivery of notice of such removal, except as otherwise expressly provided in Section 6.5.6, the Partnership shall have no obligation to make any further payments to the General Partner or its Affiliates for fees that would otherwise be due and payable pursuant to this Partnership Agreement, any other agreement entered into by the Partnership and the General Partner or any Affiliate thereof, or in connection with the performance of the General Partner's obligations hereunder.

10.6.3 **Waiver**. Any forbearance by the Limited Partner in exercising any right or remedy under this Section 10.6 or any other provision in this Partnership Agreement or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy, or the subsequent exercise of any right or remedy. The enforcement by the Limited Partner of any right herein shall not constitute an election by the Limited Partner of remedies so as to preclude the exercise of any other right available to the Limited Partner.

Section 10.7 **Nominee's Enforcement Powers**. If the Limited Partner holds bare legal title, as nominee, to its Partnership Interest and transfers the beneficial interests in the Limited Partner's Partnership Interest to one or more Persons, the General Partner hereby acknowledges and agrees that the Limited Partner, in its capacity as nominee, shall be entitled to exercise all rights and remedies reserved to the Limited Partner under this Partnership Agreement, including without limitation, the right to bring any legal action to enforce the General Partner's obligations hereunder.

ARTICLE 11: DISSOLUTION, WINDING UP AND TERMINATION

Section 11.1 **Dissolution**. The Partnership will dissolve upon the occurrence of any of the following events:

11.1.1 The expiration of the term of the Partnership's existence;

11.1.2 The sale or other disposition of all or substantially all of the Partnership Property and the Partnership's receipt of all or substantially all of the proceeds therefrom;

11.1.3 The Partners' mutual election to dissolve the Partnership;

11.1.4 The Limited Partner's election to dissolve the Partnership made at any time that is more than three years after the end of the Compliance Period;

11.1.5 The failure of the Limited Partner to agree in writing at the time and in the manner provided in Section 10.3 hereof to the continuation of the business of the Partnership and the appointment of a new General Partner upon the occurrence of an Involuntary Transfer of the last remaining General Partner's Partnership Interest or the removal of the General Partner; or

11.1.6 The Limited Partner's election pursuant to Section 10.2 hereof to dissolve the Partnership upon the occurrence of an Involuntary Transfer of a General Partner's Partnership Interest, notwithstanding the fact that one or more other General Partner is in existence at such time.

11.1.7 The Limited Partner's withdrawal pursuant to Section 9.8 or exercise of its put right pursuant to Section 9.9, unless the General Partner admits one or more substitute limited partners to the Partnership within ninety (90) days after the Limited Partner's withdrawal or exercise of its put right.

Section 11.2 Winding Up and Termination. Upon the dissolution of the Partnership, the affairs and business of the Partnership will be wound up and terminated, the Partnership's liabilities discharged and the Partnership Property liquidated and distributed in the manner hereinafter described. A reasonable time will be allowed for the orderly winding up of the affairs and business of the Partnership so as to enable the Partnership to minimize the normal losses attendant to the winding up and termination period. The winding up and termination of the affairs and business of the Partnership shall be supervised and conducted by the Liquidation Manager. The Liquidation Manager has the exclusive power and authority to act on behalf of the Partnership to wind up and terminate the affairs and business of the Partnership, to sell and convey the Partnership Property to such Persons (including, without limitation, any Partner or any Affiliate thereof) for such consideration and upon such terms and conditions as it deems necessary or appropriate, to discharge the Partnership's liabilities, to establish any reserves that it deems necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership, and to distribute the liquidation proceeds in the manner hereinafter described.

Upon completion of the winding up of the affairs and business of the Partnership, the liquidation proceeds will be distributed by the Liquidation Manager in the following manner and order of priority:

11.2.1 First, such liquidation proceeds will be applied to the payment of debts and liabilities of the Partnership (excluding any Partner loans, including, without limitation, any loans the General Partner or its Affiliates made pursuant to Section 6.4.6(i) and/or 6.4.6(ii) hereof and the Guaranty Agreement, and any unpaid Development Fee) and the payment of expenses of the winding up of the affairs and business of the Partnership;

11.2.2 Second, such liquidation proceeds will be applied to the setting up of any reserves (to be held by the Liquidation Manager in an interest bearing account) which the Liquidation Manager may deem necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership, provided that at the expiration of such time as the Liquidation Manager deems necessary or appropriate, the balance of such reserves remaining after payment of such liabilities or obligations will be distributed by the Liquidation Manager in the manner hereinafter set forth in this Section 11.2; and

11.2.3 Third, such liquidation proceeds will be paid to satisfy debts and liabilities owed to Partners and their Affiliates described in Section 5.2.1 hereof and in accordance with the priority set forth therein; and

11.2.4 Fourth, such liquidation proceeds will be distributed in compliance with Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations to the Partners in accordance with their positive Capital Accounts, after giving effect to all contributions, distributions and allocations for all periods, including, without limitation, the allocations to be made under Section 4.2.13 hereof.

Section 11.3 Compliance with Liquidation Requirements of Regulations. If the Partnership is "liquidated" within the meaning of 1.704-1(b)(2)(ii)(g) of the Regulations, then:

11.3.1 Distributions will be made pursuant to Section 11.2 hereof (if such "liquidation" constitutes a dissolution and termination of the Partnership) to the Partners who have positive balances in their Capital Accounts in compliance with Section 1.704-1(b)(2)(ii)(b)(2) of the Regulations;

11.3.2 If a General Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including, without limitation, the taxable year in which such liquidation occurs), then such General Partner will contribute to the capital of the Partnership the amount necessary to restore the balance in its Capital Account to zero;

11.3.3 In addition to the obligations provided in Section 3.2.8, if a Limited Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including, without limitation, the taxable year in which such liquidation occurs), then such Limited Partner will contribute to the capital of the Partnership the lesser of (1) such deficit balance in its Capital Account or (2) the limited dollar amount, if any, of its Capital Account deficit which the Limited Partner has expressly agreed in writing to restore to the capital of the Partnership pursuant to Section 11.4 hereof; and

11.3.4 Any such contribution by a Partner shall be made on or before the later of (1) the end of the taxable year of the "liquidation" or (2) ninety (90) days after the date of the "liquidation".

The Partners intend that upon dissolution and liquidation of the Partnership at any time following the end of the fifteenth (15^{th}) year of the Compliance Period, the remaining assets of the

Partnership will be distributed in accordance with Section 5.2.2 of this Agreement. It is the intent of the Partners that, upon liquidation of the Partnership in any year following the end of the Compliance Period, any liquidation proceeds available for distribution to the Partners pursuant to Section 5.2.2 be distributed in accordance with the Partners' respective positive Capital Account balances. In the event that the positive capital accounts anticipated, upon liquidation, would conflict with the intent of the Partners with respect to distribution of proceeds as provided in Section 5.2.2, the General Partner may, if necessary to ensure that upon the anticipated liquidation date the distribution of proceeds will reflect the split set forth in Section 5.2.2, starting in any year after the end of the Compliance Period, notwithstanding the provisions of Sections 4.1 and 4.2 (but after all of the allocations provided for in Sections 4.2.2 - 4.2.13 shall have been made) allocate the Partnership's gains, profits and losses (including, without limitation, gross income) in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Partners to be in accordance both with the Partners' economic expectations as set forth in 5.2.2 and their respective Capital Account balances. If the Partnership's gains, profits and losses (including, without limitation, gross income) are insufficient to cause the Partners' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Partners' respective positive Capital Account balances and Section 5.2.2, then liquidation proceeds shall be distributed in accordance with the Partners' respective positive Capital Account balances after the allocations described herein have been made.

Section 11.4 Rights and Obligations of Limited Partner Upon Dissolution. Except as otherwise expressly provided in Section 11.3.2 hereof, the Limited Partner shall look solely to the assets of the Partnership for the return of its Capital Contribution. Except as otherwise elected by the Limited Partner pursuant to this Section 11.4, the Limited Partner shall not have any obligation to restore any deficit in its Capital Account upon the liquidation of the Partnership. Notwithstanding anything to the contrary contained in this Partnership Agreement, the Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Limited Partner's delivery of a written notice of election to the General Partner no later than March 15 following the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that the Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of the Limited Partner's Partnership Interest.

Section 11.5 Waiver of Partition. Each Partner hereby waives any right to partition or cause a partition of the Partnership Property.

Section 11.6 Final Accounting. The Liquidation Manager shall furnish each of the Partners with a statement setting forth the assets and liabilities of the Partnership as of the date of the completion of the winding up and termination of the affairs and business of the Partnership. Upon completion of the distribution plan set forth in this Article 11, the Liquidation Manager shall cause to be executed by the appropriate parties and filed in such public offices as shall be required under the Act a cancellation of the Certificate of Limited Partnership, or any amendment thereto, of the Partnership and any and all other documents which the Liquidation Manager deems necessary or appropriate to effect the dissolution and termination of the Partnership.

ARTICLE 12: MISCELLANEOUS

Section 12.1 Notices and Addresses. All notices, consents, demands, requests, or other communications which may or are required to be given hereunder shall be in writing and shall be sent by electronic mail, overnight courier or United States mail, registered or certified, return receipt requested, postage prepaid to the Partnership at the address of the Partnership's principal office and to the Partners at the addresses set forth after their respective names in Article 2. The Partnership and any Partner may change its or his address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the Partnership and to all the Partners of its or his new address for such purpose. Notices, consents, demands, requests, or other communications shall be deemed given or served one (1) Business Day after being sent by electronic mail, one (1) Business Day after deposit with an overnight courier, or three (3) Business Days after deposit in the United States mail registered or certified, return receipt requested, postage prepaid.

Section 12.2 Pronouns and Plurals. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

Section 12.3 Counterparts. This Partnership Agreement may be executed and delivered in electronic form and in several counterparts each of which shall be deemed an original and all of which, taken together, shall constitute one agreement, binding on the parties hereto, notwithstanding that all of the parties are not signatories to the same counterpart. The use of electronic signatures provided through DocuSign or other secure eSignature applications shall be permitted.

Section 12.4 Applicable Law. This Partnership Agreement and the rights of the Partners hereunder shall be interpreted in accordance with the laws of the State of California.

Section 12.5 Successors. This Partnership Agreement shall inure to the benefit of, be binding upon, and be enforceable by and against the parties hereto, their heirs, executors, administrators, successors, and assigns.

Section 12.6 Severability. The invalidity or unenforceability of any provision of this Partnership Agreement in a particular respect shall not affect the validity and enforceability of any other provisions of this Partnership Agreement or of the same provision in any other respect.

Section 12.7 Exhibits. All exhibits attached hereto or referred to herein are incorporated herein by this reference.

Section 12.8 Limitation of Benefits. Except with respect to those provisions hereof that confer rights to the Warehouse Lender, it is the explicit intention of the Partners that no person or entity other than the Partners, the owner(s) of the beneficial interests in the Limited Partner's Partnership Interest and the Partnership is or shall be entitled to bring any action or enforce any provision of this Partnership Agreement against any Partner or the Partnership, and that the covenants, undertakings and agreements set forth in this Partnership Agreement shall be solely for the benefit of and shall be enforceable only by the Partners, the owners of such beneficial interests and the Partnership and their or its respective successors and assigns as permitted hereunder).

