
2022 Federal Low Income Housing Tax Credit Program

Application For Reservation

Deadline for Submission

9% Competitive Credits

Applications Must Be Received At VHDA No Later Than **12:00 PM**
Richmond, VA Time On **March 10, 2022**

Tax Exempt Bonds

Applications should be received at VHDA at least one month before the bonds are *priced* (if bonds issued by VHDA), or 75 days before the bonds are *issued* (if bonds are not issued by VHDA)



Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220-6500

INSTRUCTIONS FOR THE VIRGINIA 2022 LIHTC APPLICATION FOR RESERVATION

This application was prepared using Excel, Microsoft Office 2016. Please note that using the active Excel workbook does not eliminate the need to submit the required PDF of the signed hardcopy of the application and related documentation. A more detailed explanation of application submission requirements is provided below and in the Application Manual.

An electronic copy of your completed application is a mandatory submission item.

Applications For 9% Competitive Credits

Applicants should submit an electronic copy of the application package prior to the application deadline, which is **12:00 PM** Richmond Virginia time on **March 10, 2022**. Failure to submit an electronic copy of the application by the deadline will cause the application to be disqualified.

Please Note:

Applicants should submit all application materials in electronic format only.

There should be distinct files which should include the following:

- 1. Application For Reservation – the active Microsoft Excel workbook**
- 2. A PDF file which includes the following:**
 - Application For Reservation – Signed version of hardcopy
 - All application attachments (i.e. tab documents, excluding market study and plans & specs)
- 3. Market Study – PDF or Microsoft Word format**
- 4. Plans - PDF or other readable electronic format**
- 5. Specifications - PDF or other readable electronic format (may be combined into the same file as the plans if necessary)**
- 6. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format**

IMPORTANT:

Virginia Housing only accepts files via our work center sites on Procorem. Contact TaxCreditApps@virginiahousing.com for access to Procorem or for the creation of a new deal workcenter. Do not submit any application materials to any email address unless specifically requested by the Virginia Housing LIHTC Allocation Department staff.

Disclaimer:

Virginia Housing assumes no responsibility for any problems incurred in using this spreadsheet or for the accuracy of calculations. Check your application for correctness and completeness before submitting the application to Virginia Housing.

Entering Data:

Enter numbers or text as appropriate in the blank spaces highlighted in yellow. Cells have been formatted as appropriate for the data expected. All other cells are protected and will not allow changes.

Please Note:

- ▶ **VERY IMPORTANT! : Do not** use the copy/cut/paste functions within this document. Pasting fields will corrupt the application and may result in penalties. You may use links to other cells or other documents but do not paste data from one document or field to another.
- ▶ Some fields provide a dropdown of options to select from, indicated by a down arrow that appears when the cell is selected. Click on the arrow to select a value within the dropdown for these fields.
- ▶ The spreadsheet contains multiple error checks to assist in identifying potential mistakes in the application. These may appear as data is entered but are dependent on values entered later in the application. Do not be concerned with these messages until all data within the application has been entered.
- ▶ Also note that some cells contain error messages such as “#DIV/0!” as you begin. These warnings will disappear as the numbers necessary for the calculation are entered.

Assistance:

If you have any questions, please contact the Virginia Housing LIHTC Allocation Department. Please note that we cannot release the copy protection password.

Virginia Housing LIHTC Allocation Staff Contact Information

Name	Email	Phone Number
JD Bondurant	iohndavid.bondurant@virginiahousing.com	(804) 343-5725
Stephanie Flanders	stephanie.flanders@virginiahousing.com	(804) 343-5939
Phil Cunningham	phillip.cunningham@virginiahousing.com	(804) 343-5514
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19. Sources of Funds	Construction, Permanent, Grants and Subsidized Funding Sources
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2022 Low-Income Housing Tax Credit Application For Reservation

Please indicate if the following items are included with your application by putting an 'X' in the appropriate boxes. Your assistance in organizing the submission in the following order, and actually using tabs to mark them as shown, will facilitate review of your application. Please note that all mandatory items must be included for the application to be processed. The inclusion of other items may increase the number of points for which you are eligible under Virginia Housing's point system of ranking applications, and may assist Virginia Housing in its determination of the appropriate amount of credits that may be reserved for the development.

- | | |
|-------------------------------------|---|
| <input type="checkbox"/> | \$1,000 Application Fee (MANDATORY) |
| <input checked="" type="checkbox"/> | Electronic Copy of the Microsoft Excel Based Application (MANDATORY) |
| <input type="checkbox"/> | Scanned Copy of the Signed Tax Credit Application with Attachments (excluding market study and plans & specifications) (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Market Study (MANDATORY - Application will be disqualified if study is not submitted with application) |
| <input type="checkbox"/> | Electronic Copy of the Plans and Unit by Unit writeup (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Specifications (MANDATORY) |
| <input type="checkbox"/> | Electronic Copy of the Existing Condition questionnaire (MANDATORY if Rehab) |
| <input type="checkbox"/> | Electronic Copy of the Physical Needs Assessment (MANDATORY at reservation for a 4% rehab request) |
| <input type="checkbox"/> | Electronic Copy of Appraisal (MANDATORY if acquisition credits requested) |
| <input type="checkbox"/> | Electronic Copy of Environmental Site Assessment (Phase I) (MANDATORY if 4% credits requested) |
| <input type="checkbox"/> | Tab A: Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY) |
| <input type="checkbox"/> | Tab B: Virginia State Corporation Commission Certification (MANDATORY) |
| <input type="checkbox"/> | Tab C: Principal's Previous Participation Certification (MANDATORY) |
| <input type="checkbox"/> | Tab D: List of LIHTC Developments (Schedule A) (MANDATORY) |
| <input type="checkbox"/> | Tab E: Site Control Documentation & Most Recent Real Estate Tax Assessment (MANDATORY) |
| <input type="checkbox"/> | Tab F: RESNET Rater Certification (MANDATORY) |
| <input type="checkbox"/> | Tab G: Zoning Certification Letter (MANDATORY) |
| <input type="checkbox"/> | Tab H: Attorney's Opinion (MANDATORY) |
| <input type="checkbox"/> | Tab I: Nonprofit Questionnaire (MANDATORY for points or pool) |
| | The following documents need not be submitted unless requested by Virginia Housing: |
| | -Nonprofit Articles of Incorporation -IRS Documentation of Nonprofit Status |
| | -Joint Venture Agreement (if applicable) -For-profit Consulting Agreement (if applicable) |
| <input type="checkbox"/> | Tab J: Relocation Plan and Unit Delivery Schedule (MANDATORY) |
| <input type="checkbox"/> | Tab K: Documentation of Development Location: |
| <input type="checkbox"/> | K.1 Revitalization Area Certification |
| <input type="checkbox"/> | K.2 Location Map |
| <input type="checkbox"/> | K.3 Surveyor's Certification of Proximity To Public Transportation |
| <input type="checkbox"/> | Tab L: PHA / Section 8 Notification Letter |
| <input type="checkbox"/> | Tab M: Locality CEO Response Letter |
| <input type="checkbox"/> | Tab N: Homeownership Plan |
| <input type="checkbox"/> | Tab O: Plan of Development Certification Letter |
| <input type="checkbox"/> | Tab P: Developer Experience documentation and Partnership agreements |
| <input type="checkbox"/> | Tab Q: Documentation of Rental Assistance, Tax Abatement and/or existing RD or HUD Property |
| <input type="checkbox"/> | Tab R: Documentation of Operating Budget and Utility Allowances |
| <input type="checkbox"/> | Tab S: Supportive Housing Certification |
| <input type="checkbox"/> | Tab T: Funding Documentation |
| <input type="checkbox"/> | Tab U: Acknowledgement by Tenant of the availability of Renter Education provided by Virginia Housing |
| <input type="checkbox"/> | Tab V: Nonprofit or LHA Purchase Option or Right of First Refusal |
| <input type="checkbox"/> | Tab W: Internet Safety Plan and Resident Information Form (if internet amenities selected) |
| <input type="checkbox"/> | Tab X: Marketing Plan for units meeting accessibility requirements of HUD section 504 |
| <input type="checkbox"/> | Tab Y: Inducement Resolution for Tax Exempt Bonds |
| <input type="checkbox"/> | Tab Z: Documentation of team member's Diversity, Equity and Inclusion Designation |
| <input type="checkbox"/> | Tab AA: Priority Letter from Rural Development |
| <input type="checkbox"/> | Tab AB: Social Disadvantage Certification |

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date: 7/25/2022

1. Development Name: Aqua Vista Apartments
2. Address (line 1): 646 Aqua Vista Drive
Address (line 2):
City: Newport News State: VA Zip: 23607
3. If complete address is not available, provide longitude and latitude coordinates (x,y) from a location on site that your surveyor deems appropriate. Longitude: 00.00000 Latitude: 00.00000
(Only necessary if street address or street intersections are not available.)
4. The Circuit Court Clerk's office in which the deed to the development is or will be recorded:
City/County of Newport News City
5. The site overlaps one or more jurisdictional boundaries..... FALSE
If true, what other City/County is the site located in besides response to #4?.....
6. Development is located in the census tract of: 301.00
7. Development is located in a Qualified Census Tract..... TRUE
8. Development is located in a Difficult Development Area..... FALSE
9. Development is located in a Revitalization Area based on QCT TRUE
10. Development is located in a Revitalization Area designated by resolution FALSE
11. Development is located in an Opportunity Zone (with a binding commitment for funding)..... FALSE
(If 9, 10 or 11 are True, Action: Provide required form in TAB K1)
12. Development is located in a census tract with a poverty rate of.....

3%	10%	12%
FALSE	FALSE	FALSE

Enter only Numeric Values below:

13. Congressional District: 3
- Planning District: 23
- State Senate District: 2
- State House District: 95

Click on the following link for assistance in determining the districts related to this development:

[Link to Virginia Housing's HOME - Select Virginia LIHTC Reference Map](#)

14. ACTION: Provide Location Map (TAB K2)

15. Development Description: In the space provided below, give a brief description of the proposed development

Aquavista Apartments consists of 150 units located in Newport News, VA. The property was built in 1970 and consists of ten (10) three story residential buildings and one (1) single story management office. The unit mix consists of sixty (60) 1+1 units, sixty (60) 2+1 units, and thirty (30) 3+1 units. The Project-Based Section 8 contract covers all 150 units and expires in 2034.

A. GENERAL INFORMATION ABOUT PROPOSED DEVELOPMENT

Application Date:

7/25/2022

16. Local Needs and Support

- a. Provide the name and the address of the chief executive officer (City Manager, Town Manager, or County Administrator of the political jurisdiction in which the development will be located:

Chief Executive Officer's Name: _____
 Chief Executive Officer's Title: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

Name and title of local official you have discussed this project with who could answer questions for the local CEO: _____

- b. If the development overlaps another jurisdiction, please fill in the following:

Chief Executive Officer's Name: _____
 Chief Executive Officer's Title: _____ Phone: _____
 Street Address: _____
 City: _____ State: _____ Zip: _____

Name and title of local official you have discussed this project with who could answer questions for the local CEO: _____

ACTION: Provide Locality Notification Letter at **Tab M** if applicable.

B. RESERVATION REQUEST INFORMATION

1. **Requesting Credits From:**

a. If requesting 9% Credits, select credit pool:

or
 b. If requesting Tax Exempt Bonds, select development type:

For Tax Exempt Bonds, where are bonds being issued?

ACTION: Provide Inducement Resolution at **TAB Y** (if available)

Skip to Number 4 below.

2. **Type(s) of Allocation/Allocation Year**

Definitions of types:

a. **Regular Allocation** means all of the buildings in the development are expected to be placed in service this calendar year, 2022.

b. **Carryforward Allocation** means all of the buildings in the development are expected to be placed in service within two years after the end of this calendar year, 2022, but the owner will have more than 10% basis in development before the end of twelve months following allocation of credits. For those buildings, the owner requests a carryforward allocation of 2023 credits pursuant to Section 47(h)(1)(F)

3. **Select Building Allocation type:**

Note regarding Type = Acquisition and Rehabilitation: Even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive its acquisition 8609 form until the rehab 8609 is issued for that building.

4. Is this an additional allocation for a development that has buildings not yet placed in service?

5. **Planned Combined 9% and 4% Developments**

A site plan has been submitted with this application indicating two developments on the same or contiguous site. One development relates to this 9% allocation request and the remaining development will be a 4% tax exempt bond application.

Name of companion development:

a. Has the developer met with Virginia Housing regarding the 4% tax exempt bond deal?

b. List below the number of units planned for each allocation request. This stated count cannot be changed or 9% Credits will be cancelled.

Total Units within 9% allocation request?

Total Units within 4% Tax Exempt allocation Request?

Total Units:

% of units in 4% Tax Exempt Allocation Request:

6. **Extended Use Restriction**

Note: Each recipient of an allocation of credits will be required to record an **Extended Use Agreement** as required by the IRC governing the use of the development for low-income housing for at least 30 years. Applicant waives the right to pursue a Qualified Contract.

Must Select One:

Definition of selection:

Development will be subject to an extended use agreement of 35 additional years after the 15-year compliance period for a total of 50 years.

7. Virginia Housing would like to encourage the efficiency of electronic payments. Indicate if developer commits to submitting any payments due the Authority, including reservation fees and monitoring fees, by electronic payment (ACH or Wire).

In 2022, Virginia Housing will debut a new Rental Housing Invoicing Portal to allow easy payments via secure ACH transactions. More details will be provided.

C. OWNERSHIP INFORMATION

NOTE: Virginia Housing may allocate credits only to the tax-paying entity which owns the development at the time of the allocation. The term "Owner" herein refers to that entity. Please fill in the legal name of the owner. The ownership entity must be formed prior to submitting this application. Any transfer, direct or indirect, of partnership interests (except those involving the admission of limited partners) prior to the placed-in-service date of the proposed development shall be prohibited, unless the transfer is consented to by Virginia Housing in its sole discretion. **IMPORTANT: The Owner name listed on this page must exactly match the owner name listed on the Virginia State Corporation Commission Certification.**

1. Owner Information:

Must be an individual or legally formed entity.

Owner Name: Aqua Vista, LP

Developer Name: Aqua Vista GP, LLC

Contact: M/M First: George MI: Last: Saad

Address: 11911 San Vicente Blvd, Suite 355

City: Los Angeles St. CA Zip: 90049

Phone: (323) 302-9610 Ext. 104 Fax:

Email address: george@blvdcrei.com

Federal I.D. No. 863762984 (If not available, obtain prior to Carryover Allocation.)