Nothing herein shall be deemed to limit the nominee's enforcement powers as described in Section 10.7.

Section 12.9 Entire Agreement. Except as provided in Section 9.5 with respect to the Purchase Option and Right of First Refusal Agreement, this Partnership Agreement contains the entire agreement among the Partners with respect to the transactions contemplated herein, and supersedes all prior or written agreements, commitments, or understandings with respect to the matters provided for herein and therein.

Section 12.10 Broker's Commission and Indemnity. Each of the parties to this Partnership Agreement warrants and represents to the others that it has not been introduced to the other party by any broker, nor has it been in contact with any real estate or business broker or consultant otherwise than as specified in this Partnership Agreement regarding the Project Property; and each party to this Partnership Agreement agrees to indemnify and hold the other party harmless from all suits, claims, actions, loss or expenses (including reasonable attorney's fees) arising from the claim of any person to a brokerage or other commission in connection with this transaction and resulting from contact with or other action, alleged or actual, of the indemnifying party.

Section 12.11 Amendment of Partnership Agreement. Except as otherwise provided for herein, this Partnership Agreement may not be amended in whole or in part except by a written instrument signed by the General Partner and Limited Partner.

Section 12.12 Power of Attorney

12.12.1 Generally. The Limited Partner, by the execution hereof, hereby irrevocably constitutes and appoints the General Partner its true and lawful attorney-in-fact, with full power and authority in its name, place, and stead, to execute and acknowledge under oath, swear to, deliver, file, and record at the appropriate public offices the following documents (which shall not include such documents as may be required by law to carry out the provisions of Section 10.6 of this Partnership Agreement):

(i) all certificates and other instruments, including any certificate of limited partnership and any amendment thereto, that are required to form, continue, or qualify the Partnership as a limited partnership or to transact business under the Act; and

(ii) all amendments to the Certificate of Limited Partnership or other instrument that are required to be filed under applicable law.

The appointment by the Limited Partner of the General Partner as attorney-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Partners under the Partnership Agreement will be relying upon the power of the General Partner to act as contemplated by the Partnership Agreement in any filing and other action by it on behalf of the Partnership. The foregoing power of attorney shall survive the dissolution and termination of the Limited Partner or the assignment by the Limited Partner of the whole or any part of its Partnership Interest hereunder. Nothing contained herein shall be construed to limit the authority of the

General Partner under Article 6 hereof to execute documents and act on behalf of the Partnership without execution or action by the Limited Partner.

12.12.2 Removal for Cause. The General Partner, by the execution hereof, hereby irrevocably constitutes and appoints the Limited Partner its true and lawful attorney-in-fact, with full power and authority in its name, place, and stead, to execute and acknowledge under oath, swear to, and, if necessary, deliver, file, and record at the appropriate public offices such documents as may be required by law to carry out the provisions of Section 10.6 of this Partnership Agreement, including without limitation:

(i) all certificates and other instruments, including any certificate of limited partnership and any amendment thereto, that are required to remove the General Partner from its role as general partner and replace it with a substitute general partner;

(ii) all amendments to this Partnership Agreement required to remove the General Partner from its role as general partner and replace it with a substitute general partner; and

(iii) all other certificates, documents, amendments, and instruments required to effectuate the provisions of Section 10.6 hereof.

The appointment by the General Partner of the Limited Partner as attorney-in-fact shall be deemed to be a power coupled with an interest in recognition of the fact that each of the Partners under this Partnership Agreement will be relying upon the power of the Limited Partner to act as contemplated by Section 10.6 hereof in any filing and other action by it on behalf of the Partnership. The foregoing power of attorney shall survive the dissolution and termination of the General Partner or the assignment by the General Partner of the whole or any part of its interest hereunder.

Section 12.13 Third Party Beneficiary. The parties hereto hereby acknowledge and agree that the Asset Manager is a third party beneficiary of this Partnership Agreement.

Section 12.14 BOE Amendments In the event that the BOE revises the BOE Regulations in a manner that requires an amendment to the Agreement, or the BOE or another government agency notifies the Partnership that the Agreement does not comply with requirements for obtaining or maintaining the Welfare Exemption, then the Partners shall act in good faith to amend the Agreement to the extent necessary in order to obtain or maintain the Welfare Exemption.**[Remainder of this page intentionally left blank.]**

The Partners have executed this Partnership Agreement as of the date first set forth at the beginning hereof.

ADMINISTRATIVE GENERAL PARTNER:

2000 16TH ST MUTUAL HOUSING ASSOCIATION LLC,
a California limited liability company

By: _____
Roberto Jimenez, President

MANAGING GENERAL PARTNER:

2000 16TH ST CACDC ASSOCIATION, LLC,
a California limited liability company

By: _____
Danielle Foster, President

LIMITED PARTNER:

NEF ASSIGNMENT CORPORATION,
an Illinois not-for-profit corporation, as nominee

By: _____

Name: _____

Its: _____

INITIAL LIMITED PARTNER:

2000 16TH ST MUTUAL HOUSING ASSOCIATION LLC,
a California limited liability company

By: _____
Roberto Jimenez, President

INITIAL LIMITED PARTNER:

2000 16TH ST CACDC ASSOCIATION, LLC,
a California limited liability company

By: _____
Danielle Foster, President

APPENDIX I

PROJECTIONS

EXHIBIT A

PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT

Exhibit A

PURCHASE OPTION AND
RIGHT OF FIRST REFUSAL AGREEMENT

THIS PURCHASE OPTION AND RIGHT OF FIRST REFUSAL AGREEMENT (this "**Agreement**") is made as of the [____] day of June, 2025, by and among 2000 16th St Associates, LP, a California limited partnership (the "**Partnership**"), [_____, a _____] (the "**Grantee**"), 2000 16th St CACDC Association, LLC, a California limited liability company (the "**Managing General Partner**"), 2000 16th St Mutual Housing Association LLC, a California limited liability company (the "**Administrative General Partner**" and with the Managing General Partner, the "**General Partner**"), and is consented to herein below by NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee (the "**Limited Partner**").

WHEREAS, the General Partner and one or more other parties, concurrently with the execution and delivery of this Agreement, are entering into that certain Amended and Restated Limited Partnership Agreement dated as of the date hereof (the "**Partnership Agreement**") forming the Partnership or continuing it by amending and restating a prior partnership agreement for the purposes of acquiring, rehabilitating or constructing, financing, operating, managing, leasing, and otherwise dealing with the real estate described therein, in significant part as low-income rental housing (the "**Project**"); and

WHEREAS, Grantee has been instrumental in the development of the Project and has agreed to guaranty the obligations of the General Partner under the Partnership Agreement pursuant to the Guaranty (as defined in the Partnership Agreement); and

WHEREAS, the General Partner and/or Grantee has performed, or has agreed to perform services (the "**Services**") relating to the acquisition and syndication of the Project, as defined in the Partnership Agreement, which services include procuring permanent financing, securing the low-income housing tax credits, and negotiating the Limited Partner's investment in the Partnership, and the Partnership wishes to compensate the General Partner and/or Grantee for the performance of such services by entering into this Agreement; and

WHEREAS, the Project is or will be subject to one or more governmental agency regulatory agreements (collectively, the "**Regulatory Agreement**") restricting its use to low income housing (the "**Use Restrictions**"); and

WHEREAS, as a condition precedent to the formation or continuation of the Partnership pursuant to the Partnership Agreement, General Partner and Grantee have negotiated and required that the Partnership shall execute and deliver this Agreement, and the Limited Partner has consented to this Agreement in order to induce the General Partner to execute and deliver the Partnership Agreement, induce the General Partner and/or Grantee to perform the Services and to induce Grantee to execute and deliver the Guaranty.

NOW, THEREFORE, in consideration of the execution and delivery of the Partnership Agreement by General Partner, the performance of the Services by the General Partner and/or Grantee to the Partnership, execution and delivery of the Guaranty by Grantee, and other good and

valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. **Grant of Option**. The Partnership hereby grants to Grantee an option to either (a) purchase the real estate, fixtures, and personal property comprising the Project or associated with the physical operation thereof, including assets held for the development, operation or maintenance of a Project building to extent permitted by Section 42(i) of the Internal Revenue Code of 1986, as amended (the "**Code**"), located at the Project and owned by the Partnership at the time of purchase (the "**Project Option**"), or (b) purchase the Limited Partner's partnership interest in the Partnership (the "**Partnership Interest Option**", and together with the Project Option, the "**Options**") after the close of the fifteen (15) year compliance period for the low income housing tax credits for the Project (the "**Compliance Period**") as determined under Section 42(i)(1) of the Code, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of such Options specified herein. The property described hereinabove, which may be purchased under the Project Option is referred to herein as the "**Property**". The Limited Partner's partnership interest in the Partnership described hereinabove, which may be purchased under the Partnership Interest Option is referred to herein as the "**Limited Partner's Partnership Interest**".

2. **Purchase Price Under Options**. The purchase price under the Project Option or the Partnership Interest Option shall be as follows:

(a) Project Option. The purchase price under the Project Option shall be the greater of the following amounts:

(i) Debt, Taxes and Limited Partner Obligations. The sum of: (a) an amount sufficient to pay all debts (including partner loans) and liabilities of the Partnership upon its termination and liquidation as projected to occur immediately following the sale pursuant to the Option, (b) an amount sufficient to distribute to the Limited Partner pursuant to Section 5.2.1(ii) of the Partnership Agreement, cash proceeds equal to the state, local and federal taxes projected to be imposed on the Limited Partner as a result of the sale of the Project pursuant to the Option, and (c) all obligations owed to the Limited Partner pursuant to the Partnership Agreement (to the extent not covered in subsections (a) or (b)), including, but not limited to any credit adjuster payments pursuant to Section 6.9 of the Partnership Agreement; or

(ii) Fair Market Value. The fair market value of the Property, which shall be appraised as low income housing to the extent continuation of such use is required under the Use Restrictions. The appraisal of the Property shall be made by a licensed appraiser who is a member of the Master Appraiser Institute (a "**MAI Appraiser**") and who has experience appraising tax credit projects in the geographic area in which the Project is located. The MAI Appraiser shall be selected by the General Partner, with the prior consent of the Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed. The appraisal shall be paid for by the Partnership. If the Partners are unable to agree upon a MAI Appraiser, the fair market value of the Property shall be determined by a MAI

Appraiser agreed upon by a MAI Appraiser selected by the General Partner and a MAI Appraiser selected by the Limited Partner, which appraisal shall be paid for by the Partnership.