Select type of entity: Limited Partnership Formation State: VA

Additional Contact: Please Provide Name, Email and Phone number.
Robert Budman, rob@blvdcrei.com, (323) 302-9610 x 101

- ACTION:**
- a. Provide Owner's organizational documents (e.g. Partnership agreements and Developer Fee agreement) **(Mandatory TAB A)**
 - b. Provide Certification from Virginia State Corporation Commission **(Mandatory TAB B)**

2. a. Principal(s) of the General Partner: List names of individuals and ownership interest.

<u>Names **</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
<u>Robert Budman</u>	<u>(323)302-9610 x10</u>	<u>Manager</u>	<u>50.000%</u>
<u>Partick Luke</u>	<u>(323)302-9610 x10</u>	<u>Manager</u>	<u>50.000%</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>0.000%</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>0.000%</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>0.000%</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>0.000%</u>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>0.000%</u>

The above should include 100% of the GP or LLC member interest.

****** These should be the names of individuals who make up the General Partnership, not simply the names of entities which may comprise those components.

- ACTION:**
- a. Provide Principals' Previous Participation Certification **(Mandatory TAB C)**
 - b. Provide a chart of ownership structure (Org Chart) and a list of all LIHTC Developments within the last 15 years. **(Mandatory at TABS A/D)**

C. OWNERSHIP INFORMATION

b. Indicate if at least one principal listed above with an ownership interest of at least 25% in the controlling general partner or managing member is a socially disadvantaged individual as defined in the manual.

FALSE

ACTION: If true, provide Socially Disadvantaged Certification **(TAB AB)**

3. Developer Experience:

*May only choose one of A, B or C **OR** select one or more of D, E and F.*

FALSE a. A principal of the controlling general partner or managing member for the proposed development has developed as a controlling general partner or managing member for (i) at least three tax credit developments that contain at least three times the number of housing units in the proposed development or (ii) at least six tax credit developments.

Action: Must be included on Virginia Housing Experienced LIHTC Developer List or provide copies of 8609s, partnership agreements and organizational charts **(Tab P)**

TRUE b. A principal of the controlling general partner or managing member for the proposed development has developed at least three deals as principal and have at \$500,000 in liquid assets.

Action: Must be included on the Virginia Housing Experienced LIHTC Developer List or provide Audited Financial Statements and copies of 8609s **(Tab P)**

FALSE c. The development's principal(s), as a group or individually, have developed as controlling general partner or managing member, at least one tax credit development that contains at least the same number of units of this proposed development (can include Market units).

Action: Must provide copies of 8609s and partnership agreements **(Tab P)**

FALSE d. The development has an experienced sponsor (as defined in the manual) that has placed at least one LIHTC development in service in Virginia within the past 5 years.

Action: Provide one 8609 from qualifying development. **(Tab P)**

FALSE e. The development has an experienced sponsor (as defined in the manual) that has placed at least three (3) LIHTC developments in service in any state within the past 6 years (in addition to any development provided to qualify for option d. above)

Action: Provide one 8609 from each qualifying development. **(Tab P)**

FALSE f. Applicant is competing in the Local Housing Authority pool and partnering with an experienced sponsor (as defined in the manual), other than a local housing authority

Action: Provide documentation as stated in the manual. **(Tab P)**

D. SITE CONTROL

NOTE: Site control by the Owner identified herein is a mandatory precondition of review of this application. Documentary evidence in the form of either a deed, option, purchase contract or lease for a term longer than the period of time the property will be subject to occupancy restrictions must be included herewith. (For 9% Competitive Credits - An option or contract must extend beyond the application deadline by a minimum of four months.)

Warning: Site control by an entity other than the Owner, even if it is a closely related party, is not sufficient. Anticipated future transfers to the Owner are not sufficient. The Owner, as identified previously, must have site control at the time this Application is submitted.

NOTE: If the Owner receives a reservation of credits, the property must be titled in the name of or leased by (pursuant to a long-term lease) the Owner before the allocation of credits is made.

Contact Virginia Housing before submitting this application if there are any questions about this requirement.

1. Type of Site Control by Owner:

Applicant controls site by (select one):

Select Type: Purchase Contract

Expiration Date: 11/30/2022

In the Option or Purchase contract - Any contract for the acquisition of a site with an existing residential property may not require an empty building as a condition of such contract, unless relocation assistance is provided to displaced households, if any, at such level required by Virginia Housing. See QAP for further details.

ACTION: Provide documentation and most recent real estate tax assessment - Mandatory TAB E

FALSE There is more than one site for development and more than one form of site control.

(If True, provide documentation for each site specifying number of existing buildings on the site (if any), type of control of each site, and applicable expiration date of stated site control. A site control document is required for each site (Tab E).)

2. Timing of Acquisition by Owner:

Only one of the following statement should be True.

a. FALSE Owner already controls site by either deed or long-term lease.

b. TRUE Owner is to acquire property by deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than..... 11/30/2022 .

c. FALSE There is more than one site for development and more than one expected date of acquisition by Owner.

(If c is True, provide documentation for each site specifying number of existing buildings on the site, if any, and expected date of acquisition of each site by Owner (Tab E).)

D. SITE CONTROL

3. Seller Information:

Name: I'm Frieda's Boss, LLC

Address: 881 Alma Real Dr, Suite 213

City: Pacific Palisades St.: CA Zip: 90272

Contact Person: _____ Phone: _____

There is an identity of interest between the seller and the owner/applicant..... TRUE

If above statement is **TRUE**, complete the following:

Principal(s) involved (e.g. general partners, controlling shareholders, etc.)

<u>Names</u>	<u>Phone</u>	<u>Type Ownership</u>	<u>% Ownership</u>
Blvd Capital, LLC		Member	12.00%
Robert Budman		Member	2.97%
Patrick Luke		Member	4.44%
			0.00%
			0.00%
			0.00%
			0.00%

E. DEVELOPMENT TEAM INFORMATION

Complete the following as applicable to your development team.

Indicate Diversity, Equity and Inclusion (DEI) Designation if this team member is SWAM or Service Disabled Veteran as defined in manual.

ACTION: Provide copy of certification from Commonwealth of Virginia, if applicable - **TAB Z**

1. Tax Attorney:	Ofer Elitzur	This is a Related Entity.	FALSE
Firm Name:	Cox Castle Nicholson	DEI Designation?	FALSE
Address:			
Email:	oelitzur@coxcastle.com	Phone:	(415) 262-5165
2. Tax Accountant:	David Bell	This is a Related Entity.	FALSE
Firm Name:	Carter and Co.	DEI Designation?	FALSE
Address:			
Email:	david@cartercpa.net	Phone:	(850) 650-0125 x205
3. Consultant:	Ryne Johnson	This is a Related Entity.	FALSE
Firm Name:	Astoria, LLC	DEI Designation?	FALSE
Address:	3450 Lady Marian Ct, Midlothian, VA 23113	Role:	Mortgage Banker
Email:	rynejohnson@astoriallc.com	Phone:	(804) 320-0585
4. Management Entity:	Laura Waldrop	This is a Related Entity.	FALSE
Firm Name:	Barkan Management	DEI Designation?	FALSE
Address:	121 West Main Street, Vernon-Rockville, CT 06066		
Email:	lwaldrop@barkanco.com	Phone:	(860) 375-1198
5. Contractor:	Kathryn Wright	This is a Related Entity.	FALSE
Firm Name:	Metro Services Group	DEI Designation?	FALSE
Address:	7311 Capehart Road, Richmond, VA 23294		
Email:	kwright@metrogroupservices.com	Phone:	(804)-268-9911
6. Architect:	Brian Hoehn	This is a Related Entity.	FALSE
Firm Name:	Hooker DeJong	DEI Designation?	FALSE
Address:	549 Ottawa Ave Nw, Suite 102, Grand Rapids, MI 49503		
Email:	brianh@hdjinc.com	Phone:	(231) 220-2380
7. Real Estate Attorney:	Ofer Elitzur	This is a Related Entity.	FALSE
Firm Name:	Cox Castle Nicholson	DEI Designation?	FALSE
Address:			
Email:	oelitzur@coxcastle.com	Phone:	(415) 262-5165
8. Mortgage Banker:	Ryne Johnson	This is a Related Entity.	FALSE
Firm Name:	Astoria, LLC	DEI Designation?	FALSE
Address:	3450 Lady Marian Ct, Midlothian, VA 23113		
Email:	rynejohnson@astoriallc.com	Phone:	(804) 320-0585
9. Other:	Phil Bashford	This is a Related Entity.	FALSE
Firm Name:	Compass Contracting, Inc	DEI Designation?	TRUE
Address:	407 Copeland Drive, Hampton, VA 23661	Role:	
Email:	info@compasscontracting.com	Phone:	

F. REHAB INFORMATION

1. Acquisition Credit Information

- a. Credits are being requested for existing buildings being acquired for development..... **TRUE**
Action: If true, provide an electronic copy of the Existing Condition Questionnaire and Appraisal
- b. This development has received a previous allocation of credits..... **FALSE**
 If so, in what year did this development receive credits?
- c. The development has been provided an acknowledgement letter from Rural Development regarding its preservation priority?..... **FALSE**
- d. This development is an existing RD or HUD S8/236 development..... **TRUE**
Action: (If True, provide required form in **TAB Q**)

Note: If there is an identity of interest between the applicant and the seller in this proposal, and the applicant is seeking points in this category, then the applicant must either waive their rights to the developer's fee or other fees associated with acquisition, or obtain a waiver of this requirement from Virginia Housing prior to application submission to receive these points.

- i. Applicant agrees to waive all rights to any developer's fee or other fees associated with acquisition..... **FALSE**
- ii. Applicant has obtained a waiver of this requirement from Virginia Housing prior to the application submission deadline..... **TRUE**

2. Ten-Year Rule For Acquisition Credits

- a. All buildings satisfy the 10-year look-back rule of IRC Section 42 (d)(2)(B), including the 10% basis/\$15,000 rehab costs (\$10,000 for Tax Exempt Bonds) per unit requirement..... **FALSE**
- b. All buildings qualify for an exception to the 10-year rule under IRC Section 42(d)(2)(D)(i),..... **FALSE**
 - i. Subsection (I)..... **FALSE**
 - ii. Subsection (II)..... **FALSE**
 - iii. Subsection (III)..... **FALSE**
 - iv. Subsection (IV)..... **FALSE**
 - v. Subsection (V)..... **FALSE**
- c. The 10-year rule in IRC Section 42 (d)(2)(B) for all buildings does not apply pursuant to IRC Section 42(d)(6)..... **TRUE**
- d. There are different circumstances for different buildings..... **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

F. REHAB INFORMATION

3. Rehabilitation Credit Information

- a. Credits are being requested for rehabilitation expenditures..... **TRUE**
- b. **Minimum Expenditure Requirements**
 - i. All buildings in the development satisfy the rehab costs per unit requirement of IRS Section 42(e)(3)(A)(ii)..... **TRUE**
 - ii. All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only)..... **FALSE**
 - iii. All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception..... **FALSE**
 - iv. There are different circumstances for different buildings..... **FALSE**
Action: (If True, provide an explanation for each building in Tab K)

G. NONPROFIT INVOLVEMENT

Applications for 9% Credits - Section must be completed in order to compete in the Non Profit tax credit pool.

All Applicants - Section must be completed to obtain points for nonprofit involvement.

1. **Tax Credit Nonprofit Pool Applicants:** To qualify for the nonprofit pool, an organization (described in IRC Section 501(c)(3) or 501(c)(4) and exempt from taxation under IRC Section 501(a)) should answer the following questions as TRUE:
- FALSE a. Be authorized to do business in Virginia.
 - FALSE b. Be substantially based or active in the community of the development.
 - FALSE c. Materially participate in the development and operation of the development throughout the compliance period (i.e., regular, continuous and substantial involvement) in the operation of the development throughout the Compliance Period.
 - FALSE d. Own, either directly or through a partnership or limited liability company, 100% of the general partnership or managing member interest.
 - FALSE e. Not be affiliated with or controlled by a for-profit organization.
 - FALSE f. Not have been formed for the principal purpose of competition in the Non Profit Pool.
 - FALSE g. Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the proposed development as a for profit entity.
2. **All Applicants:** To qualify for points under the ranking system, the nonprofit's involvement need not necessarily satisfy all of the requirements for participation in the nonprofit tax credit pool.

A. Nonprofit Involvement (All Applicants)

There is nonprofit involvement in this development..... FALSE (If false, go on to #3.)

Action: If there is nonprofit involvement, provide completed Non Profit Questionnaire **(Mandatory TAB I)**.

B. Type of involvement:

Nonprofit meets eligibility requirement for points only, not pool..... FALSE

or

Nonprofit meets eligibility requirements for nonprofit pool and points..... FALSE

C. Identity of Nonprofit (All nonprofit applicants):

The nonprofit organization involved in this development is: ▶

Name:

Contact Person:

Street Address:

City: State: ▶ Zip:

Phone: Contact Email:

G. NONPROFIT INVOLVEMENT

D. Percentage of Nonprofit Ownership (All nonprofit applicants):

Specify the nonprofit entity's percentage ownership of the general partnership interest: 0.0%

3. Nonprofit/Local Housing Authority Purchase Option/Right of First Refusal

A. FALSE After the mandatory 15-year compliance period, a qualified nonprofit or local housing authority will have the option to purchase or the right of first refusal to acquire the development for a price not to exceed the outstanding debt and exit taxes. Such debt must be limited to the original mortgage(s) unless any refinancing is approved by the nonprofit. See manual for more specifics.

Action: Provide Option or Right of First Refusal in Recordable Form meeting Virginia Housing's specifications. **(TAB V)**
Provide Nonprofit Questionnaire (if applicable) **(TAB I)**

Name of qualified nonprofit:

or indicate true if Local Housing Authority Name of Local Housing Authority FALSE

2. FALSE A qualified nonprofit or local housing authority submits a homeownership plan committing to sell the units in the development after the mandatory 15-year compliance period to tenants whose incomes shall not exceed the applicable income limit at the time of their initial occupancy.

Do not select if extended compliance is selected on Request Info Tab

Action: Provide Homeownership Plan **(TAB N)**

NOTE: Applicant is required to waive the right to pursue a Qualified Contract.

H. STRUCTURE AND UNITS INFORMATION

1. General Information

a. Total number of all units in development	150	bedrooms	270
Total number of rental units in development	150	bedrooms	270
Number of low-income rental units	150	bedrooms	270
Percentage of rental units designated low-income	100.00%		
b. Number of new units:.....	0	bedrooms	0
Number of adaptive reuse units:	0	bedrooms	0
Number of rehab units:.....	150	bedrooms	270
c. If any, indicate number of planned exempt units (included in total of all units in development).....			0
d. Total Floor Area For The Entire Development.....			124,346.00 <small>(Sq. ft.)</small>
e. Unheated Floor Area (i.e. Breezeways, Balconies, Storage).....			0.00 <small>(Sq. ft.)</small>
f. Nonresidential Commercial Floor Area (Not eligible for funding).....			0.00
g. Total Usable Residential Heated Area.....			124,346.00 <small>(Sq. ft.)</small>
h. Percentage of Net Rentable Square Feet Deemed To Be New Rental Space			0.00%
i. Exact area of site in acres	6.300		
j. Locality has approved a final site plan or plan of development..... If True , Provide required documentation (TAB O).			TRUE
k. Requirement as of 2016: Site must be properly zoned for proposed development. ACTION: Provide required zoning documentation (MANDATORY TAB G)			
l. Development is eligible for Historic Rehab credits.....			FALSE

Definition:

The structure is historic, by virtue of being listed individually in the National Register of Historic Places, or due to its location in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district, and the rehabilitation will be completed in such a manner as to be eligible for historic rehabilitation tax credits.

H. STRUCTURE AND UNITS INFORMATION

2. UNIT MIX

a. Specify the average size and number per unit type (as indicated in the Architect's Certification):

Note: Average sq foot should include the prorata of common space.

Unit Type	Average Sq Foot		# of LIHTC Units	Total Rental Units
Supportive Housing	0.00	SF	0	0
1 Story Eff - Elderly	0.00	SF	0	0
1 Story 1BR - Elderly	0.00	SF	0	0
1 Story 2BR - Elderly	0.00	SF	0	0
Eff - Elderly	0.00	SF	0	0
1BR Elderly	0.00	SF	0	0
2BR Elderly	0.00	SF	0	0
Eff - Garden	0.00	SF	0	0
1BR Garden	671.00	SF	60	60
2BR Garden	888.00	SF	60	60
3BR Garden	1026.00	SF	30	30
4BR Garden	0.00	SF	0	0
2+ Story 2BR Townhouse	0.00	SF	0	0
2+ Story 3BR Townhouse	0.00	SF	0	0
2+ Story 4BR Townhouse	0.00	SF	0	0
			150	150

Note: Please be sure to enter the values in the appropriate unit category. If not, errors will occur on the self scoresheet.

3. Structures

- a. Number of Buildings (containing rental units)..... 13
- b. Age of Structure:..... 42 years
- c. Number of stories:..... 3
- d. The development is a scattered site development..... FALSE

e. Commercial Area Intended Use:

f. Development consists primarily of : (Only One Option Below Can Be True)

- i. Low Rise Building(s) - (1-5 stories with any structural elements made of wood)..... TRUE
- ii. Mid Rise Building(s) - (5-7 stories with no structural elements made of wood)..... FALSE
- iii. High Rise Building(s) - (8 or more stories with no structural elements made of wood)..... FALSE

H. STRUCTURE AND UNITS INFORMATION

g. Indicate **True** for all development's structural features that apply:

i. Row House/Townhouse	<u>FALSE</u>	v. Detached Single-family	<u>FALSE</u>
ii. Garden Apartments	<u>TRUE</u>	vi. Detached Two-family	<u>FALSE</u>
iii. Slab on Grade	<u>FALSE</u>	vii. Basement	<u>FALSE</u>
iv. Crawl space	<u>FALSE</u>		

h. Development contains an elevator(s). FALSE
 If true, # of Elevators. 0
 Elevator Type (if known) _____

i. Roof Type ▶ Mansard
 j. Construction Type ▶ Frame
 k. Primary Exterior Finish ▶ Stone

4. Site Amenities (indicate all proposed)

a. Business Center.....	<u>TRUE</u>	f. Limited Access.....	<u>FALSE</u>
b. Covered Parking.....	<u>FALSE</u>	g. Playground.....	<u>FALSE</u>
c. Exercise Room.....	<u>TRUE</u>	h. Pool.....	<u>FALSE</u>
d. Gated access to Site.....	<u>FALSE</u>	i. Rental Office.....	<u>TRUE</u>
e. Laundry facilities.....	<u>TRUE</u>	j. Sports Activity Ct..	<u>FALSE</u>
		k. Other:	<u>unity garden, dog park, barbeq</u>

l. Describe Community Facilities: _____

m. Number of Proposed Parking Spaces 214
 Parking is shared with another entity FALSE

n. Development located within 1/2 mile of an existing commuter rail, light rail or subway station or 1/4 mile from existing public bus stop. TRUE
 If **True**, Provide required documentation (**TAB K3**).

H. STRUCTURE AND UNITS INFORMATION

5. Plans and Specifications

- a. **Minimum submission requirements for all properties (new construction, rehabilitation and adaptive reuse):**
 - i. A location map with development clearly defined.
 - ii. Sketch plan of the site showing overall dimensions of all building(s), major site elements (e.g., parking lots and location of existing utilities, and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required.
 - iii. Sketch plans of all building(s) reflecting overall dimensions of:
 - a. Typical floor plan(s) showing apartment types and placement
 - b. Ground floor plan(s) showing common areas
 - c. Sketch floor plan(s) of typical dwelling unit(s)
 - d. Typical wall section(s) showing footing, foundation, wall and floor structure
 Notes must indicate basic materials in structure, floor and exterior finish.

- b. The following are due at reservation for Tax Exempt 4% Applications and at allocation for 9% Applications.
 - i. Phase I environmental assessment.
 - ii. Physical needs assessment for any rehab only development.

NOTE: All developments must meet Virginia Housing's **Minimum Design and Construction Requirements**. By signing and submitting the Application for Reservation of LIHTC, the applicant certifies that the proposed project budget, plans & specifications and work write-ups incorporate all necessary elements to fulfill these requirements.

6. Market Study Data: (MANDATORY)

Obtain the following information from the **Market Study** conducted in connection with this tax credit application:

Project Wide Capture Rate - LIHTC Units	1.20%
Project Wide Capture Rate - Market Units	0.00%
Project Wide Capture Rate - All Units	1.20%
Project Wide Absorption Period (Months)	N/A

J. ENHANCEMENTS

Each development must meet the following baseline energy performance standard applicable to the development's construction category.

- a. **New Construction:** must meet all criteria for EPA EnergyStar certification.
- b. **Rehabilitation:** renovation must result in at least a 30% performance increase or score an 80 or lower on the HERS Index.
- c. **Adaptive Reuse:** must score a 95 or lower on the HERS Index.

Certification and HERS Index score must be verified by a third-party, independent, non-affiliated, certified RESNET home energy rater.

Indicate **True** for the following items that apply to the proposed development:

ACTION: Provide RESNET rater certification (**TAB F**)

ACTION: Provide Internet Safety Plan and Resident Information Form (**Tab W**) if corresponding options selected below.

REQUIRED:**1. For any development, upon completion of construction/rehabilitation:**

- | | |
|---------|--|
| FALSE | a. A community/meeting room with a minimum of 749 square feet is provided. |
| 100.00% | b1. Percentage of brick covering the exterior walls. |
| 0.00% | b2. Percentage of other similar low-maintenance material approved by the Authority covering exterior walls. Community buildings are to be included in percentage calculations. |
| FALSE | c. Water expense is sub-metered (the tenant will pay monthly or bi-monthly bill). |
| TRUE | d. All faucets, toilets and showerheads in each bathroom are WaterSense labeled products. |
| TRUE | e. Rehab Only: Each unit is provided with the necessary infrastructure for high-speed internet/broadband service. |
| | f. <i>Not applicable for 2022 Cycles</i> |
| FALSE | g. Each unit is provided free individual high speed internet access. |
| | or |
| FALSE | h. Each unit is provided free individual WiFi access. |
| TRUE | i. Full bath fans are wired to primary light with delayed timer or has continuous exhaust by ERV/DOAS. |
| | or |
| FALSE | j. Full bath fans are equipped with a humidistat. |
| FALSE | k. Cooking surfaces are equipped with fire prevention features |
| | or |
| FALSE | l. Cooking surfaces are equipped with fire suppression features. |
| FALSE | m. Rehab only: Each unit has dedicated space, drain and electrical hook-ups to accept a permanently installed dehumidification system. |
| | or |
| FALSE | n. All Construction types: each unit is equipped with a permanent dehumidification system. |
| FALSE | o. All interior doors within units are solid core. |
| FALSE | p. Every kitchen, living room and bedroom contains, at minimum, one USB charging port. |
| TRUE | q. All kitchen light fixtures are LED and meet MDCR lighting guidelines. |
| | r. <i>Not applicable for 2022 Cycles</i> |
| FALSE | s. New construction only: Each unit to have balcony or patio with a minimum depth of 5 feet clear from face of building and a minimum size of 30 square feet. |

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- | | |
|-------|--|
| FALSE | a. All cooking ranges have front controls. |
|-------|--|

J. ENHANCEMENTS

For all developments exclusively serving elderly tenants upon completion of construction/rehabilitation:

- FALSE a. All cooking ranges have front controls.
- FALSE b. Bathrooms have an independent or supplemental heat source.
- FALSE c. All entrance doors have two eye viewers, one at 42" inches and the other at standard height.
- FALSE d. Each unit has a shelf or ledge outside the primary entry door located in an interior hallway.

2. Green Certification

- a. Applicant agrees to meet the base line energy performance standard applicable to the development's construction category as listed above.

The applicant will also obtain one of the following:

- | | | | |
|--------------------------------|--|--------------------------------|--|
| <input type="checkbox"/> FALSE | Earthcraft Gold or higher certification | <input type="checkbox"/> FALSE | National Green Building Standard (NGBS) certification of Silver or higher. |
| <input type="checkbox"/> FALSE | U.S. Green Building Council LEED certification | <input type="checkbox"/> TRUE | Enterprise Green Communities (EGC) Certification |

If Green Certification is selected, no points will be awarded for d. Watersense Bathroom fixtures above.

Action: If seeking any points associated Green certification, provide appropriate documentation at TAB F.

- b. Applicant will pursue one of the following certifications to be awarded points on a future development application. (Failure to reach this goal will not result in a penalty.)

- | | | | |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|
| <input type="checkbox"/> FALSE | Zero Energy Ready Home Requirements | <input type="checkbox"/> FALSE | Passive House Standards |
|--------------------------------|-------------------------------------|--------------------------------|-------------------------|

3. Universal Design - Units Meeting Universal Design Standards (units must be shown on Plans)

- TRUE a. Architect of record certifies that units will be constructed to meet Virginia Housing's Universal Design Standards.
- 8 b. Number of Rental Units constructed to meet Virginia Housing's Universal Design standards:
5% of Total Rental Units

- 4. TRUE Market-rate units' amenities are substantially equivalent to those of the low income units.

If not, please explain:

[Empty text box for explanation]

David Legman

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Date: 2022.08.26 08:56:19 -04'00'

Architect of Record initial here that the above information is accurate per certification statement within this application.

I. UTILITIES

1. Utilities Types:

- a. Heating Type Heat Pump
- b. Cooking Type Electric
- c. AC Type Central Air
- d. Hot Water Type Electric

2. Indicate True if the following services will be included in Rent:

- | | | | |
|---------------------|-------------|----------------|-------------|
| Water? | <u>TRUE</u> | Heat? | <u>TRUE</u> |
| Hot Water? | <u>TRUE</u> | AC? | <u>TRUE</u> |
| Lighting/ Electric? | <u>TRUE</u> | Sewer? | <u>TRUE</u> |
| Cooking? | <u>TRUE</u> | Trash Removal? | <u>TRUE</u> |

Utilities	Enter Allowances by Bedroom Size				
	0-BR	1-BR	2-BR	3-BR	4-BR
Heating	0	0	0	0	0
Air Conditioning	0	0	0	0	0
Cooking	0	0	0	0	0
Lighting	0	0	0	0	0
Hot Water	0	0	0	0	0
Water	0	0	0	0	0
Sewer	0	0	0	0	0
Trash	0	0	0	0	0
Total utility allowance for costs paid by tenant	\$0	\$0	\$0	\$0	\$0

3. The following sources were used for Utility Allowance Calculation (Provide documentation **TAB R**).

- a. FALSE HUD
- b. FALSE Utility Company (Estimate)
- c. FALSE Utility Company (Actual Survey)
- d. FALSE Local PHA
- e. FALSE Other: _____

Warning: The Virginia Housing housing choice voucher program utility schedule shown on VirginiaHousing.com should not be used unless directed to do so by the local housing authority.

K. SPECIAL HOUSING NEEDS

NOTE: Any Applicant commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.

1. **Accessibility:** Indicate **True** for the following point categories, as appropriate.

Action: Provide appropriate documentation (**Tab X**)

FALSE

a. Any development in which (i) the greater of 5 units or 10% of units will be assisted by HUD project-based vouchers (as evidenced by the submission of a letter satisfactory to the Authority from an authorized public housing authority (PHA) that the development meets all prerequisites for such assistance), or another form of documented and binding federal project-based rent subsidies in order to ensure occupancy by extremely low-income persons. Locality project based rental subsidy meets the definition of state project based rental subsidy;

(ii) will conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act; and be actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

(iii) above must include roll-in showers, roll under sinks and front control ranges, unless agreed to by the Authority prior to the applicant's submission of its application.


Documentation from source of assistance must be provided with the application.

Note: Subsidies may apply to any units, not only those built to satisfy Section 504.

FALSE

b. Any development in which ten percent (10%) of the units (i) conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the application for credits.

For items a or b, all common space must also conform to HUD regulations interpreting the accessibility requirements of section 504 of the Rehabilitation Act.

 **Architect of Record initial here that the above information is accurate per certification statement within this application.**

2. **Special Housing Needs/Leasing Preference:**

a. If not general population, select applicable special population:

FALSE

Elderly (as defined by the United States Fair Housing Act.)