(b) Partnership Interest Option. The purchase price under the Partnership Interest Option shall be the greater of:

(i) Fair Market Value. The fair market value of the Limited Partner's Partnership Interest, which value shall be based on the appraised value of the Partnership's assets, including the value of the Project as low income housing to the extent continuation of such use is required under the Use Restrictions and Partnership reserve accounts, less any liabilities including all Partnership debt (including Partner loans). The MAI Appraiser may also consider any discounts or premiums it determines to be applicable (such as for lack of control or lack of marketability), if the appraiser deems such discounts or premiums applicable in its sole discretion. Any such appraisal shall be made by a MAI Appraiser who has experience appraising tax credit projects in the geographic area in which the Project is located. The fair market value of the Limited Partner's Partnership Interest shall be determined by a MAI Appraiser selected by the General Partner, with the prior consent of the Limited Partner, which consent shall not be unreasonably withheld, conditioned or delayed. The appraisal shall be paid for by the Partnership. If the Partners are unable to agree upon a MAI Appraiser, the fair market value of the Limited Partner's Partnership Interest shall be determined by a MAI Appraiser agreed upon by a MAI Appraiser selected by the General Partner and a MAI Appraiser selected by the Limited Partner, which appraisal shall be paid for by the Partnership; or

(ii) Limited Partner Loans, Taxes and Limited Partner Obligations. The sum of: (a) an amount sufficient to distribute to the Limited Partner pursuant to Section 5.2.1(ii) of the Partnership Agreement, cash proceeds equal to the state, local and federal taxes projected to be imposed on the Limited Partner as a result of the sale of its Partnership Interest pursuant to the Option, and (b) all obligations owed to the Limited Partner pursuant to the Partnership Agreement, including, but not limited to all accrued and unpaid interest on any loans that the Limited Partner has made to the Partnership and any unpaid portion of any credit adjuster payments owed to the Limited Partner pursuant to Section 6.9 of the Partnership Agreement.

3. **Exercise of the Option**. The Options may be exercised by Grantee by (a) giving written notice of its intent to exercise an Option (an "**Option Notice**") to the Partnership and each of its partners in the manner provided in the Partnership Agreement and in compliance with the requirements of this Paragraph 3, and (b) complying with the contract and closing requirements set forth herein. Any Option Notice shall be given by Grantee not later than eighteen (18) months after end of the Compliance Period and shall specify a closing date (the "**Projected Option Closing Date**") within six (6) months immediately following the date of said Option Notice. Grantee's purchase under the Option shall close by the Projected Option Closing Date; provided, however, that if certain third-party consents or deliverables required for the closing to occur cannot be reasonably obtained by the Projected Option Closing Date and in Limited Partner's reasonable

judgment Grantee is diligently pursuing said consents or deliverables, the Projected Option Closing Date may be extended for time period that in Limited Partner's reasonable judgment is required to obtain said consents or deliverables. Upon determination of the purchase price, the Partnership and Grantee shall enter into a written contract for the purchase and sale of the Property or the Limited Partner's Partnership Interest, as the case may be, in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project is located, providing for a closing not later than the date specified in the Option Notice. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of either one of the Options. The purchase and sale hereunder shall be closed through a deed and money escrow with the title insurer for the Project or another mutually acceptable title company, or through an assignment of partnership interest, as applicable, not later than twenty-four (24) months after end of the Compliance Period. Notwithstanding anything contained in this Agreement to the contrary, if the foregoing requirements are not met as and when provided herein, including, without limitation, the closing of the Options not later than twenty-four (24) months after end of the Compliance Period, the Options shall expire and be of no further force or effect. Upon the issuance of an Option Notice, all of Grantee's other option or refusal rights herein shall be subordinate to the option or refusal right then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Project or the Limited Partner's Partnership Interest pursuant to an Option Notice, all of Grantee's other option or refusal rights shall expire and be of no further force or effect; provided, however, that in the event that the Options are hereafter held by different parties by reason of any permitted assignment or otherwise, Grantee in its assignment may specify any other order of priority consistent with the other terms and conditions of this Agreement.

4. **Grant of Refusal Right**. The Partnership will not sell the Project or any portion thereof without first providing the Grantee with a written notice (the "**Offer Notice**") offering to the Grantee a right of first refusal to purchase the Property (the "**Refusal Right**"), after the close of the Compliance Period, on the terms and conditions set forth in this Agreement and subject to the conditions precedent to exercise of the Refusal Right specified herein and as required by Section 42(i) of the Code. In addition to all other applicable conditions set forth in this Agreement, (a) the foregoing grant of the Refusal Right shall be effective only if Grantee is currently and remains at all times hereafter, until (i) the Refusal Right has been exercised and the resulting purchase and sale has been closed or (ii) the Refusal Right has been assigned to a Permitted Assignee described in Paragraph 9 hereof, whichever first occurs, a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, and (b) any assignment of the Refusal Right permitted under this Agreement and the Refusal Right so assigned shall be effective only if the assignee is at the time of the assignment and remains at all times thereafter, until the Refusal Right has been exercised and the resulting purchase and sale has been closed, a Permitted Assignee described in Paragraph 9 hereof meeting the requirements of Section 42(i) of the Code as determined in its judgment by tax counsel to the Limited Partner.

5. **Purchase Price Under Refusal Right**. The purchase price for the Property pursuant to the Refusal Right (the "**Refusal Right Purchase Price**") shall be equal to the sum of: (a) the greater of (x) an amount sufficient to pay all debts (including partner loans) and liabilities of the Partnership as projected to occur immediately following the sale pursuant to the Refusal Right or (y) the minimum purchase price for the Property allowable under Section 42(i) of the

Code, and (b) all obligations owed to the Limited Partner pursuant to the Partnership Agreement (to the extent not covered in subsection (a)), including, but not limited to any credit adjuster payments pursuant to Section 6.9 of the Partnership Agreement. Implicit in the agreement between the Partnership and Grantee to the Refusal Right Purchase Price, is an agreement of Grantee to assume all debts and liabilities (including taxes) of the Partnership with respect to the Property, and any document(s) effectuating the conveyance of the Property by the Partnership to the Grantee shall include an express agreement of Grantee to pay said debts and liabilities.

6. **Exercise of the Refusal Right**. The Refusal Right may be exercised by Grantee by (a) giving written notice of its intent to exercise the Refusal Right (a "**Refusal Right Notice**") to the Partnership and each of its partners in the manner provided in the Partnership Agreement and in compliance with the requirements of this Paragraph 6 and Section 42(i) of the Code, and (b) complying with the contract and closing requirements set forth herein. Any Refusal Right Notice shall be given by Grantee within ninety (90) days after Grantee has received the Partnership's Offer Notice pursuant to Paragraph 4 hereof and Grantee's Refusal Right Notice shall specify a closing date (the "**Projected Refusal Right Closing Date**") within twelve (12) months immediately following the date of said Refusal Right Notice. Grantee's purchase under the Refusal Right shall close by the Projected Refusal Right Closing Date; provided, however, that if certain third-party consents or deliverables required for the closing to occur cannot be reasonably obtained by the Projected Refusal Right Closing Date and in Limited Partner's reasonable judgment Grantee is diligently pursuing said consents or deliverables, the Projected Refusal Right Closing Date may be extended for time period that in Limited Partner's reasonable judgment is required to obtain said consents or deliverables. Upon determination of the Refusal Right Purchase Price, the Partnership and Grantee shall enter into a written contract for the purchase and sale of the Project in accordance with this Agreement and containing such other terms and conditions as are standard and customary for similar commercial transactions in the geographic area which the Project is located, providing for a closing not later than the date specified in the Refusal Right Notice. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Refusal Right. The purchase and sale hereunder shall be closed through a deed and money escrow with the title insurer for the Project or another mutually acceptable title company. If the Refusal Right is exercisable pursuant to this Paragraph 6 and to Paragraph 7, the Refusal Right shall expire not less than twenty-four (24) months after end of the Compliance Period; provided, however, that notwithstanding anything in this Agreement to the contrary, if the requirements set forth in this Paragraph 6 and Paragraph 7 are not met as and when provided herein, and the Refusal Right does not close within twenty-four (24) months after end of the Compliance Period, the Refusal Right shall expire and be of no further force or effect. Upon the issuance of a Refusal Right Notice, all of Grantee's other option or refusal rights herein shall be subordinate to the option or refusal right then being so exercised unless and until such exercise is withdrawn or discontinued, and upon the closing of any sale of the Project pursuant to the Refusal Right, all of Grantee's other option or refusal rights shall expire and be of no further force or effect; provided, however, that in the event that the a Refusal Right is hereafter held by a different party by reason of any permitted assignment or otherwise, Grantee in its assignment may specify any other order of priority consistent with the other terms and conditions of this Agreement.

7. **Conditions Precedent**. Notwithstanding anything in this Agreement to the contrary, the exercise of the Options and the Refusal Right granted hereunder shall be contingent on the following:

(a) General Partner. The General Partner shall have remained in good standing as General Partner of the Partnership without the occurrence of any event described in Paragraph 10.6 of the Partnership Agreement;

(b) Regulatory Agreement. Either (i) the Regulatory Agreement shall have been entered into and remained in full force and effect, and those Use Restrictions to be contained therein, as heretofore approved in writing by the Limited Partner, shall have remained unmodified as to material terms affecting the affordability of the Project or income eligibility standards therein, without its prior written consent, or (ii) if the Regulatory Agreement is no longer in effect due to reasons other than a default thereunder by the Partnership, such Use Restrictions, as so approved and unmodified, shall have remained in effect by other means and shall continue in effect by means of covenants recorded against the Property; and

(c) Performance by the General Partner and/or Grantee of the Services. The General Partner and/or Grantee has performed the Services set forth in the recitals of this Agreement. The General Partner and/or Grantee shall have been deemed to have performed the Services upon the completion of all of the following:

(i) The admission of the Limited Partner to the Partnership;

(ii) The closing of all loans secured by the Project, as described in the Partnership Agreement;

(iii) The acquisition by the Partnership of all the beneficial and equitable interest in the land upon which the Project is located; and

(iv) The receipt by the Partnership of all Forms 8609 (as defined in the Partnership Agreement) to be issued in connection with the Project, evidencing the low-income housing tax credits projected to be delivered by the Project, as described in the Partnership Agreement (as may be adjusted in accordance with Section 6.9 of the Partnership Agreement).

If any or all of such conditions precedent have not been met, the Options and the Refusal Right shall not be exercisable. Upon removal of the General Partner as General Partner of the Partnership under Article 10 of the Partnership Agreement, or terminating the Regulatory Agreement and the Use Restrictions are not replaced as described in this Paragraph 7, the Options and the Refusal Right shall be void and of no further force and effect.

8. **Determination of Price**. Upon notice by Grantee of its intent to exercise either of the Options or the Refusal Right, the Partnership and Grantee shall exercise best efforts in good faith to agree on the purchase price for the Property or the Limited Partner's Partnership Interest, as the case may be, as determined in accordance with the terms of this Agreement. With respect to the amounts due pursuant to Paragraphs 2(a)(i)and (ii) and 2(b)i and (ii) of this Agreement, Limited Partner shall provide Grantee a statement setting forth said amounts in reasonable detail (including an explanation of the basis for and the computation of such amounts), and the amounts shown on such statement shall be deemed prima facie correct. Any agreement on purchase price for the Property or the Limited Partner's Partnership Interest shall be subject to the prior written

consent of the Limited Partner, which shall not be withheld as to any purchase price determined properly in accordance with this Agreement.