FALSE

Persons with Disabilities (must meet the requirements of the Federal Americans with Disabilities Act) - Accessible Supportive Housing Pool only

FALSE

Supportive Housing (as described in the Tax Credit Manual)

Action: Provide Permanent Supportive Housing Certification (**Tab S**)

"Certify / Certification": A statement of the Architect's opinion or intention, based on his or her observations of conditions, to the best of the Architect's professional knowledge, information and belief. Such statement of opinion or intentions does not constitute a warranty, either express or implied. It is understood that the Architect's certification shall not relieve the Client or the Client's Contractors of any responsibility or obligation they may have by industry custom or under any contract.

K. SPECIAL HOUSING NEEDS

b. The development has existing tenants and a relocation plan has been developed..... **TRUE**
 (If **True**, Virginia Housing policy requires that the impact of economic and/or physical displacement on those tenants be minimized, in which Owners agree to abide by the Authority's Relocation Guidelines for LIHTC properties.)

Action: Provide Relocation Plan and Unit Delivery Schedule (**Mandatory if tenants are displaced - Tab J**)

3. Leasing Preferences

a. Will leasing preference be given to applicants on a public housing waiting list and/or Section 8 waiting list? select: **Yes**

Organization which holds waiting list: **Property Project Based Section 8 HAP Contract**

Contact person: **Laura Waldrop**

Title: **Vice President**

Phone Number: **(860) 375-1198**

Action: Provide required notification documentation (**TAB L**)

b. Leasing preference will be given to individuals and families with children..... **FALSE**
 (Less than or equal to 20% of the units must have of 1 or less bedrooms).

c. Specify the number of low-income units that will serve individuals and families with children by providing three or more bedrooms: **30**
 % of total Low Income Units **20%**

NOTE: Development must utilize a **Virginia Housing Certified Management Agent**. Proof of management certification must be provided before 8609s are issued.

Action: Provide documentation of tenant disclosure regarding Virginia Housing Rental Education (**Mandatory - Tab U**)

3. Target Population Leasing Preference

Unless prohibited by an applicable federal subsidy program, each applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding commitment for rental assistance from the Commonwealth, and (iii) referred to the development by a referring agent approved by the Authority. The leasing preference shall not be applied to more than ten percent (10%) of the units in the development at any given time. The applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the applicant’s tenant selection criteria or leasing terms applicable to prospective tenants in the development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.

Primary Contact for Target Population leasing preference. The agency will contact as needed.

First Name: **Laura**

Last Name: **Waldrop**

Phone Number: **(860) 375-1198** Email: **lwaldrop@barkanco.com**

4. Rental Assistance

a. Some of the low-income units do or will receive rental assistance..... **TRUE**

K. SPECIAL HOUSING NEEDS

b. Indicate True if rental assistance will be available from the following

- FALSE Rental Assistance Demonstration (RAD) or other PHA conversion to based rental assistance.
- FALSE Section 8 New Construction Substantial Rehabilitation
- FALSE Section 8 Moderate Rehabilitation
- FALSE Section 8 Certificates
- TRUE Section 8 Project Based Assistance
- FALSE RD 515 Rental Assistance
- FALSE Section 8 Vouchers
*Administering Organization: _____
- FALSE State Assistance
*Administering Organization: _____
- FALSE Other: _____

c. The Project Based vouchers above are applicable to the 30% units seeking points.

FALSE

i. If True above, how many of the 30% units will not have project based vouchers?

0

d. Number of units receiving assistance:

149

How many years in rental assistance contract?

20.00

Expiration date of contract:

8/1/2042

There is an Option to Renew.....

TRUE

Action: Contract or other agreement provided **(TAB Q)**.

Note: In order to qualify for any tax credits, a development must meet one of two minimum threshold occupancy tests. Either (i) at least 20% of the units must be rent-restricted and occupied by persons whose incomes are 50% or less of the area median income adjusted for family size (this is called the 20/50 test) or (ii) at least 40% of the units must be rent-restricted and occupied by persons whose incomes are 60% or less of the area median income adjusted for family size (this is called the 40/60 test), all as described in Section 42 of the IRC. Rent- and income-restricted units are known as low-income units. If you have more low-income units than required, you qualify for more credits. If you serve lower incomes than required, you receive more points under the ranking system.

Units Provided Per Household Type:

Income Levels			Avg Inc.
# of Units	% of Units		
0	0.00%	20% Area Median	0%
0	0.00%	30% Area Median	0%
0	0.00%	40% Area Median	0%
0	0.00%	50% Area Median	0%
150	100.00%	60% Area Median	9000%
0	0.00%	70% Area Median	0%
0	0.00%	80% Area Median	0%
0	0.00%	Market Units	
150	100.00%	Total	60.00%

Rent Levels		
# of Units	% of Units	
0	0.00%	20% Area Median
0	0.00%	30% Area Median
0	0.00%	40% Area Median
0	0.00%	50% Area Median
150	100.00%	60% Area Median
0	0.00%	70% Area Median
0	0.00%	80% Area Median
0	0.00%	Market Units
150	100.00%	Total

The development plans to utilize average income..... **FALSE**
 If true, should the points based on the units assigned to the levels above be waived and therefore not required for compliance?
 20-30% Levels **FALSE** 40% Levels **FALSE** 50% levels **FALSE**

Unit Detail FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN UNIT MIX GRID

In the following grid, add a row for each unique unit type planned within the development. Enter the appropriate data for both tax credit and market rate units.



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 Date: 2022.07.28 10:25:37 -04'00'

Architect of Record initial here that the information below is accurate per certification statement within this application.

	Unit Type (Select One)	Rent Target (Select One)	Number of Units	# of Units 504 compliant	Net Rentable Square Feet	Monthly Rent Per Unit	Total Monthly Rent
Mix 1	1 BR - 1 Bath	60% AMI	60	3	603.49	\$1,313.00	\$78,780
Mix 2	2 BR - 1 Bath	60% AMI	60	3	805.12	\$1,549.00	\$92,940
Mix 3	3 BR - 1 Bath	60% AMI	29	2	929.85	\$1,785.00	\$51,765
Mix 4	3 BR - 1 Bath	60% AMI	1	0	929.85	\$1,458.00	\$1,458
Mix 5							\$0
Mix 6							\$0
Mix 7							\$0
Mix 8							\$0
Mix 9							\$0
Mix 10							\$0
Mix 11							\$0
Mix 12							\$0
Mix 13							\$0

L. UNIT DETAILS

Mix 21								\$0
Mix 22								\$0
Mix 23								\$0
Mix 24								\$0
Mix 25								\$0
Mix 26								\$0
Mix 27								\$0
Mix 28								\$0
Mix 29								\$0
Mix 30								\$0
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Mix 79								\$0
Mix 80								\$0
Mix 81								\$0

L. UNIT DETAILS

Mix 82								\$0
Mix 83								\$0
Mix 84								\$0
Mix 85								\$0
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Mix 87								\$0
Mix 88								\$0
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Mix 90								\$0
Mix 91								\$0
Mix 92								\$0
Mix 93								\$0
Mix 94								\$0
Mix 95								\$0
Mix 96								\$0
Mix 97								\$0
Mix 98								\$0
Mix 99								\$0
Mix 100								\$0
TOTALS			150	8				\$224,943

Total Units	150	Net Rentable SF:	TC Units	112,412.10
			MKT Units	0.00
			Total NR SF:	112,412.10

Floor Space Fraction (to 7 decimals)	100.00000%
---	------------

M. OPERATING EXPENSES

Administrative:

Use Whole Numbers Only!

1. Advertising/Marketing		\$0
2. Office Salaries		\$69,280
3. Office Supplies		\$5,000
4. Office/Model Apartment	(type _____)	\$0
5. Management Fee		\$86,850
<u>3.39%</u> of EGI	<u>\$579.00</u> Per Unit	
6. Manager Salaries		\$0
7. Staff Unit (s)	(type _____)	\$0
8. Legal		\$3,500
9. Auditing		\$10,000
10. Bookkeeping/Accounting Fees		\$5,000
11. Telephone & Answering Service		\$5,250
12. Tax Credit Monitoring Fee		\$5,000
13. Miscellaneous Administrative		\$15,000
Total Administrative		\$204,880

Utilities

14. Fuel Oil		\$0
15. Electricity		\$104,465
16. Water		\$31,461
17. Gas		\$0
18. Sewer		\$68,523
Total Utility		\$204,449

Operating:

19. Janitor/Cleaning Payroll		\$0
20. Janitor/Cleaning Supplies		\$0
21. Janitor/Cleaning Contract		\$0
22. Exterminating		\$10,622
23. Trash Removal		\$11,942
24. Security Payroll/Contract		\$15,000
25. Grounds Payroll		\$0
26. Grounds Supplies		\$0
27. Grounds Contract		\$11,186
28. Maintenance/Repairs Payroll		\$98,460
29. Repairs/Material		\$40,000
30. Repairs Contract		\$40,000
31. Elevator Maintenance/Contract		\$0
32. Heating/Cooling Repairs & Maintenance		\$5,000
33. Pool Maintenance/Contract/Staff		\$0
34. Snow Removal		\$0
35. Decorating/Payroll/Contract		\$0
36. Decorating Supplies		\$5,000
37. Miscellaneous		\$0
Totals Operating & Maintenance		\$237,210

M. OPERATING EXPENSES

Taxes & Insurance

38. Real Estate Taxes	\$112,574
39. Payroll Taxes	\$18,730
40. Miscellaneous Taxes/Licenses/Permits	\$0
41. Property & Liability Insurance	\$67,500
42. Fidelity Bond	\$0
43. Workman's Compensation	\$0
44. Health Insurance & Employee Benefits	\$18,730
45. Other Insurance	\$0
Total Taxes & Insurance	\$217,534
Total Operating Expense	\$864,073

Total Operating Expenses Per Unit \$5,760 **C. Total Operating Expenses as % of EGI** 33.70%

Replacement Reserves (Total # Units X \$300 or \$250 New Const. Elderly Minimum) \$45,000

Total Expenses	\$909,073
-----------------------	------------------

ACTION: Provide Documentation of Operating Budget at **Tab R** if applicable.

N. PROJECT SCHEDULE

ACTIVITY	ACTUAL OR ANTICIPATED DATE	NAME OF RESPONSIBLE PERSON
1. SITE		
a. Option/Contract	4/22/2021	George Saad
b. Site Acquisition	10/1/2022	George Saad
c. Zoning Approval	N/A	
d. Site Plan Approval	N/A	
2. Financing		
a. Construction Loan		
i. Loan Application	N/A	
ii. Conditional Commitment	N/A	
iii. Firm Commitment	N/A	
b. Permanent Loan - First Lien		
i. Loan Application	2/1/2022	
ii. Conditional Commitment	8/17/2022	
iii. Firm Commitment	8/29/2022	
c. Permanent Loan-Second Lien		
i. Loan Application	2/1/2022	
ii. Conditional Commitment	6/1/2022	
iii. Firm Commitment	7/22/2022	
d. Other Loans & Grants		
i. Type & Source, List	N/A	
ii. Application	N/A	
iii. Award/Commitment	N/A	
2. Formation of Owner	5/7/2021	
3. IRS Approval of Nonprofit Status	N/A	
4. Closing and Transfer of Property to Owner	10/1/2022	
5. Plans and Specifications, Working Drawings	3/15/2022	
6. Building Permit Issued by Local Government	9/15/2022	
7. Start Construction	10/1/2022	
8. Begin Lease-up	10/1/2022	
9. Complete Construction	12/31/2023	
10. Complete Lease-Up	12/31/2023	
11. Credit Placed in Service Date	12/31/2023	

O. PROJECT BUDGET - HARD COSTS

Cost/Basis/Maximum Allowable Credit

Complete cost column and basis column(s) as appropriate

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left.

Note: Attorney must opine, among other things, as to correctness of the inclusion of each cost item in eligible basis, type of credit and numerical calculations included in Project Budget.

		Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(A) Cost	(B) Acquisition	(C) Rehab/ New Construction
Must Use Whole Numbers Only!				
1. Contractor Cost				
a. Unit Structures (New)	0	0	0	0
b. Unit Structures (Rehab)	9,500,925	0	9,500,925	0
c. Non Residential Structures	0	0	0	0
d. Commercial Space Costs	0	0	0	0
<input type="checkbox"/> e. Structured Parking Garage	0	0	0	0
Total Structure	9,500,925	0	9,500,925	0
f. Earthwork	0	0	0	0
g. Site Utilities	0	0	0	0
<input type="checkbox"/> h. Renewable Energy	0	0	0	0
i. Roads & Walks	0	0	0	0
j. Site Improvements	0	0	0	0
k. Lawns & Planting	0	0	0	0
l. Engineering	0	0	0	0
m. Off-Site Improvements	0	0	0	0
n. Site Environmental Mitigation	0	0	0	0
o. Demolition	0	0	0	0
p. Site Work	678,100	0	678,100	0
q. Other Site work	0	0	0	0
Total Land Improvements	678,100	0	678,100	0
Total Structure and Land	10,179,025	0	10,179,025	0
r. General Requirements	407,161	0	407,161	0
s. Builder's Overhead (2.0% Contract)	203,581	0	203,581	0
t. Builder's Profit (8.0% Contract)	814,322	0	814,322	0
u. Bonds	85,000	0	85,000	0
v. Building Permits	60,000	0	60,000	0
w. Special Construction	0	0	0	0
x. Special Equipment	0	0	0	0
y. Other 1: <input type="checkbox"/>	0	0	0	0
z. Other 2: <input type="checkbox"/>	0	0	0	0
aa. Other 3: <input type="checkbox"/>	0	0	0	0
Contractor Costs	\$11,749,089	\$0	\$11,749,089	\$0

O. PROJECT BUDGET - OWNER COSTS

To select exclusion of allowable line items from Total Development Costs used in Cost limit calculations, select X in yellow box to the left