9. **Assignment**. Grantee may assign all or any of its rights under this Agreement to (a) a qualified nonprofit organization, as defined in Section 42(h)(5)(C) of the Code, (b) a government agency, or (c) a tenant organization (in cooperative form or otherwise) or resident management corporation of the Project (each a "**Permitted Assignee**") that demonstrates its ability and willingness to maintain the Project as low income housing in accordance with the Use Restrictions, in any case subject to the prior written consent of the Limited Partner, which shall not be unreasonably withheld if the proposed grantee demonstrates that it is reputable and credit-worthy and is a capable, experienced owner and operator of residential rental property, and subject in any event to the terms and conditions of the grant and exercise of the Refusal Right and Options set forth in this Agreement. Prior to any assignment or proposed assignment of its rights hereunder, Grantee shall give written notice thereof to the Partnership, the General Partner, and the Limited Partner. Upon any permitted assignment hereunder, references in this Agreement to Grantee shall mean the Permitted Assignee where the context so requires, subject to all applicable conditions to the effectiveness of the rights granted under this Agreement and so assigned. No assignment of Grantee's rights hereunder shall be effective unless and until the Permitted Assignee enters into a written agreement accepting the assignment and assuming all of Grantee's obligations under this Agreement and copies of such written agreement are delivered to the Partnership, the General Partner, and the Limited Partner. This Agreement shall be binding upon the Limited Partner's successors and assigns. Except as specifically permitted herein, Grantee's rights hereunder shall not be assignable.

10. **Amendment of the Agreement**. Except as otherwise provided for herein, this Agreement may not be amended in whole or in part except by a written instrument signed by the Grantee, the Partnership, the General Partner, and the Limited Partner.

11. **Miscellaneous**. This Agreement shall be liberally construed in accordance with the laws of the state in which the Project is located in order to effectuate the purposes of this Agreement. This Agreement may be executed in counterparts or counterpart signature pages, which together shall constitute a single agreement. If any provision of this Agreement, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid or unenforceable, such unenforceability or invalidity shall not affect the validity of the remainder of this Agreement, which shall be construed as if such invalid or unenforceable part were never included herein.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this document as of the date first set forth hereinabove.

PARTNERSHIP:

2000 16TH ST ASSOCIATES, LP,
a California limited partnership

By: 2000 16th St Mutual Housing Association LLC, its administrative general partner

By: _____
Roberto Jimenez, President

By: 2000 16th St CACDC Association, LLC, its managing general partner

By: _____
Danielle Foster, President

ADMINISTRATIVE GENERAL PARTNER:

2000 16TH ST MUTUAL HOUSING ASSOCIATION LLC,
a California limited liability company

By: _____
Roberto Jimenez, President

GRANTEE:

MANAGING GENERAL PARTNER:

2000 16TH ST CACDC ASSOCIATION, LLC,
a California limited liability company

By:_____

Danielle Foster, President

The undersigned hereby consents to the foregoing Agreement as of the date first set forth hereinabove.

LIMITED PARTNER:

NEF ASSIGNMENT CORPORATION,
an Illinois not-for-profit corporation, as nominee

By: _____
Name: _____
Its: _____

EXHIBIT B

INTENTIONALLY OMITTED.

EXHIBIT C

FORM OF FINAL LIEN WAIVER AND RELEASE

AFFIDAVIT, UNCONDITIONAL FINAL LIEN WAIVER AND RELEASE

The undersigned, _____, as "Contractor" under the contract ("Contract") by and between the undersigned and 2000 16th St Associates, LP ("Owner"), has furnished or caused to be furnished labor or materials, or both, for the construction of the premises owned by Owner which is located at: 2000 16th Street, Sacramento, CA; and known as Sakura ("Project");

The undersigned hereby certifies that the amount due under the Contract is $ -0- including all retainage claims and that the Contract has been paid in full; and

The undersigned does hereby release the Owner of all claims, demands and actions arising out or in connection with the Project. In addition, the undersigned does hereby waive and release any lien or right to lien the Project, including any buildings and improvements, on account of any and all labor or materials, or both furnished for or incorporated into the Project; and

The undersigned certifies to Owner that all subcontractors or suppliers of labor, services, material or equipment used, engaged or employed by the undersigned directly or indirectly, have been paid in full. The undersigned does hereby acknowledge full performance by the Owner of all obligations due or owing to the undersigned under the Contract and other agreements;

The undersigned further represents that all portions of work furnished and materials installed are in accordance with the Contract and that the terms of the Contract with respect to the any guarantees will hold for the period specified therein.

NOTICE: *THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IT YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.*

	CONTACTOR:
Date: _____, 20__	_____ a _____
	By: _____ Name: _____ Title: Authorized Agent

State of _____
County of _____

SUBSCRIBED AND SWORN to before me, the above described person personally appeared and known to me, acknowledged that s/he signed this document as the authorized agent or officer of the Contractor this _____ day of _____, 20__.

_____
Notary Public

Name: _____

My Commission Expires: _____

[Seal]

EXHIBIT D

FORM OF GENERAL PARTNER CERTIFICATION

GENERAL PARTNER CERTIFICATION

THIS CERTIFICATION is made and delivered pursuant to that certain Amended and Restated Limited Partnership Agreement (the "Partnership Agreement") of 2000 16th St Associates, LP (the "Partnership"), between the undersigned as General Partners and NEF Assignment Corporation, as nominee, as Limited Partner, dated June [_], 2025 (unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to such terms in the Partnership Agreement).

In accordance with Section 3.2(c) of the Partnership Agreement and as an inducement to the Limited Partner to fund [the Project Equity] [and] [the Non-Deferred Developer Fee Equity] portion[s] of the _____ Installment of the Limited Partner's Capital Contribution, the undersigned General Partners hereby certify to the Limited Partner as follows:

(i) Each General Partner has fully complied with all of its covenants and obligations set forth in the Partnership Agreement (including, without limitation, those covenants and obligations set forth in Section 6.3 of the Partnership Agreement);

(ii) The representations and warranties of each General Partner set forth in the Partnership Agreement are true and correct as of the date of the date of funding of the Capital Contribution payments described above (including, without limitation, those set forth in Section 6.3 of the Partnership Agreement);

(iii) Each General Partner has fully complied with its obligation to furnish the Limited Partner with any reports or other information, in satisfactory form, required to be provided by each General Partner pursuant to Article 8 of the Partnership Agreement, it being acknowledged and agreed that any penalty assessed against each General Partner under Section 8.6.1 for late delivery of reports shall be payable by such General Partner to the Limited Partner from any installment of the Developer Fee payable under Section 3.2, and the Limited Partner shall be entitled to deduct and pay such penalty amount from any installment due under Section 3.2 and the amount so deducted and applied shall be deemed for all intents and purposes to have been applied toward payment of the Developer Fee; and

(iv) There has been no, and there is no imminent nor threatened, material adverse charge in the either General Partner's financial or business condition or operations that affects (or with the passage of time will affect) its ability to perform its obligations under the Partnership Agreement.

Each General Partner acknowledges that the due date for payment of the Installment specified above shall be not more than thirty (30) days nor less than ten (10) Business Days from the date that the Limited Partner confirms that all of the conditions related to the payment of such Installment as set forth in Section 3.2 of the Partnership Agreement have been satisfied.

IN WITNESS WHEREOF, the undersigned General Partner has made and delivered this Certification as of the ____ day _____, 20__.

ADMINISTRATIVE GENERAL PARTNER:

2000 16TH ST MUTUAL HOUSING ASSOCIATION LLC,
a California limited liability company

By: _____
Roberto Jimenez, President

MANAGING GENERAL PARTNER:

2000 16TH ST CACDC ASSOCIATION, LLC,
a California limited liability company

By: _____
Danielle Foster, President

EXHIBIT E

DEVELOPMENT FEE AGREEMENT

Exhibit E

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this "**Agreement**") is made as of June [__], 2025, by and between 2000 16th St Associates, LP, a California limited partnership (the "**Partnership**"), Mutual Housing California, a California nonprofit public benefit corporation ("**MHC**") and Capitol Area Community Development Corporation, a California nonprofit public benefit corporation ("**CACDC**" and together with MHC, the "**Developer**").

W I T N E S S E T H:

WHEREAS, the Developer, or its affiliate, as general partner, and NEF Assignment Corporation, an Illinois not-for-profit corporation, as nominee (the "**Limited Partner**"), contemplate entering into, or concurrently with the execution and delivery of this Agreement are entering into, that certain Amended and Restated Limited Partnership Agreement forming the Partnership or continuing it by amending and restating a prior partnership agreement (said Limited Partnership Agreement, together with any amendments that may be executed by the parties thereto from time to time, being referred to hereinafter as the "**Partnership Agreement**") for the purposes of acquiring, rehabilitating or constructing, financing, operating, managing, leasing, and otherwise dealing with the real estate described therein, in significant part as low-income rental housing (the "**Project**"); and

WHEREAS, the Developer has performed certain services related to the development of the project, and will continue to perform development services to the Partnership pursuant to the terms and conditions described herein and in the contemplated Partnership Agreement, upon execution thereof; and

WHEREAS, the Developer and the Partnership wish to enter into this Agreement describing the scope of such development services performed and to be performed by the Developer, for which Developer is entitled to receive payment of a development fee, subject to the terms and conditions contained herein and in the Partnership Agreement, upon execution thereof; and

WHEREAS, terms used herein that are not otherwise defined shall have the meaning ascribed to them in the Partnership Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do agree as follows:

1. **Development Services**. Developer shall provide to the Partnership all development services necessary and advisable to facilitate the construction and/or rehabilitation of the Project. These development services shall include those services specified in the Partnership Agreement, upon execution thereof, such other related development services as the Partnership may reasonably request in connection therewith, and those services more fully described in **Schedule A** of this Agreement (collectively, the "**Development Services**"). The Developer shall

complete all of the Development Services no later than the last day of the first year of the earliest credit period for any building included in the Project as determined under IRC Section 42.

2. **Development Fee**. In consideration of the Developer's performance of the Development Services, the Partnership shall pay to the Developer a total development fee of Six Million Twenty-Seven Thousand Fifty-Eight and No/100 Dollars ($[6,027,058].00) (the "**Development Fee**"), pursuant to Section 3.2 of the Partnership Agreement, which payment shall be made in accordance with Section 1 hereof and, upon execution of the Partnership Agreement, in the manner described therein and shall be subject to the limitations set forth therein.

3. **Fifty Percent Test**. In the event 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 full year following the year in which Placement in Service occurs, greater than 200% of the amount of tax-exempt bond obligation which financed such basis, then the Developer Fee shall automatically be reduced to the extent necessary to cause such aggregate basis to be less than 200% of the amount of such tax-exempt bond proceeds.

4. **Conflicts**. This Agreement is made subject to the terms and conditions of the Partnership Agreement, and in the event of any conflict or inconsistency between this Agreement and the Partnership Agreement, upon execution thereof, the Partnership Agreement shall govern and control. Nothing contained in this Agreement shall be deemed in any way to limit or reduce the obligations and liabilities (including, without limitation, all guaranty obligations) imposed by the Partnership Agreement on the general partner or any sponsor identified therein.