Item	(A) Cost	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):		
		"30% Present Value Credit"		(D)
		(B) Acquisition	(C) Rehab/ New Construction	"70 % Present Value Credit"
2. Owner Costs				
a. Building Permit		0		0
b. Architecture/Engineering Design Fee \$2,989 /Unit)	448,320	0	448,320	0
c. Architecture Supervision Fee \$392 /Unit)	58,864	0	58,864	0
d. Tap Fees	0	0	0	0
e. Environmental	35,000	0	35,000	0
f. Soil Borings	0	0	0	0
g. Green Building (Earthcraft, LEED, etc.)	30,000	0	30,000	0
h. Appraisal	15,000	0	15,000	0
i. Market Study	10,000	0	10,000	0
j. Site Engineering / Survey	95,000	0	95,000	0
k. Construction/Development Mgt	128,000	0	128,000	0
l. Structural/Mechanical Study	0	0	0	0
m. Construction Loan Origination Fee	0	0	0	0
n. Construction Interest (<input type="text"/> for <input type="text"/> months)	742,500	0	742,500	0
o. Taxes During Construction	56,287	0	0	0
p. Insurance During Construction	108,750	0	75,000	0
q. Permanent Loan Fee (<input type="text"/> 0.0%)	268,125	0	0	0
r. Other Permanent Loan Fees		0		0
s. Letter of Credit	55,279	0	52,160	0
t. Cost Certification Fee	0	0	0	0
u. Accounting	27,500	0	20,000	0
v. Title and Recording	98,000	0	25,000	0
w. Legal Fees for Closing	360,000	0	240,000	0
x. Mortgage Banker	90,000	0	0	0
y. Tax Credit Fee	104,880			
z. Tenant Relocation	300,000	0	0	0
aa. Fixtures, Furnitures and Equipment	0	0	0	0
ab. Organization Costs	0	0	0	0
ac. Operating Reserve	1,217,533	0	0	0
ad. Contingency	1,170,909	0	1,170,909	0
ae. Security	0	0	0	0
af. Utilities	0	0	0	0

O. PROJECT BUDGET - OWNER COSTS

ag. Servicing Reserve	0			
(1) Other* specify: Replacement Reserve Fund	150,000	0	0	0
(2) Other* specify: Misc Soft Cost	200,000	0	100,000	0
(3) Other* specify: Lender Inspections During C	24,000	0	24,000	0
(4) Other* specify: Syndication Fee	25,000	0	0	0
(5) Other* specify: Misc Costs of Bond Issuance	59,375	0	0	0
(6) Other* specify:	0	0	0	0
(7) Other* specify: Subordinate Debt Originatio	100,000	0	0	0
(8) Other* specify: Out of Balance Fees	100,000	0	0	0
(9) Other* specify:	0	0	0	0
Owner Costs Subtotal (Sum 2A..2(10))	\$6,078,322	\$0	\$3,269,753	\$0
Subtotal 1 + 2 (Owner + Contractor Costs)	\$17,827,411	\$0	\$15,018,842	\$0
3. Developer's Fees Action: Provide Developer Fee Agreement (Tab A)	3,024,193	0	3,000,000	0
4. Owner's Acquisition Costs				
Land	775,000			
Existing Improvements	13,825,000	13,825,000		
Subtotal 4:	\$14,600,000	\$13,825,000		
5. Total Development Costs				
Subtotal 1+2+3+4:	\$35,451,604	\$13,825,000	\$18,018,842	\$0

If this application seeks rehab credits only, in which there is no acquisition and **no change in ownership**, enter the greater of appraised value or tax assessment value here:

(Provide documentation at **Tab E**)

\$775,000	Land
\$13,825,000	Building

Maximum Developer Fee:

\$3,024,193

Proposed Development's Cost per Sq Foot
Applicable Cost Limit by Square Foot:

\$168 **Meets Limits**
\$231

Proposed Development's Cost per Unit
Applicable Cost Limit per Unit:

\$139,011 **Meets Limits**
\$225,968

2022 Low-Income Housing Tax Credit Application For Reservation

P. ELIGIBLE BASIS CALCULATION

Item	Amount of Cost up to 100% Includable in Eligible Basis--Use Applicable Column(s):			
	(A) Cost	(B) Acquisition	(C) Rehab/ New Construction	(D) "70 % Present Value Credit"
1. Total Development Costs	35,451,604	13,825,000	18,018,842	0
2. Reductions in Eligible Basis				
a. Amount of federal grant(s) used to finance qualifying development costs		0	0	0
b. Amount of nonqualified, nonrecourse financing		0	0	0
c. Costs of nonqualifying units of higher quality (or excess portion thereof)		0	0	0
d. Historic Tax Credit (residential portion)		0	0	0
3. Total Eligible Basis (1 - 2 above)		13,825,000	18,018,842	0
4. Adjustment(s) to Eligible Basis (For non-acquisition costs in eligible basis)				
a. For QCT or DDA (Eligible Basis x 30%) <i>State Designated Basis Boosts:</i>			5,405,653	0
b. For Revitalization or Supportive Housing (Eligible Basis x 30%)			0	0
c. For Green Certification (Eligible Basis x 10%)				0
Total Adjusted Eligible basis			23,424,495	0
5. Applicable Fraction		100.00000%	100.00000%	100.00000%
6. Total Qualified Basis (Eligible Basis x Applicable Fraction)		13,825,000	23,424,495	0
7. Applicable Percentage <i>(Beginning in 2021, All Tax Exempt requests should use the standard 4% rate and all 9% requests should use the standard 9% rate.)</i>		4.00%	4.00%	9.00%
8. Maximum Allowable Credit under IRC §42 (Qualified Basis x Applicable Percentage) (Must be same as BIN total and equal to or less than credit amount allowed)		\$553,000	\$936,980	\$0
			\$1,489,980 Combined 30% & 70% P. V. Credit	

Q. SOURCES OF FUNDS

Action: Provide Documentation for all Funding Sources at **Tab T**

1. Construction Financing: List individually the sources of construction financing, including any such loans financed through grant sources:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1. VHDA Tax Exempt Bonds			\$11,000,000	
2. REACH			\$7,000,000	
3. Subordinate Perm Loan (Other)			\$4,000,000	
Total Construction Funding:			\$22,000,000	

2. Permanent Financing: List individually the sources of all permanent financing in order of lien position:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service Cost	Interest Rate of Loan	Amortization Period IN YEARS	Term of Loan (years)
1. VHDA Tax Exempt Bonds			\$11,000,000	\$749,481	5.50%	30	
2. REACH			\$7,000,000	\$351,886	2.95%	30	
3. Subordinate Perm Loan (Other)			\$4,000,000	\$319,345	7.00%	30	
4.							
5.							
6.							
7.							
8.							
9.							
10.							
Total Permanent Funding:			\$22,000,000	\$1,420,712			

3. Grants: List all grants provided for the development:

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name of Contact Person
1.				
2.				
3.				
4.				
5.				
6.				
Total Permanent Grants:			\$0	

Q. SOURCES OF FUNDS

4. Subsidized Funding

	Source of Funds	Date of Commitment	Amount of Funds
1.			
2.			
3.			
4.			
5.			
Total Subsidized Funding			\$0

5. Recap of Federal, State, and Local Funds

Portions of the sources of funds described above for the development are financed directly or indirectly with Federal, State, or Local Government Funds..... **TRUE**

If above is **True**, then list the amount of money involved by all appropriate types.

Below-Market Loans

TE: See Below For 50% Test Status

a.	Tax Exempt Bonds	\$18,000,000
b.	RD 515	\$0
c.	Section 221(d)(3)	\$0
d.	Section 312	\$0
e.	Section 236	\$0
f.	VHDA SPARC/REACH	\$0
g.	HOME Funds	\$0
h.	Other:	\$4,000,000
	Subordinate Perm Loan (Other)	
i.	Other:	\$0

Market-Rate Loans

a.	Taxable Bonds	\$0
b.	Section 220	\$0
c.	Section 221(d)(3)	\$0
d.	Section 221(d)(4)	\$0
e.	Section 236	\$0
f.	Section 223(f)	\$0
g.	Other:	\$0

Grants*

a.	CDBG	\$0
b.	UDAG	\$0

Grants

c.	State	
d.	Local	
e.	Other:	

*This means grants to the partnership. If you received a loan financed by a locality which received one of the listed grants, please list it in the appropriate loan column as "other" and describe the applicable grant program which funded it.

Q. SOURCES OF FUNDS

6. For Transactions Using Tax-Exempt Bonds Seeking 4% Credits:

For purposes of the 50% Test, and based only on the data entered to this application, the portion of the aggregate basis of buildings and land financed with tax-exempt funds is: **55.18%**

7. Some of the development's financing has credit enhancements..... **FALSE**

If **True**, list which financing and describe the credit enhancement:

8. Other Subsidies **Action:** Provide documentation (**Tab Q**)

a. **FALSE** Real Estate Tax Abatement on the increase in the value of the development.

b. **FALSE** **New** project based subsidy from HUD or Rural Development for the greater of 5 or 10% of the units in the development.

c. **FALSE** Other _____

9. A HUD approval for transfer of physical asset is required..... **TRUE**

R. EQUITY

1. Equity

a. Portion of Syndication Proceeds Attributable to Historic Tax Credit				
Amount of Federal historic credits	\$0	x Equity \$	\$0.000	= \$0
Amount of Virginia historic credits	\$0	x Equity \$	\$0.000	= \$0
b. Equity that Sponsor will Fund:				
i. Cash Investment	\$0			
ii. Contributed Land/Building	\$0			
iii. Deferred Developer Fee	\$986,007	(Note: Deferred Developer Fee cannot be negative.)		
iv. Other:	_____			
ACTION: If Deferred Developer Fee is greater than 50% of overall Developer Fee, provide a cash flow statement showing payoff within 15 years at TAB A.				
Equity Total	<u>\$986,007</u>			

2. Equity Gap Calculation

a. Total Development Cost	\$35,451,604	
b. Total of Permanent Funding, Grants and Equity	-	<u>\$22,986,007</u>
c. Equity Gap		\$12,465,597
d. Developer Equity	-	<u>\$123</u>
e. Equity gap to be funded with low-income tax credit proceeds		\$12,465,474

3. Syndication Information (If Applicable)

a. Actual or Anticipated Name of Syndicator:	Enterprise Housing & Community Investments		
Contact Person:	_____	Phone:	_____
Street Address:	_____		
City:	_____	State:	_____
		Zip:	_____
b. Syndication Equity			
i. Anticipated Annual Credits		<u>\$1,484,000.00</u>	
ii. Equity Dollars Per Credit (e.g., \$0.85 per dollar of credit)		<u>\$0.840</u>	
iii. Percent of ownership entity (e.g., 99% or 99.9%)		<u>99.99900%</u>	
iv. Syndication costs not included in Total Development Costs (e.g., advisory fees)		<u>\$0</u>	
v. Net credit amount anticipated by user of credits		<u>\$1,483,985</u>	
vi. Total to be paid by anticipated users of credit (e.g., limited partners)		<u>\$12,465,474</u>	
c. Syndication:	Private		
d. Investors:	Corporate		

4. Net Syndication Amount

Which will be used to pay for Total Development Costs \$12,465,474

5. Net Equity Factor

Must be equal to or greater than 85% 83.9999909433%

S. DETERMINATION OF RESERVATION AMOUNT NEEDED

The following calculation of the amount of credits needed is substantially the same as the calculation which will be made by Virginia Housing to determine, as required by the IRC, the amount of credits which may be allocated for the development. However, Virginia Housing at all times retains the right to substitute such information and assumptions as are determined by Virginia Housing to be reasonable for the information and assumptions provided herein as to costs (including development fees, profits, etc.), sources for funding, expected equity, etc. Accordingly, if the development is selected by Virginia Housing for a reservation of credits, the amount of such reservation may differ significantly from the amount you compute below.

1. Total Development Costs		<u>\$35,451,604</u>
2. Less Total of Permanent Funding, Grants and Equity	-	<u>\$22,986,007</u>
3. Equals Equity Gap		<u>\$12,465,597</u>
4. Divided by Net Equity Factor (Percent of 10-year credit expected to be raised as equity investment)		<u>83.9999909433%</u>
5. Equals Ten-Year Credit Amount Needed to Fund Gap		<u>\$14,839,998</u>
Divided by ten years		<u>10</u>
6. Equals Annual Tax Credit Required to Fund the Equity Gap		<u>\$1,484,000</u>
7. Maximum Allowable Credit Amount (from Eligible Basis Calculation)		<u>\$1,489,980</u>
8. Requested Credit Amount	For 30% PV Credit:	<u>\$1,484,000</u>
	For 70% PV Credit:	<u>\$0</u>
Credit per LI Units	<u>\$9,893.3333</u>	
Credit per LI Bedroom	<u>\$5,496.2963</u>	
	Combined 30% & 70% PV Credit Requested	\$1,484,000

9. **Action:** Provide Attorney’s Opinion (**Mandatory Tab H**)

T. CASH FLOW

1. Revenue

Indicate the estimated monthly income for the **Low-Income Units** (based on Unit Details tab):

Total Monthly Rental Income for LIHTC Units	\$224,943
Plus Other Income Source (list): <input type="text"/>	\$0
Equals Total Monthly Income:	\$224,943
Twelve Months	x12
Equals Annual Gross Potential Income	\$2,699,316
Less Vacancy Allowance <input type="text" value="5.0%"/>	\$134,966
Equals Annual Effective Gross Income (EGI) - Low Income Units	\$2,564,350

2. Indicate the estimated monthly income for the Market Rate Units (based on Unit Details tab):

Total Monthly Income for Market Rate Units:	\$0
Plus Other Income Source (list): <input type="text"/>	\$0
Equals Total Monthly Income:	\$0
Twelve Months	x12
Equals Annual Gross Potential Income	\$0
Less Vacancy Allowance <input type="text" value="0.0%"/>	\$0
Equals Annual Effective Gross Income (EGI) - Market Rate Units	\$0

Action: Provide documentation in support of Operating Budget (**TAB R**)

3. Cash Flow (First Year)

a. Annual EGI Low-Income Units	\$2,564,350
b. Annual EGI Market Units	\$0
c. Total Effective Gross Income	\$2,564,350
d. Total Expenses	\$909,073
e. Net Operating Income	\$1,655,277
f. Total Annual Debt Service	\$1,420,712
g. Cash Flow Available for Distribution	\$234,565

T. CASH FLOW

4. Projections for Financial Feasibility - 15 Year Projections of Cash Flow

	Stabilized Year 1	Year 2	Year 3	Year 4	Year 5
Eff. Gross Income	2,564,350	2,615,637	2,667,950	2,721,309	2,775,735
Less Oper. Expenses	909,073	936,345	964,436	993,369	1,023,170
Net Income	1,655,277	1,679,292	1,703,514	1,727,940	1,752,565
Less Debt Service	1,420,712	1,420,712	1,420,712	1,420,712	1,420,712
Cash Flow	234,565	258,580	282,802	307,228	331,853
Debt Coverage Ratio	1.17	1.18	1.20	1.22	1.23

	Year 6	Year 7	Year 8	Year 9	Year 10
Eff. Gross Income	2,831,250	2,887,875	2,945,632	3,004,545	3,064,636
Less Oper. Expenses	1,053,865	1,085,481	1,118,045	1,151,586	1,186,134
Net Income	1,777,385	1,802,394	1,827,587	1,852,958	1,878,502
Less Debt Service	1,420,712	1,420,712	1,420,712	1,420,712	1,420,712
Cash Flow	356,673	381,682	406,875	432,246	457,790
Debt Coverage Ratio	1.25	1.27	1.29	1.30	1.32

	Year 11	Year 12	Year 13	Year 14	Year 15
Eff. Gross Income	3,125,929	3,188,447	3,252,216	3,317,260	3,383,606
Less Oper. Expenses	1,221,718	1,258,370	1,296,121	1,335,004	1,375,054
Net Income	1,904,210	1,930,078	1,956,095	1,982,256	2,008,551
Less Debt Service	1,420,712	1,420,712	1,420,712	1,420,712	1,420,712
Cash Flow	483,498	509,366	535,383	561,544	587,839
Debt Coverage Ratio	1.34	1.36	1.38	1.40	1.41

Estimated Annual Percentage Increase in Revenue 2.00% (Must be < 2%)
 Estimated Annual Percentage Increase in Expenses 3.00% (Must be > 3%)

U. Building-by-Building Information

Must Complete

Qualified basis must be determined on a building-by building basis. Complete the section below. Building street addresses are required by the IRS (must have them by the time of allocation request).