5. **Defaults**. The occurrence of an event of default, as described in the Partnership Agreement, shall, upon execution of the Partnership Agreement, constitute a default by Developer hereunder, and this Agreement shall automatically terminate upon the withdrawal, removal, or replacement of the Developer, or its affiliate, as general partner of the Partnership.

6. **No Assignment**. Neither the Partnership nor the Developer may assign all or any portion of its respective right, title, and interest in this Agreement or its duties and obligations hereunder.

7. **Third-Party Beneficiary**. The Limited Partner is an intended third-party beneficiary of this Agreement.

8. **Amendments**. This Agreement is subject to amendment only with the written consent of the Developer and the Limited Partner.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

MHC:

MUTUAL HOUSING CALIFORNIA,
a California nonprofit public benefit corporation

By: _____
Roberto Jimenez, President

CACDC:

CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION,
a California nonprofit public benefit corporation

By: _____
Danielle Foster, President

PARTNERSHIP:
2000 16TH ST ASSOCIATES, LP,
a California limited partnership

By: 2000 16th St Mutual Housing Association LLC, its administrative general partner

By: _____
Roberto Jimenez, President

By: 2000 16th St CACDC Association, LLC, its managing general partner

By: _____
Danielle Foster, President

SCHEDULE A

DEVELOPMENT SERVICES

Developer has performed or shall perform, and shall continue to perform, the following non-exclusive list of services to the Partnership in connection with the development of the Project:

a. prepare a business plan for the development and operation of the Project, which shall be approved in writing by the Limited Partner and set forth in the financial projections described in the Partnership Agreement;

b. select the Project architect, general contractor, construction manager (if any), and all other parties rendering services to the Partnership in connection with the rehabilitation or construction of the Project and represent the Partnership in the negotiation and administration of the contracts between the Partnership and such parties;

c. cause the Partnership to obtain all governmental approvals required in connection with the rehabilitation or construction of the Project;

d. obtain and maintain community and neighborhood approval of the Project;

e. obtain and maintain on behalf of the Partnership all insurance coverages that the general partner is required to maintain during the Project development period;

f. cause the Project to be rehabilitated or constructed in accordance with the rehabilitation or construction schedule set forth in the projections and maintain all records required to obtain all available tax benefits in connection with such rehabilitation or construction work;

g. adhere to the development budget and the schedule contemplated therein for the development of the Project, in order to achieve the financial projections;

h. notify the Limited Partner in writing of any facts, circumstances, or intended actions by Developer that constitute or would constitute a material deviation from the business plan, financial projections, or budget approved by the Limited Partner for the development of the Project;

i. furnish the Limited Partner with monthly and quarterly status reports during the Project development period in accordance with the Partnership Agreement;

j. ensure that all violations of building, zoning, fire, health, environmental, and other codes or laws are corrected during the course of the rehabilitation or construction work; and

k. ensure that all other obligations and responsibilities imposed on the general partner under the Partnership Agreement with respect to the development of the Project are satisfied.

EXHIBIT F

GUARANTY AGREEMENT

Exhibit F

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "**Guaranty**") is made as of this [___] day of June, 2025, by Mutual Housing California, a California nonprofit public benefit corporation ("**MHC**") and Capitol Area Development Authority, a joint powers authority between the State of California and the City of Sacramento ("**CADA**", together with MHC, the "**Guarantor**"), to and for the benefit of 2000 16th St Associates, LP, a California limited partnership (the "**Partnership**") and NEF Assignment Corporation, an Illinois-not-for-profit corporation, as nominee (the "**Limited Partner**"). The Partnership consists of 2000 16th St CACDC Association, LLC, a California limited liability company, as managing general partner (the "**Managing General Partner**"), 2000 16th St Mutual Housing Association LLC, a California limited liability company, as administrative general partner (the "**Administrative General Partner**", together with the Managing General Partner, the "**General Partner**"), and the Limited Partner, as limited partner.

WITNESSETH:

WHEREAS, the Partnership is being continued concurrently herewith, pursuant to an Amended and Restated Limited Partnership Agreement of the Partnership dated as of the date hereof (the "**Partnership Agreement**"), for the purposes of acquiring, rehabilitating or constructing, financing, operating, managing, leasing, and otherwise dealing with the real estate described therein, in significant part as low-income rental housing (the "**Project**"); and

WHEREAS, capitalized terms appearing in this Guaranty and not otherwise defined herein shall have the meanings assigned to such terms in the Partnership Agreement; and

WHEREAS, the General Partner and/or its affiliate(s) are to receive substantial fees as payment for certain services rendered or to be rendered to the Partnership in accordance with the Partnership Agreement, as well as a general partner interest in the Partnership and a purchase option with respect to the Project or a right to purchase the Limited Partner's interest in the Partnership, and the Guarantor will receive payment of certain fees in connection with and otherwise substantially and materially benefit from these transactions; and

WHEREAS, Guarantor wishes to induce the Limited Partner to invest in the Partnership; and

WHEREAS, in reliance on the obligations of the General Partner and the Guarantor to be performed under the Partnership Agreement and this Guaranty, the Limited Partner is investing substantial equity for a limited partner interest in the Partnership; and

WHEREAS, the Limited Partner requires the execution and delivery of this Guaranty as a condition of its execution and delivery of the Partnership Agreement and investment in the Partnership, but for which the aforesaid fees, general partner interest, and purchase rights would not be paid or granted, and the General Partner has caused the Guarantor to execute and deliver this Guaranty; and

WHEREAS, the Guarantor acknowledges that the Partnership and the Limited Partner are the intended beneficiaries of this Guaranty.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged:

1. **Guaranteed Obligations**. The Guarantor hereby irrevocably and unconditionally guarantees the General Partner's full, faithful and timely performance of all of its obligations under the Partnership Agreement (collectively, the "**Guaranteed Obligations**"), including, without limitation, the General Partner's Partnership management duties, its development completion and operating deficit guaranties, its guaranties with respect to payment for reduced and delayed tax credits and its repurchase obligations.

2. **Guaranty Funding**. No later than ten (10) days' after notice from the Partnership or Limited Partner, the Guarantor shall pay to the Partnership or the Limited Partner, in accordance with such notice, all funds that are necessary to ensure full compliance with this Guaranty, including any compensation due to the Limited Partner under the Partnership Agreement for damages resulting from noncompliance, and shall further pay any and all expenses (including without limitation attorneys' fees) incurred by the Partnership and/or the Limited Partner in the enforcement of this Guaranty and the preparation therefor, whether or not an action or proceeding to enforce the same shall have been instituted. By executing and delivering this Guaranty, the Guarantor acknowledges and agrees to comply with the terms and conditions of the Partnership Agreement, to the extent applicable to it in the performance of its obligations under this Guaranty, and to be bound by the provisions thereof.

3. **Guaranty of Payment**. The guaranty made hereunder is of payment and not of collection, and Guarantor waives any right to require that any action be brought against the General Partner or any other person liable for performance or payment of any of the Guaranteed Obligations or that resort first be had to any other security therefor.

4. **Enforcement**. In any right of action that may accrue to the Partnership by reason of any obligations guaranteed hereunder, the Partnership and/or the Limited Partner, may, at its option, proceed against (a) the Guarantor, together with the General Partner, (b) the Guarantor and the General Partner individually, or (c) the Guarantor only, without having first proceeded against the General Partner or any other person or entity. If there is more than one Guarantor or General Partner, each of the foregoing remedies may be enforced by the Partnership and/or the Limited Partner against any one or more or all of them. Prior to filing any action against the Guarantor to enforce the guaranty made hereunder, excluding any action to enforce Guarantor's funding obligations under Paragraph 2 hereof, the Partnership and/or the Limited Partner shall first give the General Partner and the Guarantor a reasonable period of notice with an opportunity to cure any failure to perform as required hereunder, which shall be at least ten (10) days except in case of emergency, provided that the Partnership or the Limited Partner may terminate the cure period at any time if the Partnership and/or Limited Partner determines that the Guarantor has failed to exercise diligent, continuous efforts to effect a cure.

5. **Waiver by Guarantor**. Guarantor hereby waives (a) notice of acceptance of this Guaranty; (b) any and all other notices to which Guarantor might otherwise be entitled except as

required herein; (c) any and all defenses arising by reason of any disability of the General Partner or any defense of any other person or entity; (d) any and all rights to extension, composition, election with respect to any collateral under any provision of the Federal Bankruptcy Code, as now existing or hereafter amended from time to time, or any other debtor's or guarantor's remedy thereunder or under any other federal or state law affecting creditors' rights; (e) diligence in any attempt to enforce the obligations guaranteed hereby, to realize upon any other security therefor, or to collect from whomsoever any amount, the payment of which is guaranteed hereby, and any right to require that any action be brought against the General Partner or any other person or entity or to require that resort first be had to any such security; (f) protection of any such security for the payment of the obligations guaranteed hereby; and (g) the observance of any and all formalities that might otherwise be required to charge Guarantor with liability hereunder.

6. **Partnership's Rights**. The Partnership may, at any time and from time to time, with or without the consent of, or notice to, Guarantor, and without incurring responsibility or liability to Guarantor or impairing or releasing the obligations of Guarantor hereunder:

a. change the manner, place, or terms of performance or payment of, or renew, replace, extend, or otherwise modify any document now or hereafter creating, securing, or governing the disbursement of any of the Guaranteed Obligations (including without limitation the Partnership Agreement) other than this Guaranty;

b. sell, exchange, release, surrender, realize upon, or otherwise deal with, in any manner and in any order, any property by whomsoever and whenever pledged to secure, or howsoever securing, any of the Guaranteed Obligations or any liability (including without limitation any of those hereunder) incurred directly or indirectly in respect thereof or hereof, or any offset there against;

c. exercise or refrain from exercising, for any period of time whatsoever, any rights against the General Partner or others (including without limitation Guarantor) available to the Partnership and/or Limited Partner by law or under any document now or hereafter creating any of the Guaranteed Obligations, any other security therefor, or any liability (including without limitation any of those hereunder) incurred directly or indirectly in connection therewith or herewith (including without limitation failing to attempt to collect any of the Guaranteed Obligations);

d. settle or compromise any of the Guaranteed Obligations, any security therefor, or any liability (including without limitation any of those hereunder) incurred directly or indirectly in connection therewith or herewith;

e. accept any further security for payment of the Guaranteed Obligations in addition to this Guaranty; and

f. perform such other acts as may be permitted under the Partnership Agreement.

7. **Covenants, Representations and Warranties**. Each Guarantor makes the following covenants, representations and warranties, acknowledging that, but for the truth and accuracy of the following representations and warranties which shall be given as of the date hereof

and shall be deemed to be given as of each date hereafter throughout the term of this Guaranty, the Limited Partner would not have agreed to acquire a limited partner interest in the Partnership:

a. the execution, delivery and performance by each Guarantor of this Guaranty does not and will not contravene or conflict with any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court or tribunal having jurisdiction over each Guarantor or any contractual restriction binding on or affecting each Guarantor;

b. there are no facts or circumstances of any kind or nature whatsoever known or which should be known to either Guarantor that could in any way impair or prevent each Guarantor from performing its obligations under this Guaranty;

c. all financial information with respect to each Guarantor that such Guarantor has given to the Partnership or the Limited Partner in connection with the transactions contemplated in this Guaranty and in the Partnership Agreement fairly and accurately present its financial condition and results of operations as of the date thereof and for the period indicated therein; since the date thereof, there has been no material adverse change in the financial condition or results of operations of either Guarantor; and each Guarantor shall notify the Partnership and the Limited Partner of any material adverse change in the financial condition or, if applicable, results of operations of such Guarantor within thirty (30) days after the occurrence of such change;

d. with the assistance of counsel of its choice, each Guarantor has read and reviewed this Guaranty, the Partnership Agreement and such other documents as it and its counsel deem necessary or desirable to read;

e. MHC is a California nonprofit public benefit corporation validly existing and in good standing under the laws of the jurisdiction of its formation (and all other jurisdictions where its failure to be so qualified would have a material adverse effect on its financial condition or results of operations) and has the full power and authority to enter into and perform its obligations under this Guaranty;

f. CADA is a joint powers authority between the State of California and the City of Sacramento validly existing and in good standing under the laws of the jurisdiction of its formation (and all other jurisdictions where its failure to be so qualified would have a material adverse effect on its financial condition or results of operations) and has the full power and authority to enter into and perform its obligations under this Guaranty; and

g. this Guaranty has been duly authorized, executed and delivered on behalf of each Guarantor and is fully enforceable against each Guarantor in accordance with its terms.

8. **Events of Default**. Each of the following shall constitute an event of default (referred to herein as an "**Event of Default**"), whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court of any order, rule or regulation of any governmental or nongovernmental body:

a. failure to make any payment due under Paragraph 2 hereof within ten (10) days after demand for payment;

b. any representation or warranty made by Guarantor under this Guaranty or any other agreement, report, certificate, financial statement or other instrument referred to in and furnished to the Partnership or the Limited Partner in connection with this Guaranty shall prove incorrect or misleading in any material respect when made or when deemed to have been made;

c. any default by Guarantor in the performance or observance of any agreement or covenant contained in this Guaranty and the continuation of such default beyond any applicable notice and cure period described in Paragraph 4 hereof;

d. the occurrence of any one or more of the following: the filing by Guarantor of a petition for the appointment of a trustee with respect to itself himself or any of its or his property; the making by Guarantor of an assignment for the benefit of creditors; the commencement by Guarantor of a case in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; the failure of Guarantor to obtain the dismissal, within sixty (60) days after service upon Guarantor of any case commenced against Guarantor (i) for the appointment of a trustee for Guarantor, or any of its property or (ii) in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; or the failure of Guarantor to generally pay its or his material debts as such debts become due; or

e. the making or attempted making by Guarantor of a fraudulent transfer within the meaning of the Uniform Fraudulent Transfers Act.

9. **Subrogation**. Until the Guaranteed Obligations have been performed and paid in full, the Guarantor shall have (a) no right of subrogation against the General Partner in connection with this Guaranty and any payments made by the Guarantor hereunder and (b) no right to participate in realization upon any security for any of the Guaranteed Obligations.

10. **Subordination**. Any indebtedness of the General Partner and/or the Partnership to the Guarantor now or hereafter existing is hereby subordinated to the General Partner's performance of the Guaranteed Obligations and Guarantor's obligations under this Guaranty. Any such indebtedness of the General Partner and/or the Partnership to Guarantor, upon written demand of the Partnership or the Limited Partner, shall be collected and received by Guarantor in trust for the Partnership and shall be paid over to the Partnership or the Limited Partner on account of the Guaranteed Obligations without impairing or releasing the obligations of Guarantor hereunder, provided that while no default exists in the payment of the Guaranteed Obligations, Guarantor may apply to its own account any payments made to it on account of any indebtedness of the General Partner and/or the Partnership to Guarantor.

11. **Absolute Guaranty**. This Guaranty is an absolute, irrevocable, present, and continuing one, and the Limited Partner's agreement to acquire a limited partner interest in the Partnership shall be conclusively presumed to have been made in reliance hereon.

12. **Primary Obligation**. This Guaranty is a primary obligation of Guarantor. No irregularity, unenforceability, or invalidity of any of the documents creating the Guaranteed Obligations or of any other document, item, matter, action, or circumstance shall impair, release, or be a defense to this Guaranty.

13. **Defenses**. Guarantor has no, or hereby waives any, present defense whatsoever to any action or proceeding at law or otherwise that may be instituted on this Guaranty, except for any defense other than disability that the General Partner may have at law or under the Act.

14. **Limited Partner Enforcement**. In the event the General Partner fails to perform any of the Guaranteed Obligations and the Partnership fails to enforce diligently the Guarantor's obligations under this Guaranty, the Limited Partner shall, after giving the General Partner and the Guarantor reasonable notice and an opportunity to cure such failure as may be required under Paragraph 4 hereof, have all rights and remedies available to the Partnership hereunder or at law or in equity to enforce the Guarantor's guaranty obligations hereunder and to recover any and all damages for Guarantor's breach thereof.

15. **Notices**. Whenever the Partnership, General or Limited Partner thereof, or the Guarantor desires to give any notice to any other such party, it shall be sufficient for all purposes herein if such notice is personally delivered or sent by a nationally recognized overnight courier or registered or certified United States mail, postage prepaid. Any notice given in the manner provided herein shall be deemed to have been given on the day it is personally delivered, on the next business day following the date given to an overnight courier or three (3) business days after the date it is deposited in the United States mail. The Guarantor's address for receiving notices is set forth beneath the Guarantor's signature on the signature page of this Guaranty and any Guarantor may change its or his address for receiving notice by delivering written notice of such change to the Partnership and the Limited Partner in the manner provided herein. Notices to the Partnership and the Limited Partner shall be addressed in the manner provided in Section 12.1 of the Partnership Agreement.

16. **Governing Law**. The place of execution and delivery of the Partnership Agreement and this Guaranty and the place of performance under the Partnership Agreement being the Project State, this Guaranty shall be construed and enforced according to the laws of that State.

17. **Interpretation**. If any provision of this Guaranty, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstances, is held invalid, the validity of the remainder of this Guaranty shall be construed as if such invalid part were never included herein. The headings in this Guaranty are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof. As used in this Guaranty, the singular includes the plural, and masculine, feminine, and neuter pronouns are fully interchangeable, where the context so requires.

18. **Multiple Parties**. If there is more than one Guarantor, each of them has executed and delivered this Guaranty; references herein to "**Guarantor**" shall mean all such Guarantors, individually and collectively, and their obligations hereunder shall be joint and several. If there is more than one General Partner, each of them is identified on the signature page hereof, and references herein to "**General Partner**" shall mean all such General Partners, individually and

collectively, and the obligations of each of the Guarantors hereunder shall be joint and several with respect to performance by all such General Partners under the Partnership Agreement.

19. **Successors and Assigns**. This Guaranty shall be binding on, and the term "**Guarantor**," as used herein, shall include the successors, assigns, legal representatives, and other transferees of Guarantor, including successors by consolidation. This Guaranty shall inure to the benefit of the Partnership's and the Limited Partner's successors, assigns, and legal representatives.

20. **Termination**. This Guaranty shall terminate and be of no further force or effect at such time as the Partnership has terminated and all of the Guaranteed Obligations have been fully performed or paid.

21. **Jury Trial Waived**. GUARANTOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY, ANY OTHER PROJECT DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). GUARANTOR CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER.

(signature page follows)

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed as of the date first written above.

Address for Notices:

Mutual Housing California
3321 Power Inn Road, Suite 320
Sacramento, CA 95826

GUARANTORS:

MUTUAL HOUSING CALIFORNIA,
a California nonprofit public benefit corporation

By: _____
Name: _____
Title: _____

Capitol Area Development Authority
1522 14th Street
Sacramento, CA 95814

CAPITOL AREA DEVELOPMENT AUTHORITY,
a joint powers authority between the State of California and the City of Sacramento

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of_____)

On_____before me, _____
(insert name and title of the officer)

personally appeared_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ **(Seal)**

Attachment 2

RESOLUTION NO. 25 – 15

Adopted by the Capitol Area Development Authority May 23, 2025

AUTHORIZING RESOLUTIONS
RE: SALE, TRANSFER & FINANCING OF SAKURA

At a duly constituted meeting of the Board of Directors of Capitol Area Development Authority, a joint powers agency (the "Agency") held on May 23, 2025, the following resolutions were adopted:

WHEREAS, the Agency is the fee owner of the real property located at the East ½ of Lot 2, all of Lots 3 and 4 in the Block bounded by 15th and 16th, T and U Streets, in the City of Sacramento, California (the "Property");

WHEREAS, 2000 16th St 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 Property;

WHEREAS, the Board of Directors of the Agency deems it to be in the best interests of the Agency to sell the Property to the Partnership for the approximate purchase price of $3,280,000 (the "Purchase Price") which will be paid by the Partnership obtaining a seller takeback loan from the Agency in the amount of the Purchase Price, and to enter into any and all documents necessary to sell and transfer the Property to the Partnership, including but not limited to a purchase and sale agreement, a grant deed, assignment and assumption agreements, and any other agreements and to take all actions necessary to sell and transfer the Property to the Partnership;

WHEREAS, the Board of Directors of the Agency deems it to be in the best interests of the Agency to provide a seller takeback loan to the Partnership in the amount of the Purchase Price (the "Seller Takeback Loan") and to enter into any and all documents required in connection with the Seller Takeback Loan, including but not limited to loan agreements, promissory notes, deeds of trust and any other agreements or security instruments necessary to consummate the Seller Takeback Loan;

WHEREAS, the Board of Directors of the Agency deems it to be in the best interests of the Agency to provide a gap loan to the Partnership in an amount not to exceed $4,000,000 (the "CADA Gap Loan") and to enter into any and all documents required in connection with the CADA Gap Loan, including but not limited to regulatory agreements, loan agreements, promissory notes, deeds of trust and any other agreements or security instruments necessary to consummate the CADA Gap Loan;

WHEREAS, the Partnership desires to borrow: (i) an amount not to exceed $35,000,000 (the "TE Bond Loan") funded from the proceeds of tax exempt bonds issued by California Public Finance Agency ("CalPFA"), and (ii) an amount not to exceed $10,000,000 (the "Taxable Bond Loan") funded from the proceeds of taxable bonds issued by CalPFA (collectively, the "Bonds") which will be purchased or funded from one or more loans from First Citizens Bank ("FCB");

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 FCB;

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 FCB;

NOW, THEREFORE, BE IT RESOLVED: That the Agency shall sell the Property to the Partnership for the Purchase Price, and shall enter into any and all documents necessary to sell and transfer the Property to the Partnership, including but not limited to a purchase and sale agreement, a grant deed, assignment and assumption agreements, and any other agreements and to take all actions necessary to sell and transfer the Property to the Partnership;

FURTHER RESOLVED: That the Agency shall provide the Seller Takeback Loan and the CADA Gap Loan to the Partnership, and shall enter into any and all documents required in connection with the Seller Takeback Loan and the CADA Gap Loan, including but not limited to regulatory agreements, loan agreements, promissory notes, deeds of trust and any other agreements or security instruments necessary to consummate the Seller Takeback Loan and the CADA Gap Loan;

FURTHER RESOLVED: That the Agency shall assist in the Partnership's obtaining the TE Bond Loan and the Taxable 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 and the Taxable 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 a purchase and sale agreement, a grant deed, assignment and assumption agreements, regulatory agreements, loan agreements, promissory notes, deeds of trust, 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 Capitol Area Development Authority held on May 23, 2025.