Number of BINS: 25

Total Qualified Basis should equal total on Elig Basis Tab

FOR YOUR CONVENIENCE, COPY AND PASTE IS ALLOWED WITHIN BUILDING GRID

Please help us with the process:
DO NOT use the CUT feature
DO NOT SKIP LINES BETWEEN BUILDINGS

Bldg #	BIN if known	NUMBER OF TAX CREDIT UNITS	MARKET RATE UNITS	Street Address 1 Street Address 2 City State Zip				30% Present Value Credit for Acquisition				30% Present Value Credit for Rehab / New Construction				70% Present Value Credit				
								Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	Estimate Qualified Basis	Actual or Anticipated In-Service Date	Applicable Percentage	Credit Amount	
1.		6		648 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
2.		6		650 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
3.		6		652 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
4.		6		654 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
5.		6		656 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
6.		6		658 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
7.		6		660 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
8.		6		662 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
9.		6		664 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
10.		6		666 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
11.		6		668 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
12.		6		670 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
13.		6		672 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
14.		6		674 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
15.		6		676 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
16.		6		678 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
17.		6		680 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
18.		6		682 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
19.		6		684 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
20.		6		686 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
21.		6		688 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
22.		6		690 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
23.		6		692 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
24.		6		694 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
25.		6		696 Aqua Vista Dr		Newport News	VA	23607	\$553,000		4.00%	\$22,120	\$929,159		4.00%	\$37,166				\$0
26.												\$0				\$0				\$0
27.												\$0				\$0				\$0
28.												\$0				\$0				\$0
29.												\$0				\$0				\$0
30.												\$0				\$0				\$0
31.												\$0				\$0				\$0
32.												\$0				\$0				\$0
33.												\$0				\$0				\$0
34.												\$0				\$0				\$0
35.												\$0				\$0				\$0

150 0 If development has more than 35 buildings, contact Virginia Housing.

Totals from all buildings

\$13,825,000

\$23,228,975

\$0

\$553,000

\$929,159

\$0

Number of BINS: 25

V. STATEMENT OF OWNER

The undersigned hereby acknowledges the following:

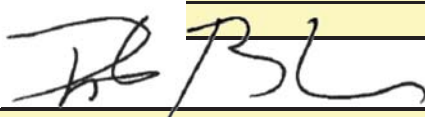
1. that, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct, and all estimates are reasonable.
2. that it will at all times indemnify and hold harmless Virginia Housing and its assigns against all losses, costs, damages, Virginia Housing's expenses, and liabilities of any nature directly or indirectly resulting from, arising out of, or relating to Virginia Housing's acceptance, consideration, approval, or disapproval of this reservation request and the issuance or nonissuance of an allocation of credits, grants and/or loan funds in connection herewith.
3. that points will be assigned only for representations made herein for which satisfactory documentation is submitted herewith and that no revised representations may be made in connection with this application once the deadline for applications has passed.
4. that this application form, provided by Virginia Housing to applicants for tax credits, including all sections herein relative to basis, credit calculations, and determination of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of Virginia Housing in reviewing reservation requests; that completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority.
5. that the undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings and that it will in all respects satisfy all applicable requirements of federal tax law and any other requirements imposed upon it by Virginia Housing prior to allocation, should one be issued.
6. that the undersigned commits to providing first preference to members of targeted populations having state rental assistance and will not impose any eligibility requirements or lease terms terms for such individuals that are more restrictive than its standard requirements and terms, the terms of the MOU establishing the target population, or the eligibility requirements for the state rental assistance.
7. that, for the purposes of reviewing this application, Virginia Housing is entitled to rely upon representations of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relative to the determination of qualified basis for the development as a whole and/or each building therein individually as well as the amounts and types of credit applicable thereof, but that the issuance of a reservation based on such representation in no way warrants their correctness or compliance with IRC requirements.
8. that Virginia Housing may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested.
9. that reservations of credits are not transferable without prior written approval by Virginia Housing at its sole discretion.

V. STATEMENT OF OWNER

- 10. that the requirements for applying for the credits and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or Virginia Housing regulations, or other binding authority.
- 11. that reservations may be made subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of a nonrefundable application fee of \$1000 and a nonrefundable reservation fee equal to 7% of the annual credit amount reserved.
- 12. that a true, exact, and complete copy of this application, including all the supporting documentation enclosed herewith, has been provided to the tax attorney who has provided the required attorney's opinion accompanying this submission.
- 13. that the undersigned has provided a complete list of all residential real estate developments in which the general partner(s) has (have) or had a controlling ownership interest and, in the case of those projects allocated credits under Section 42 of the IRC, complete information on the status of compliance with Section 42 and an explanation of any noncompliance. The undersigned hereby authorizes the Housing Credit Agencies of states in which these projects are located to share compliance information with the Authority.
- 14. that any principal of undersigned has not participated in a planned foreclosure or Qualified Contract request in Virginia after January 1, 2019.
- 15. that undersigned agrees to provide disclosure to all tenants of the availability of Renter Education provided by Virginia Housing.
- 16. that undersigned waives the right to pursue a Qualified Contract on this development.
- 17. that the information in this application may be disseminated to others for purposes of verification or other purposes consistent with the Virginia Freedom of Information Act. However, all information will be maintained, used or disseminated in accordance with the Government Data Collection and Dissemination Practices Act. The undersigned may refuse to supply the information requested, however, such refusal will result in Virginia Housing's inability to process the application. The original or copy of this application may be retained by Virginia Housing, even if tax credits are not allocated to the undersigned.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Owner: Robert Budman
Aqua Vista, LP

By: 

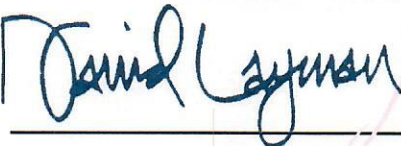
Its: Manager (Title)

V. STATEMENT OF ARCHITECT

The architect signing this document is certifying that the development plans and specifications incorporate all Virginia Housing Minimum Design and Construction Requirements (MDCR), selected LIHTC enhancements and amenities, applicable building codes and accessibility requirements.

In Witness Whereof, the undersigned, being authorized, has caused this document to be executed in its name on the date of this application set forth in DEV Info tab hereof.

Legal Name of Architect:	David Layman
Virginia License#:	0401015915
Architecture Firm or Company:	Hooker DeJong, Inc

By:  Digitally signed by 2251972TMG
Date: 2022.07.21 10:15:38 -04'00'

Its: President/CEO
(Title)

"Certify / Certification": A statement of the Architect's opinion or intention, based on his or her observations of conditions, to the best of the Architect's professional knowledge, information and belief. Such statement of opinion or intentions does not constitute a warranty, either express or implied. It is understood that the Architect's certification shall not relieve the Client or the Client's Contractors of any responsibility or obligation they may have by industry custom or under any contract.

Initials by Architect are also required on the following Tabs: Enhancement, Special Housing Needs and Unit Details.

W. LIHTC SELF SCORE SHEET

Self Scoring Process

This Self Scoring Process is intended to provide you with an estimate of your application's score based on the information included within the reservation application. Other items, denoted below in the yellow shaded cells, are typically evaluated by Virginia Housing's staff during the application review and feasibility process. For purposes of self scoring, we have made certain assumptions about your application. Edit the appropriate responses (Y or N) in the yellow shaded cells, if applicable. Items 5f and 5g require a numeric value to be entered.

Please remember that this score is only an estimate. Virginia Housing reserves the right to change application data and/or score sheet responses where appropriate, which may change the final score.

MANDATORY ITEMS:

	Included		Score
a. Signed, completed application with attached tabs in PDF format	Y	Y or N	0
b. Active Excel copy of application	Y	Y or N	0
c. Partnership agreement	Y	Y or N	0
d. SCC Certification	Y	Y or N	0
e. Previous participation form	Y	Y or N	0
f. Site control document	Y	Y or N	0
g. RESNET Certification	Y	Y or N	0
h. Attorney's opinion	Y	Y or N	0
i. Nonprofit questionnaire (if applicable)	Y	Y, N, N/A	0
j. Appraisal	Y	Y or N	0
k. Zoning document	Y	Y or N	0
l. Universal Design Plans	Y	Y or N	0
m. List of LIHTC Developments (Schedule A)	Y	Y or N	0
Total:			0.00

1. READINESS:

a. Virginia Housing notification letter to CEO (via Locality Notification Information App)	Y	0 or -50	0.00
b. Local CEO Opposition Letter	N	0 or -25	0.00
c. Plan of development < no points offered in Cycle 2022 >	N/A	0 pts for 2022	0.00
d. Location in a revitalization area based on Qualified Census Tract	Y	0 or 10	10.00
e. Location in a revitalization area with resolution	N	0 or 15	0.00
f. Location in a Opportunity Zone	N	0 or 15	0.00
Total:			10.00

2. HOUSING NEEDS CHARACTERISTICS:

a. Sec 8 or PHA waiting list preference	Y	0 or up to 5	0.03
b. Existing RD, HUD Section 8 or 236 program	Y	0 or 20	20.00
c. Subsidized funding commitments	0.00%	Up to 40	0.00
d. Tax abatement on increase of property's value	N	0 or 5	0.00
e. New project based rental subsidy (HUD or RD)	N	0 or 10	0.00
f. Census tract with <12% poverty rate	0%	0, 20, 25 or 30	0.00
g. Development provided priority letter from Rural Development	N	0 or 15	0.00
h. Dev. located in area with increasing rent burdened population	N	Up to 20	0.00
Total:			20.03

3. DEVELOPMENT CHARACTERISTICS:

a. Enhancements (See calculations below)			26.00
b. Project subsidies/HUD 504 accessibility for 5 or 10% of units	N	0 or 50	0.00
or c. HUD 504 accessibility for 10% of units	N	0 or 20	0.00
d. Proximity to public transportation (within Northern VA or Tidewater)	Y10	0, 10 or 20	10.00
e. Development will be Green Certified	Y	0 or 10	10.00
f. Units constructed to meet Virginia Housing's Universal Design standards	5%	Up to 15	0.80
g. Developments with less than 100 low income units	N	up to 20	0.00
h. Historic Structure eligible for Historic Rehab Credits	N	0 or 5	0.00
Total:			<u>46.80</u>

4. TENANT POPULATION CHARACTERISTICS:

Locality AMI	State AMI
\$84,500	\$59,700

a. Less than or equal to 20% of units having 1 or less bedrooms	N	0 or 15	0.00
b. <plus> Percent of Low Income units with 3 or more bedrooms	20.00%	Up to 15	0.00
c. Units with rent and income at or below 30% of AMI and are not subsidized (up to 10% of LI units)	0.00%	Up to 10	0.00
d. Units with rents at or below 40% of AMI (up to 10% of LI units)	0.00%	Up to 10	0.00
e. Units with rent and income at or below 50% of AMI	0.00%	Up to 50	0.00
f. Units with rents at or below 50% rented to tenants at or below 60% of AMI	0.00%	Up to 25	0.00
or g. Units in LI Jurisdictions with rents <= 50% rented to tenants with <= 60% of AMI	0.00%	Up to 50	0.00
Total:			<u>0.00</u>

5. SPONSOR CHARACTERISTICS:

a. Developer experience (Subdivision 5a - options a,b or c)	Y	0, 10 or 25	25.00
b. Experienced Sponsor - 1 development in Virginia	N	0 or 5	0.00
c. Experienced Sponsor - 3 developments in any state	N	0 or 15	0.00
d. Developer experience - life threatening hazard	N	0 or -50	0.00
e. Developer experience - noncompliance	N	0 or -15	0.00
f. Developer experience - did not build as represented (per occurrence)	0	0 or -2x	0.00
g. Developer experience - failure to provide minimum building requirements (per occurrence)	0	0 or -50 per item	0.00
h. Developer experience - termination of credits by Virginia Housing	N	0 or -10	0.00
i. Developer experience - exceeds cost limits at certification	N	0 or -50	0.00
j. Socially Disadvantaged Principal owner 25% or greater	N	0 or 5	0.00
k. Management company rated unsatisfactory	N	0 or -25	0.00
l. Experienced Sponsor partnering with Local Housing Authority pool applicant	N	0 or 5	0.00
Total:			<u>25.00</u>

6. EFFICIENT USE OF RESOURCES:

a. Credit per unit		Up to 200	61.46
b. Cost per unit		Up to 100	76.96
Total:			<u>138.42</u>