_____
Ann Bailey, Chair

ATTEST:

_____
Tara Gandara
Secretary to the Board of Directors

Attachment 3

RESOLUTION NO. 25 – 16

Adopted by the Capitol Area Development Authority May 23, 2025

AUTHORIZING RESOLUTIONS
RE: SYNDICATION OF SAKURA

At a duly constituted meeting of the Board of Directors of Capitol Area Development Authority, a joint powers agency (the "Agency") held on May 23, 2025 the following resolutions were adopted:

WHEREAS, 2000 16th St 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 the East ½ of Lot 2, all of Lots 3 and 4 in the Block bounded by 15th and 16th, T and U Streets, in the City of Sacramento, California (the "Property");

WHEREAS, 2000 16th St CACDC Association, LLC, a California limited liability company ("LLC"), an entity formed by Capitol Area Community Development Corporation, a California nonprofit public benefit corporation ("CACDC"), an organization affiliated with the Agency, is entering into an amended and restated agreement of limited partnership (the "Partnership Agreement") for the Partnership, as the managing general partner, together with 2000 16th St Mutual Housing Association LLC, a California limited liability company, as the administrative general partner and NEF Assignment Corporation, its affiliates, successors, and assigns, as the investor limited partner (collectively the "Limited Partner");

WHEREAS, the Board of Directors of the Agency deems it to be in the best interests of the Agency to assist CACDC, LLC and the Partnership in the syndication of the limited partnership interests with the Limited Partner and to enter into any and all agreements required by the Partnership or the Limited Partner, including but not limited to one or more guaranty agreements and any other agreements and to take any and all further actions necessary in connection with the syndication of the limited partnership interests;

NOW, THEREFORE, BE IT RESOLVED: That the Agency shall assist CACDC, LLC and the Partnership in the syndication of the limited partnership interests with the Limited Partner and shall enter into any and all agreements required by the Partnership or the Limited Partner, including but not limited to one or more guaranty agreements and any other agreements and to take any and all further actions necessary in connection with the syndication of the limited partnership interests;

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, guaranty 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;

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 Capitol Area Development Authority held on May 23, 2025.

_____
Ann Bailey, Chair

ATTEST:

_____
Tara Gandara
Secretary to the Board of Directors

Attachment 4

RESOLUTION NO. 25 – 04

Adopted by the Capitol Area Community Development Corporation May 23, 2025

CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION CORPORATE, LLC AND PARTNERSHIP AUTHORIZING RESOLUTIONS AND GRANTING OF AUTHORITY RE: ACQUISITION AND FINANCING OF SAKURA

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 May 23, 2025 the following resolutions were adopted:

WHEREAS, the Corporation is the sole member and manager of 2000 16th St CACDC Association, LLC, a California limited liability company (the "LLC");

WHEREAS, the LLC is the managing general partner of 2000 16th St Associates, L.P., a California limited partnership (the "Partnership"), along with 2000 16th St Mutual Housing Association LLC, a California limited liability company ("AGP"), as the administrative general partner of the Partnership, and the LLC and the AGP each as the initial limited partners of the Partnership;

WHEREAS, Capitol Area Development Authority ("CADA") owns a fee interest in that certain real property located at the East ½ of Lot 2, all of Lots 3 and 4 in the Block bounded by 15th and 16th, T and U Streets, in the City of 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 managing general partner of the Partnership, deems it to be in the best interest of the Partnership to purchase the Property from CADA for the approximate purchase price of $3,280,000 (the "Purchase Price") which will be paid by the Partnership obtaining a seller takeback loan from CADA in the amount of the Purchase Price, to enter into a purchase and sale agreement with CADA with respect to the Property (the "PSA") and to execute the PSA and any other documents necessary in connection with purchasing the Property, including, but not limited to, assignment and assumption agreements, and any other agreements and to take all actions necessary to purchase the Property from CADA;

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

managing general partner of the Partnership, deems it to be in the best interest of the Partnership to obtain: (i) a loan in an amount not to exceed $35,000,000 (the "TE Bond Loan") funded from the proceeds of tax exempt bonds (the "Tax-Exempt Bonds") issued by California Public Finance Agency ("CalPFA"), and (ii) a loan in an amount not to exceed $10,000,000 (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 CalPFA, which Bonds will be purchased by First Citizens Bank ("FCB"), 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, 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 and the Taxable Bond Loan, and to enter into any and all documents required by FCB or CalPFA 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 and the Taxable Bond Loan;

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 and to approve and authorize the Project;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, deems it to be in the best interests of the Partnership to borrow a permanent loan from the Department of Housing and Community Development ("HCD") in an amount not to exceed $26,000,000 under HCD's AHSC program (the "HCD AHSC Loan") and to enter into any and all documents required in connection with said loan, including but not limited to standard agreements, regulatory agreements, loan agreements, promissory notes, deeds of trust, and any other documents necessary to consummate the HCD AHSC Loan;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, deems it to be in the best interests of the Partnership, for the Partnership to borrow Sacramento Municipal Utility District funds from Mutual Housing California in an amount not to exceed $600,000 (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 managing general partner of the Partnership, deems it to be in the best interests of the Partnership to borrow a seller takeback loan from CADA in the amount of the Purchase Price (the "CADA Seller Takeback Loan") and to enter into any and all documents, including but not limited to a loan agreement, promissory note, deed of trust, and any other agreements or security instruments necessary to obtain the CADA Seller Takeback 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 managing general partner of the Partnership, deems it to be in the best interests of the Partnership to borrow a gap loan from CADA in an amount not to exceed $4,000,000 (the "CADA Gap Loan") and to enter into any and all documents, including but not limited to a regulatory agreement, loan agreement, promissory note, deed of trust, and any other agreements or security instruments necessary to obtain the CADA Gap 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 managing general partner of the Partnership, deems it to be in the best interests of the Partnership to enter into certain fee waiver and/or deferral documents with Sacramento Area Sewer District ("SASD"), including but not limited to a fee waiver agreement, a fee waiver deed of trust, and any other agreements or security instruments necessary to consummate the activities contemplated in this Resolution and Granting of Authority;

NOW, THEREFORE, BE IT RESOLVED: That the Partnership shall purchase the Property from CADA for the Purchase Price which will be paid by the Partnership obtaining a seller takeback loan from CADA in the amount of the Purchase Price, shall enter into the PSA and any other documents necessary in connection with purchasing the Property, including, but not limited to, assignment and assumption agreements, and any other agreements and shall take all actions necessary to purchase the Property from CADA;

FURTHER RESOLVED: That the Partnership shall borrow:

(i) the TE Bond Loan;
(ii) the Taxable Bond Loan;
(iii) the HCD AHSC Loan;
(iv) the Sponsor Incentives Loan;
(v) the CADA Seller Takeback Loa; and

(vi) the CADA Gap 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 HCD AHSC Loan, the Sponsor Incentives Loan, the CADA Seller Takeback Loan and the CADA Gap Loan (collectively, the "Loans");

FURTHER RESOLVED: That the Partnership shall enter into certain fee waiver and/or deferral documents with SASD, including but not limited to a fee waiver agreement, a fee waiver deed of trust, and any other agreements or security instruments necessary to consummate the activities contemplated in this Resolution and Granting of Authority;

FURTHER RESOLVED: That the LLC shall assist the Partnership with obtaining the TE Bond Loan and Taxable Bond Loan, and 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 and the Taxable Bond 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 managing 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 managing 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 PSA, guaranties, environmental indemnities, deeds of trust, promissory notes, loan agreements, regulatory agreements, security agreements, pledge agreements, assignment agreements, supplemental agreements, fee waiver 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;

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 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 Capitol Area Community Development Corporation held on May 23, 2025.

_____
Danielle Foster, President

ATTEST:

_____
Tara Gandara
Secretary to the Board of Directors

Attachment 5

RESOLUTION NO. 25 – 05

Adopted by the Capitol Area Community Development Corporation May 23, 2025

CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION CORPORATE, LLC AND PARTNERSHIP AUTHORIZING RESOLUTIONS AND GRANTING OF AUTHORITY RE: SYNDICATION OF 2000 16TH ST 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 May 23, 2025, the following actions were authorized:

WHEREAS, the Corporation is the sole member and manager of 2000 16th St CACDC Association, LLC, a California limited liability company (the "LLC");

WHEREAS, the LLC is the managing general partner of 2000 16th St Associates, L.P., a California limited partnership (the "Partnership"), along with 2000 16th St Mutual Housing Association LLC, a California limited liability company ("AGP"), as the administrative general partner and the LLC and the AGP each as the initial limited partners (in their capacity as limited partners, collectively, the "Limited Partner");

WHEREAS, the Corporation, acting as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, is developing the low-income housing project (the "Project") described in a letter of intent dated [April 4], 2025 (the "Letter of Intent") made by NEF Assignment Corporation, its affiliates, successors, and assigns, as the investor limited partner ("NEF"), in the manner and pursuant to the terms and conditions described in the Letter of Intent, through a limited partnership in which the LLC will serve as managing general partner, the AGP will serve as administrative general partner and NEF will invest as limited partner;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, deems it to be in the best interests of the LLC to enter into an amended and restated agreement of limited partnership (the "Partnership Agreement") for the Partnership as the managing general partner, together with AGP as the administrative general partner and NEF as the investor limited partner;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, deems it to be in the best interests of the Partnership to transfer a 99.99% limited partnership interest to NEF (the "Syndication");

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the managing general partner of the Partnership, deems it to be in the best interests of the Partnership to allow the Limited Partner to withdraw from the

Partnership as the initial limited partner upon closing of the Syndication;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, acting as the managing 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 development agreement, a partnership management agreement and any other types of agreements and to take any and all further actions necessary to close the Syndication;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, deems it to be in the best interests of the LLC to enter into a general partner pledge and security agreement, an unconditional guaranty and any other types of agreements and to take any and all further actions necessary to close the Syndication;

WHEREAS, the Board of Directors of the Corporation, acting as the sole member and manager of the LLC, deems it to be in the best interests of the LLC to withdraw from the Partnership as an initial limited partner upon admission of NEF, as the investor limiter partner;

NOW, THEREFORE, BE IT RESOLVED: That the Partnership: (i) shall transfer a 99.99% limited partnership interest to NEF, (ii) shall allow the Limited Partner to withdraw from the Partnership as the initial limited partner upon closing the Syndication, and (iii) shall enter into any and all agreements, including but not limited to a development agreement, a partnership management agreement and any other types of agreements and to take any and all further actions necessary to close the Syndication;

FURTHER RESOLVED: That the LLC shall enter into an amended and restated agreement of limited partnership, a general partner pledge and security agreement, an unconditional guaranty and any other types of agreements and shall take any and all further actions necessary to close the Syndication;

FURTHER RESOLVED: That the LLC shall withdraw from the Partnership as the initial limited partner upon the admission of NEF as the investor limited partner;

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 and manager of the LLC and in the LLC's capacity as the managing general partner of the Partnership, shall execute any and all necessary documents, including, but not limited to, guaranty agreements, indemnities, a development agreement, a partnership management agreement, an amended and restated agreement of limited partnership, a general partner pledge and security agreement 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 all actions taken in connection with the Syndication by the President or any officer of the Corporation, acting in its sole capacity and/or in its capacity as the sole member and manager of the LLC, in its sole capacity and/or in its capacity as the

managing general partner of the Partnership, prior to the date of these resolutions is hereby approved and ratified;

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 and Granting of Authority.