7. BONUS POINTS:

a. Extended compliance	35 Years	40 or 50	50.00
or b. Nonprofit or LHA purchase option	N	0 or 60	0.00
or c. Nonprofit or LHA Home Ownership option	N	0 or 5	0.00
d. Combined 9% and 4% Tax Exempt Bond Site Plan	N	Up to 30	0.00
e. RAD or PHA Conversion participation and competing in Local Housing Authority pool	N	0 or 10	0.00
f. Team member with Diversity, Equity and Inclusion Designation	Y	0 or 5	5.00
g. Commitment to electronic payment of fees	Y	0 or 5	5.00
Total:			<u>60.00</u>

400 Point Threshold - all 9% Tax Credits
 300 Point Threshold - Tax Exempt Bonds

TOTAL SCORE: 300.25

Enhancements:

	Max Pts	Score
All units have:		
a. Community Room	5	0.00
b. Exterior walls constructed with brick and other low maintenance materials	40	20.00
c. Sub metered water expense	5	0.00
d. Watersense labeled faucets, toilets and showerheads	3	0.00
e. Rehab only: Infrastructure for high speed internet/broadband	1	1.00
f. N/A for 2022	0	0.00
g. Each unit provided free individual high speed internet access	10	0.00
h. Each unit provided free individual WiFi	12	0.00
i. Bath Fan - Delayed timer or continuous exhaust	3	3.00
j. Baths equipped with humidistat	3	0.00
k. Cooking Surfaces equipped with fire prevention features	4	0.00
l. Cooking surfaces equipped with fire suppression features	2	0.00
m. Rehab only: dedicated space to accept permanent dehumidification system	2	0.00
n. Provides Permanently installed dehumidification system	5	0.00
o. All interior doors within units are solid core	3	0.00
p. USB in kitchen, living room and all bedrooms	1	0.00
q. LED Kitchen Light Fixtures	2	2.00
r. N/A for 2022	0	0.00
s. New Construction: Balcony or patio	4	0.00
		<u>26.00</u>
All elderly units have:		
t. Front-control ranges	1	0.00
u. Independent/suppl. heat source	1	0.00
v. Two eye viewers	1	0.00
w. Shelf or Ledge at entrance within interior hallway	2	0.00
		<u>0.00</u>
Total amenities:		<u>26.00</u>

X. Development Summary

Summary Information 2022 Low-Income Housing Tax Credit Application For Reservation

Deal Name: Aqua Vista Apartments

Cycle Type: 4% Tax Exempt Bonds Credits Requested Credit Amount: \$1,484,000
 Allocation Type: Acquisition/Rehab Jurisdiction: Newport News City
 Total Units: 150 Population Target: General
 Total LI Units: 150
 Project Gross Sq Ft: 124,346.00 Owner Contact: George Saad
 Green Certified? TRUE

Total Score
300.25

Source of Funds	Amount	Per Unit	Per Sq Ft	Annual Debt Service
Permanent Financing	\$22,000,000	\$146,667	\$177	\$1,420,712
Grants	\$0	\$0		
Subsidized Funding	\$0	\$0		

Uses of Funds - Actual Costs				
Type of Uses	Amount	Per Unit	Sq Ft	% of TDC
Improvements	\$10,179,025	\$67,860	\$82	28.71%
General Req/Overhead/Profit	\$1,425,064	\$9,500	\$11	4.02%
Other Contract Costs	\$145,000	\$967	\$1	0.41%
Owner Costs	\$6,078,322	\$40,522	\$49	17.15%
Acquisition	\$14,600,000	\$97,333	\$117	41.18%
Developer Fee	\$3,024,193	\$20,161	\$24	8.53%
Total Uses	\$35,451,604	\$236,344		

Total Development Costs	
Total Improvements	\$17,827,411
Land Acquisition	\$14,600,000
Developer Fee	\$3,024,193
Total Development Costs	\$35,451,604

Proposed Cost Limit/Sq Ft: \$168
 Applicable Cost Limit/Sq Ft: \$231
 Proposed Cost Limit/Unit: \$139,011
 Applicable Cost Limit/Unit: \$225,968

Income	
Gross Potential Income - LI Units	\$2,699,316
Gross Potential Income - Mkt Units	\$0
Subtotal	\$2,699,316
Less Vacancy %	5.00%
Effective Gross Income	\$2,564,350

Unit Breakdown	
Supp Hsg	0
# of Eff	0
# of 1BR	60
# of 2BR	60
# of 3BR	30
# of 4+ BR	0
Total Units	150

Rental Assistance? TRUE

Expenses		
Category	Total	Per Unit
Administrative	\$204,880	\$1,366
Utilities	\$204,449	\$1,363
Operating & Maintenance	\$237,210	\$1,581
Taxes & Insurance	\$217,534	\$1,450
Total Operating Expenses	\$864,073	\$5,760
Replacement Reserves	\$45,000	\$300
Total Expenses	\$909,073	\$6,060

	Income Levels	Rent Levels
	# of Units	# of Units
<=30% AMI	0	0
40% AMI	0	0
50% AMI	0	0
60% AMI	150	150
>60% AMI	0	0
Market	0	0

Cash Flow	
EGI	\$2,564,350
Total Expenses	\$909,073
Net Income	\$1,655,277
Debt Service	\$1,420,712
Debt Coverage Ratio (YR1):	1.17

Income Averaging? FALSE

Extended Use Restriction? 50

i. Efficient Use of Resources

Credit Points for 9% Credits:

* 4% Credit applications will be calculated using the E-U-R TE Bond Tab

If the Combined Max Allowable Credits is \$500,000 and the annual credit requested is \$200,000, you are providing a 60% savings for the program. This deal would receive all 200 credit points.

For another example, the annual credit requested is \$300,000 or a 40% savings for the program. Using a sliding scale, the credit points would be calculated by the difference between your savings and the desired 60% savings. Your savings divided by the goal of 60% times the max points of 200. In this example, $(40\%/60\%) \times 200$ or 133.33 points.

Combined Max	\$1,489,980
Credit Requested	\$1,484,000
% of Savings	0.40%
Sliding Scale Points	1.33

4% Deals EUR Points 61.46

Cost Points:

If the Applicable Cost by Square foot is \$238 and the deal’s Proposed Cost by Square Foot was \$119, you are saving 50% of the applicable cost. This deal would receive all 100 cost points.

For another example, the Applicable Cost by SqFt is \$238 and the deal’s Proposed Cost is \$153.04 or a savings of 35.70%. Using a sliding scale, your points would be calculated by the difference between your savings and the desired 50% savings. Your savings divided by the goal of 50% times the max points 100. In this example, $(35.7\%/50\%) \times 100$ or 71.40 points.

Total Costs Less Acquisition	\$20,851,604
Total Square Feet	124,346.00
Proposed Cost per SqFt	\$167.69
Applicable Cost Limit per Sq Ft	\$231.00
% of Savings	27.41%
Total Units	150
Proposed Cost per Unit	\$139,011
Applicable Cost Limit per Unit	\$225,968
% of Savings	38.48%
Max % of Savings	38.48%
Sliding Scale Points	76.96

\$/SF = **\$380.26** Credits/SF = **11.936937** Const \$/unit = **\$78,327.26**

TYPE OF PROJECT
LOCATION
TYPE OF CONSTRUCTION

GENERAL = 11000; ELDERLY = 12000
Inner-NVA=100; Outer-NV=200; NWC=300; Rich=400; Tid=500; Balance=600
N C=1; ADPT=2; REHAB(35,000+)=3; REHAB (10,000-35,000)=4

11000
500
3

500
3

*REHABS LOCATED IN BELTWAY (\$10,000-\$50,000) See Below

	GENERAL		Elderly				
	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
AVG UNIT SIZE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	0	0	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0
CREDIT PARAMETER	0	0	0	0	0	0	0
PROJECT CREDIT PER UNIT	0	0	0	0	0	0	0
CREDIT PER UNIT POINTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	GENERAL							
	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
AVG UNIT SIZE	0.00	671.00	888.00	1,026.00	0.00	0.00	0.00	0.00
NUMBER OF UNITS	0	60	60	30	0	0	0	0
PARAMETER-(CREDITS=>35,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<35,000)	0	0	0	0	0	0	0	0
PARAMETER-(CREDITS=>50,000)	0	11,550	15,675	16,913	0	0	0	0
PARAMETER-(CREDITS<50,000)	0	0	0	0	0	0	0	0
CREDIT PARAMETER	0	11,550	15,675	16,913	0	0	0	0
PROJECT CREDIT PER UNIT	0	8,010	10,600	12,247	0	0	0	0
CREDIT PER UNIT POINTS	0.00	24.52	25.90	11.03	0.00	0.00	0.00	0.00

TOTAL CREDIT PER UNIT POINTS **61.46**

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Credit Parameter	0	11,550	15,675	16,913	0	0	0	0

Northern Virginia Beltway (Rehab costs \$10,000-\$50,000)

Credit Parameters - Elderly

	Supportive Hsg	EFF-E	1 BR-E	2 BR-E	EFF-E-1 ST	1 BR-E-1 ST	2 BR-E-1 ST
Standard Credit Parameter - low rise	0	0	0	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	0	0	0	0	0	0

Credit Parameters - General

	EFF-G	1 BR-G	2 BR-G	3 BR-G	4 BR-G	2 BR-TH	3 BR-TH	4 BR-TH
Standard Credit Parameter - low rise	0	11,550	15,675	16,913	0	0	0	0
Parameter Adjustment - mid rise	0	0	0	0	0	0	0	0
Parameter Adjustment - high rise	0	0	0	0	0	0	0	0
Adjusted Cost Parameter	0	11,550	15,675	16,913	0	0	0	0

Tab A:

Partnership or Operating Agreement, including chart of ownership structure with percentage of interests and Developer Fee Agreement (MANDATORY)

**AGREEMENT OF LIMITED PARTNERSHIP
OF
AQUA VISTA, LP**

THIS AGREEMENT OF LIMITED PARTNERSHIP OF Aqua Vista, LP (this "**Agreement**"), dated effective as of May 15, 2021, is adopted, executed and agreed to by Aqua Vista GP, LLC, a California limited liability company, as General Partner and Robert Budman, an individual, as Limited Partner.

**ARTICLE I
DEFINITIONS**

When used in this Agreement, the following terms shall have the meanings set forth below:

1.1 "**Adjusted Capital Account Balance**" means the balance in any Partner's Capital Account, reduced as of the end of each year, for all reasonably expected: (i) allocations of loss and deduction pursuant to Sections 704(c), 704(e)(2), 706(d), and 751(b) of the Code; and (ii) distributions to be made to such Partner.

1.2 "**Agreement**" means this Agreement of Limited Partnership as amended from time to time pursuant to Article X of this Agreement.

1.3 "**Approval of the Limited Partner**" means the written approval of those Limited Partner who, at the time the Partnership action is being considered for approval, have at least 75% of the Percentage Interests of all the Limited Partners.

1.4 "**Capital Contribution**" means, as to any Partner, the sum of the Partner's Initial Capital Contribution payments actually made plus the Partner's Optional Capital Contribution, if any. "**Initial Capital Contribution**" means, as to any Partner, the amount set forth opposite the Partner's name under "Initial Capital Contribution" as described on Exhibit A attached hereto and made a part hereof for all purposes. "**Optional Capital Contribution**" means, as to any Partner, the amount, if any, contributed by the Partner to the Partnership pursuant to Section 3.2.

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

1.6 "**General Partner**" or "**General Partners**" means any person or persons designated as a General Partner in the Schedule or any other person or entity who becomes a general partner of the Partnership pursuant to this Agreement. If at any time the Partnership shall have more than one General Partner, the term "General Partner" shall be construed as plural.

1.7 "**Lender**" means any permanent or construction lender for the Project.

1.8 "**Limited Partner**" means Robert Budman, and additionally, those persons who are admitted in accordance with the terms of Article IX hereof (but such additional persons shall become Limited Partners only upon their having been formally admitted under the terms hereof). Such term shall also include those persons who become a Substituted Limited Partner pursuant to this Agreement.

1.9 **"Majority in Interest of the Partners"** means Partners owning in the aggregate more than fifty percent (50%) in Percentage Interests (not in number) of the Units.

1.10 **"Partners"** means the General Partner and the Limited Partner, collectively.

1.11 **"Partnership"** means the limited partnership formed pursuant to this Agreement.

1.12 **"Percentage Interests"** means each Partner's beneficial ownership interest in the Partnership as set forth in Section 4.1.

1.13 **"Project"** means the low income housing tax credit project in Newport News, Virginia, known as Aqua Vista Apartments.

1.14 **"Special Limited Partner"** or **"Special Limited Partners"** means any person or persons or entity who becomes a special limited partner of the Partnership pursuant to this Agreement. If at any time the Partnership shall have more than one Special Limited Partner, the term "Special Limited Partner" shall be construed as plural.

1.15 **"Substituted Limited Partner"** means a person who is admitted to the Partnership by the General Partner according to Section 9.2 hereof.

1.16 **"Units"** means the increments of limited partnership interest to be owned by those Limited Partners who make the Initial Capital Contributions described in Section 3.1 below. After the Partnership's receipt of the Limited Partners' Initial Capital Contributions, the Limited Partner herein shall own a Percentage Interest of 99.99% of the Partnership.

ARTICLE II CONTINUATION; NAME; AND PURPOSE

2.1 Formation. Upon the terms and conditions set forth herein, the Partners do hereby form a limited partnership pursuant to the provisions of the Act. The General Partner shall promptly file a Certificate of Limited Partnership in accordance with the Act. Except as provided herein, the Act shall govern the rights and liabilities of the Partners.

2.2 Name. The name of the Partnership is Aqua Vista, LP and all business of the Partnership shall be conducted under such name.

2.3 Term. The term of the Partnership shall commence on the date of this Agreement and shall continue until December 31, 2070, unless sooner terminated pursuant to Article XI herein.

2.4 Purposes. The principal business of the Partnership is to purchase the Project, for the purpose of rehabilitating, maintaining, operating, leasing, disposing of and otherwise dealing with the Project in accordance with any applicable regulations, and the provisions of this Agreement. The Partnership shall not engage in any other business or activity.

2.5 Principal Place of Business. The principal place of business of the Partnership and the address where records are kept for inspection purposes is National Registered Agents, Inc.,

4701 Cox Road, Suite 285, Glen Allen, VA 23060. The General Partner may designate other places to be used as additional Partnership offices for the purpose of carrying on the business of the Partnership.