The foregoing Resolution was duly passed and adopted at a meeting of the Board of Directors of Capitol Area Community Development Corporation held on May 23, 2025.

_____
Danielle Foster, President

ATTEST:

_____
Tara Gandara
Secretary to the Board of Directors

Standard Form of Agreement Between Owner and Contractor
where the basis of payment is a Stipulated Sum

AGREEMENT made as of the «TBD » day of «TBD » in the year «two thousand twenty-five »
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

«2000 16th St Associates, LP »« »
«3321 Power Inn Road, Suite 320 »
«Sacramento, CA 95826»« »
« »
« »
« »

and the Contractor:
(Name, legal status, address and other information)

«Tricorp Group, Inc. »« »
«2540 Warren Drive, Ste A »
«Rocklin, CA 95677 »
«CA Contractor's License 999443 »

for the following Project:
(Name, location and detailed description)

«Sakura Apartments»
«2000 16th Street, 1514 & 1516 T Street,
«Sacramento, CA 95811
APN: 009-0151-006, -007, and -008. »

The Architect:
(Name, legal status, address and other information)

«Kuchman Architects PC»
«2203 13th Street»
«Sacramento, CA 95818»
« »

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101®–2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201®–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

DRAFT

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TABLE OF ARTICLES

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 3.1 The date of commencement of the Work shall be:
(Check one of the following boxes.)

[« »] The date of this Agreement.

[« »] A date set forth in a notice to proceed issued by the Owner.

[« X »] Established as follows:
(Insert a date or a means to determine the date of commencement of the Work.)

«The Date of Commencement shall be (2) calendar days after issuance of the Notice to Proceed, which shall not be issued until Owner has secured all necessary approvals for construction permits, and financing has closed. (See also Addendum B-1, items 3, 4 and 5.) »

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:
(Check one of the following boxes and complete the necessary information.)

[« X »] Not later than « nineteen (19) months » (« 578 ») calendar days from the date of commencement of the Work.

[« »] By the following date: « »

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date

§ 3.3.3 If the Contractor fails to achieve Substantial Completion as provided in this Section 3.3, liquidated damages, if any, shall be assessed as set forth in Section 4.5.

(See item 3.4 of Addendum A for added paragraph)

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be «$29,000,000 » , subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price

§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement.
(Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance

§ 4.3 Allowances, if any, included in the Contract Sum:
(Identify each allowance.)

Item	Price
See TBD – List of Allowances & Clarifications	

§ 4.4 Unit prices, if any:
(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit ($0.00)
Additions by Change Order will be cost plus 5% for overhead and profit plus 1% for insurance and 1% for bonds. Deductions by Change Order will be at cost plus 1% bond only.		

§ 4.5 Liquidated damages, if any:

(Insert terms and conditions for liquidated damages, if any.)

«See item 4.5 of Addendum A - Modifying AIA A101-2017»

§ 4.6 Other:
(Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

« »

ARTICLE 5 PAYMENTS

§ 5.1 Progress Payments

§ 5.1.1 Based upon Applications for Payment submitted to the Owner by the Contractor, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending o~~n~~ the last day of the month, or as follows:

« »

§ 5.1.3 Provided that an Application for Payment is received by the Architect not later than the « last » day of a month (see 5.1.3 of Addendum A for added verbiage), the Owner shall make payment of the amount certified to the Contractor not later than the « twenty fifth » day of the « following » month. If an Application for Payment is received by the Architect after the application date fixed above, payment of the amount certified shall be made by the Owner not later than « thirty » (« 30 ») days after the Architect receives the Application for Payment.
(Federal, state or local laws may require payment within a certain period of time.)

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 In accordance with AIA Document A201™–2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- **.1** That portion of the Contract Sum properly allocable to completed Work;
- **.2** That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing; and
- **.3** That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- **.1** The aggregate of any amounts previously paid by the Owner;
- **.2** The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- **.3** Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- **.4** For Work performed or defects discovered since the last payment application, any amount for which the Owner may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017; and

.5 Retainage withheld pursuant to Section 5.1.7.

§ 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:
(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)

«10%

§ 5.1.7.1.1 The following items are not subject to retainage:
(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)

«No retention shall be held on General Conditions, Insurance and Bond Premiums, costs for early material procurement

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:
(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)

« Upon Contractor's request, reduce to 5% at 50% construction completion, Contractor shall notify Owner not less than 30 days prior to such request and is the reduction is subject to Owner and Lender approval.

Subject to lender approval and following submission of applicable closeout documents, retention shall be released fully for structural concrete, ground improvements, demolition, and site grading scopes within 30 days of completion and acceptance of scope of work »

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7. The Application for Payment submitted at Substantial Completion shall not include retainage as follows:
(Insert any other conditions for release of retainage upon Substantial Completion.)

«150% of value of Punchlist at Substantial Completion »

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

§ 5.2 Final Payment

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

.1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and

.2 a final Certificate for Payment has been issued by the Owner.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Owner's final Certificate for Payment, or as follows:

« »

§ 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

« 5 » % « »

ARTICLE 6 DISPUTE RESOLUTION

§ 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017, unless the parties appoint below another individual, not a party to this Agreement, to serve as the Initial Decision Maker.
(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)

«Artemis Construction »
« »
« »
« »

§ 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201-2017, the method of binding dispute resolution shall be as follows:
(Check the appropriate box.)

[« »] Arbitration pursuant to Section 15.4 of AIA Document A201–2017

[« X »] Litigation in a court of competent jurisdiction

[« »] Other *(Specify)*

« »

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee as follows:
(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)

« Balance of earned unpaid fee for the project »

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:
(Name, address, email address, and other information)

« Ryan Cassidy, Vice President of Real Estate»
«2000 16th St Associates, LP»
«3321 Power Inn Road, Suite 320 »
«Sacramento, CA 95826»
« »
« »
« »

§ 8.3 The Contractor's representative:
(Name, address, email address, and other information)

«Chris Cormier, President/CEO»
«Tricorp Group, Inc. »
«2540 Warren Drive, Ste A »
«Rocklin, CA 95677 »

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

§ 8.5 Insurance and Bonds
§ 8.5.1 The Owner and the Contractor shall purchase and maintain insurance as set forth in AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum, Exhibit A, Insurance and Bonds, and elsewhere in the Contract Documents.

§ 8.5.2 The Contractor shall provide bonds as set forth in AIA Document A101™–2017 Exhibit A, and elsewhere in the Contract Documents.

§ 8.6 Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with a building information modeling exhibit, if completed, or as otherwise set forth below:
(If other than in accordance with a building information modeling exhibit, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)

« »

§ 8.7 Other provisions:

« »See 8.7.1 of Addendum A for added paragraph
See 8.7.2 of Addendum A for added paragraph
See 8.7.3 of Addendum A for added paragraphs

ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

.1 AIA Document A101™–2017, Standard Form of Agreement Between Owner and Contractor
.2 AIA Document A101™–2017, Exhibit A, Insurance and Bonds
.3 AIA Document A201™–2017, General Conditions of the Contract for Construction
.4 Building information modeling exhibit, dated as indicated below:
(Insert the date of the building information modeling exhibit incorporated into this Agreement.)»

.5 Drawings

Number	Title	Date
See Attachment Four – Enumeration of Plans and Specifications		

.6 Specifications

Section	Title	Date	Pages
See Attachment Four – Enumeration of Plans and Specifications			

.7 Addenda, if any:

Number	Date	Pages

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.8 Other Exhibits:
(Check all boxes that apply and include appropriate information identifying the exhibit where required.)

[« »] AIA Document E204™–2017, Sustainable Projects Exhibit, dated as indicated below:
(Insert the date of the E204-2017 incorporated into this Agreement.)

« »

[« »] The Sustainability Plan:

Title	Date	Pages

[« X »] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages
See Addendum B-1 – Supplemental Conditions			

.9 Other documents, if any, listed below:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)
«
Addendum A – Modifying AIA A 101, 2017
Addendum A-1 – Modifying AIA A 101, 2017 Exhibit A
Addendum B – Modifying AIA A201, 2017
Addendum B-1 – Supplemental Conditions
Attachment One – List of Allowances & Clarifications
Attachment Two – List of Exclusions
Attachment Three – Estimated Cost Breakdown

Attachment Four – Enumeration of Plans & Specifications
Attachment Five – Legal Description of Property
Attachment Six – Preliminary Construction Schedule

This Agreement entered into as of the day and year first written above.

OWNER:

2000 16th St Associates, LP
a California limited partnership

By: 2000 16th St Mutual Housing Association, LLC,
a California limited liability company,
its Administrative General Partner

By: Mutual Housing California,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Craig Adelman
CEO

By: 2000 16th St CACDC Association, LLC
a California limited liability company,
its Managing General Partner

By: Capitol Area Community Development Corporation,
a California nonprofit public benefit corporation,
its sole member/manager

By: _____
Danielle Foster
President

CONTRACTOR:
TRICORP GROUP, INC.

By: _____
Chris Cormier
President/CEO
CA Contractor's License [999443]

Attachment 7

SECRETARY'S CERTIFICATE/INCUMBENCY CERTIFICATE
(Mutual Housing California)

I, the undersigned, hereby certify that I am the duly elected Secretary of Mutual Housing California, a California nonprofit public benefit corporation (the "Corporation"), which is the sole member and manager of 2000 16th St Mutual Housing Association LLC, a California limited liability company (the "LLC"), which is the administrative general partner of 2000 16th St 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 Amended and Restated Articles of Incorporation of the Corporation, together with all amendments thereto, 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.

NAME	**OFFICE/POSITION**	**SIGNATURE**
Craig Adelman	Chief Executive Officer	
Corinne Morrison	Chief Financial Officer	

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

Attachment 8

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.

NAME	**OFFICE/POSITION**	**SIGNATURE**
Danielle Foster	Executive Director	

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
JOINT POWERS AGREEMENT

Attachment 9

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 2000 16th St CACDC Association, LLC, a California limited liability company (the "LLC"), which is the managing general partner of 2000 16th St 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 managing general partner of Partnership, and the signatures set forth below opposite each person's name is such person's genuine signature.

NAME	**OFFICE/POSITION**	**SIGNATURE**
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