2.6 Address of General Partner. The address of the General Partner is 11911 San Vicente Blvd., Suite 355, Los Angeles, California 90049.

2.7 Names and Residences of the Limited Partner. The name and address of each Limited Partner of the Partnership is set forth on Exhibit A hereto.

ARTICLE III CAPITALIZATION AND USE OF PROCEEDS

3.1 Initial Capital Contributions. Each Partner shall contribute in cash to the capital of the Partnership such Partner's Initial Capital Contribution.

3.2 Optional Capital Contributions. Each Partner may, but shall not be obligated to, contribute to the capital of the Partnership, additional Capital Contributions ("**Optional Capital Contribution**") in such amounts as are necessary for the continued operation of the partnership, as determined by the General Partner after Approval of the Limited Partners.

3.3 No Further Contributions or Loans. The liability of a General or Limited Partner to the Partnership is limited to the amount of its Capital Contribution. Accordingly, the contributions called for in Section 3.1 are the only funds a Partner is required to furnish to the Partnership, whether by way of contribution, loan or otherwise. The option of the Partners to make Optional Capital Contributions under Section 3.2 above is solely for the benefit of the Partnership and the Partners, and is not intended to create any rights in any third parties.

3.4 Capital Account. A capital account complying with the Special Allocation Regulations shall be established for each Partner. A Partner's capital account shall:

(i) be credited with the amount of money contributed by the Partner; the fair market value of property contributed by the Partner (net of liabilities encumbering the contributed property that the Partnership is considered to have assumed or taken subject to Section 752 of the Code); and the Partner's share of income and gain (or items thereof) as specified in Article IV; and

(ii) be debited with the amount of money distributed to the Partner; the fair market value of property distributed to the Partner (net of liabilities encumbering the distributed property that the Partner is considered to have assumed or taken subject to Section 752 of the Code); the Partner's distributive share of Partnership expenditures described in Section 705(a)(2)(B) of the Code; and the Partner's share of loss and deduction (or items thereof), other than expenditures described in Section 705(a)(2)(B) of the Code, as specified in Article IV.

3.5 Use of Proceeds. The proceeds from the Capital Contributions shall be used to invest in the Project, and for general liquidity and working capital needs of the Partnership.

**ARTICLE IV
ALLOCATIONS**

4.1 General. Each item of Partnership income, gain, losses, deductions and credits (including nonrecourse deductions, items of income exempt from federal income tax, and expenditures not deductible in computing taxable income) shall be allocated to each Partner according to such Partner's Percentage Interest. The Percentage Interests of the Partners are presently as follows:

<u>General Partner</u>	.01%
<u>Limited Partner</u>	99.99%

**ARTICLE V
DISTRIBUTIONS**

5.1 Distributions.

(a) Except as hereinafter provided, after completion of development of the Project all Partnership cash (including the Capital Contributions of the Limited Partners not required for Partnership obligations, operations or other expenses shall be distributed not less than annually (and, if annually, within 45 days after the end of each calendar year) as follows:

(i) Available cash shall be distributed to any Partner who has made a Partner Loan under Section 5.2 below until such time as all principal and accrued and unpaid interest has been paid in full; and

(ii) Then, all available cash shall be distributed among the Partners pro-rata in accordance with their respective Percentage Interest.

(b) All cash derived by the Partnership (directly or indirectly, through a partnership or joint venture, or other entity) from the sale, exchange, abandonment, foreclosure or other disposition (other than by lease in the ordinary course of business) of the Project shall be distributed to the Partners as soon as reasonably practicable following the receipt of same by the Partnership, and after the payment of all debts and liabilities of the Partnership (other than Partner Loans) related to the Project and all expenses incurred in selling the Project. All such distributions to the Partners shall be made as follows:

(i) First, all available cash shall be distributed to any Partner who has made a Partner Loan until such time as all principal and accrued and unpaid interest has been paid in full; and

(ii) Second, all available cash shall be distributed 100% to the General Partner.

5.2 Partner Loans. If the Partnership needs funds in addition to the capital contributions and cash flow from the Project, any Partner shall have the right (but not the obligation) to loan funds to the Partnership (herein called a "**Partner Loan**"). If any Partner makes a Partner Loan to the Partnership under the terms of this Section 5.2, such loan shall bear interest from the date such advance or payment was made until such loan is repaid at a floating rate per annum equal to the lesser of (i) two percent (2%) over the prime rate then being charged by the bank in which the Partnership maintains its primary bank account, or (ii) the highest interest rate allowed by law of the State of Texas.

ARTICLE VI BANK ACCOUNTS, BOOKS OF ACCOUNT, REPORTS, AND FISCAL YEAR

6.1 Bank Account Investments. The Partnership shall establish one or more bank accounts into which Partnership funds shall be deposited. No other funds shall be deposited into these accounts. Funds deposited in the Partnership's bank accounts may be withdrawn only to pay Partnership debts and obligations or to be distributed to the Partners pursuant to this Agreement.

6.2 Books and Records. The Partnership shall cause complete and accurate books of account and records relative to the Partnership's business to be kept. The books shall be prepared in accordance with federal income tax principles, consistently applied, utilizing the cash or accrual method of accounting. The General Partner shall provide reasonable access during normal business hours to the Lender or any of their duly authorized representatives to any books, documents, papers, and records of the Partnership that directly relate to the Public Housing Units for the purpose of making audits, examinations, excerpts, and transcriptions.

6.3 Annual Reports. No less than once each calendar year, the Partnership shall furnish to each Partner unaudited financial statements of the Partnership.

6.4 Determination of Profit and Loss. All items of Partnership income, expense, gain, loss, deduction, and credit shall be determined with respect to, and allocated in accordance with this Agreement for each Partner for each Partnership fiscal year. Within ninety (90) days after the end of each Partnership fiscal year, the Partnership shall cause to be prepared and furnished to each Limited Partner, at Partnership expense, a balance sheet of the Partnership (dated as of the end of the fiscal year then ended), a related statement of income and loss for the Partnership (for the same year), and all other financial information reasonably requested by any Limited Partner.

6.5 Tax Returns and Information. The Partners intend for the Partnership to be treated as a partnership for tax purposes. The General Partner shall make all tax elections and determinations as the General Partner may deem suitable or advisable, and shall prepare or cause to be prepared all federal, state, and local income and other tax returns which the Partnership is required to file, and shall furnish same to the Partners, together with a copy of each Partner's K-1 and any other information which any Limited Partner may reasonably request relating thereto, no later than 30 days prior to the date, computed with regard to permitted extensions, that such returns must be filed without incurring interest or penalty.

6.6 Tax Audits. The General Partner is hereby designated as the Partnership Representative of the Partnership pursuant to Section 6223 of the Code. The Partnership Representative shall appoint the Designated Individual for purposes of Section 6223 of the Code.

6.7 Fiscal Year. The Partnership fiscal year shall be the calendar year.

ARTICLE VII RIGHTS AND OBLIGATIONS OF THE GENERAL PARTNER

7.1 Rights of the General Partner. The General Partner shall have the exclusive right and authority to manage the operations and affairs of the Partnership and to make decisions regarding the business of the Partnership, devoting such time and talents to such management as the General Partner may from time to time deem necessary, but otherwise may engage in other similar or dissimilar business endeavors without being expected to account to the Partnership or to offer any business opportunity to the Partnership or any Limited Partner. Any action required or permitted to be taken by a corporate General Partner hereunder may be taken by such of its proper officers or agents as it shall validly designate for such purpose.

7.2 Specific Authority of the General Partner and Limitations Thereon. The General Partner shall manage the day-to-day operations of the Partnership, direct and control the Partnership and the Project, have all rights, powers and authority conferred by law or necessary, or advisable, and consistent with accomplishing the Partnership's purpose and is hereby authorized, acting alone, to execute and deliver in the name of and on behalf of the Partnership all documents and papers (including any required by any Lender) as such General Partner deems necessary or desirable in carrying out such duties hereunder.

7.3 Removal of General Partner. The General Partner may be removed upon the Approval of the Limited Partner and upon the acceptance of the duties and responsibilities of the General Partner by a person or entity qualified to act in that capacity, upon the occurrence of any of the following events:

- (a) If the General Partner shall voluntarily resign or withdraw;
- (b) If the General Partner is dissolved;
- (c) If it is determined by a court of competent jurisdiction that the General Partner is guilty of fraud with respect to the Partnership or has misappropriated Partnership funds or property, or has materially breached other provisions of this Agreement; or
- (d) If the Limited Partners unanimously join in the execution of a written document directing the removal of the General Partner.

Upon any removal under this Section 7.3, the interest of the General Partner shall be converted to that of a Special Limited Partner. As Special Limited Partner, the removed General Partner shall no longer be entitled to the rights or subject to the obligations set forth in this Article VII and shall instead be subject to the rights and obligations of Limited Partners as set forth in Article VIII. Notwithstanding the foregoing, however, the Special Limited Partner shall continue to be entitled to the allocations and distributions described herein with respect to its interest in the Partnership.

7.4 Indemnification. The Partners shall be indemnified by the Partnership to the fullest extent permitted by the Act from the assets of the Partnership from and against any loss, expense, damage, or injury suffered or sustained by the Partners by reason of any acts, omissions or alleged acts or omissions even if such acts or omissions constituted the negligence of the Partners arising out of its activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including, but not limited to, any judgment, award, settlement, attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim if the acts, omissions or alleged acts or omissions upon which such actual or threatened action, proceeding, or claim is based were for a purpose reasonably believed by the Partners to be in the best interest of the Partnership and were not performed or omitted fraudulently or in bad faith by such indemnified party.

7.5 Other Business Activities of the Partners. Any of the Partners, including the General Partner and the Special Limited Partners, may engage in or possess an interest in other business ventures of every nature and description, independently or with others, and neither the Partnership nor the Partners shall have, or have the right to acquire, by virtue of this Agreement, any right in and to such venture or to the income or profit derived therefrom.

ARTICLE VIII RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS

8.1 Limited Liability. No Limited Partner shall be personally liable for any of the debts of the Partnership or any of the losses thereof beyond the amount contributed by the Limited Partner to Partnership Capital and the share of undistributed profits of the Partnership attributable to such Limited Partner.

8.2 No Management Responsibility. No Limited Partner, as such, shall take part in the management of the business or transact any business for the Partnership. All management responsibility is vested in the General Partner.

8.3 Withdrawal. No Limited Partner shall be entitled to withdraw from the Partnership without the approval of the General Partner.

8.4 Bankruptcy; Death. Neither the bankruptcy, death, disability nor declaration of incompetence of a Limited Partner shall dissolve the Partnership, but the rights of a Limited Partner to share in the profits and losses of the Partnership and to receive distributions of Partnership funds shall, on the happening of such an event, devolve upon the Limited Partner's estate, legal representative or successors in interest, as the case may be, subject to this Agreement, and the Partnership shall continue as a limited partnership. The Limited Partner's estate, representative or successors in interest shall be liable for all of the obligations of the Limited Partner. In no event shall the estate, representative or successors in interest become a substituted limited partner, except in accordance with Article IX.

ARTICLE IX TRANSFER OF RIGHTS

9.1 Transfers by Limited Partners. A Limited Partner may sell, assign, or otherwise transfer all or any portion of his Percentage Interest in the Partnership without the prior written

consent of the General Partner if such sale, assignment, or other transfer is pursuant to an effective registration statement under all applicable federal and state securities laws or if the transaction is exempt from registration under such laws. No transferee of a Partnership interest shall become a Substituted Limited Partner except as provided in Section 9.2 below. Any Limited Partner who sells, assigns, or otherwise transfers all or any portion of his interest in the Partnership shall promptly notify the General Partner of such transfer and furnish the General Partner with the name and address of the transferee and such other information as might be required under Section 6050K of the Code and the Treasury Regulations thereunder.

9.2 Substituted Limited Partner. Upon the Approval of the Limited Partners, the General Partner shall admit a transferee of the Units of a Limited Partner as a Substituted Limited Partner in the Partnership. Any transferee who desires to become a Substituted Limited Partner shall deliver to the General Partner an opinion of counsel that the proposed transfer complies with all applicable law, execute a written acceptance and adoption of the provisions of this Agreement and a written assumption of the obligations of its transferor; and pay all expenses incurred by the Partnership in connection with such transfer and admission, including the cost of preparing and filing an amendment to the Certificate, if required, and such expenses shall not be deemed Capital Contributions by the Substituted Partners. The Partnership shall continue with the same basis and capital account for the Substituted Limited Partner as was attributable to his transferor. The name, address, and Percentage Interest of the Substituted Limited Partner shall be duly noted on the records of the General Partner.

9.3 Rights of Transferee. Unless and until any assignee, transferee, heir, or legatee becomes a Substituted Limited Partner (in accordance with Section 9.2 above), his status and rights shall be limited to the rights of an assignee of a limited partnership interest under Section 7.2 of the Act.

9.4 Transfer by General Partner. Except as otherwise provided herein, the General Partner may not sell, assign, hypothecate, or otherwise transfer, voluntarily or by operation of law, all or any portion of its rights, titles or interest as General Partner in the Partnership without the approval of a Majority in Interest of the Partners, which any Partner may, in its sole discretion, grant or deny. The Limited Partners will be excused from accepting the performance of and rendering performance to any other person as general partner hereunder (including any trustee or assignee of or from the General Partner) as to whom such prior written consent has not been rendered. Notwithstanding the foregoing, the General Partner may make an assignment of its interest as General Partner which vests in the assignee the rights of an assignee under the Act, and which does not result in a change or substitution of the General Partner.

ARTICLE X AMENDMENT OF LIMITED PARTNERSHIP AGREEMENT; MEETINGS

10.1 Amendments. Upon the Approval of the Limited Partners, the General Partner shall amend any provisions of this Agreement, and execute whatever documents may be required in connection therewith, to reflect:

(a) a change in the name of the Partnership or the location of the principal place of business of the Partnership;

(b) the admission of Substituted Limited Partners in accordance with the terms of Article IX hereof, including a Substitute Limited Partner who has acquired less than 100% of the Limited Partner's Units and Percentage Interest;

(c) a change which is necessary to qualify the Partnership as a limited partnership under the laws of any state or which is necessary and advisable to ensure that the Partnership will not be treated as an association taxable as a corporation for federal income tax purposes; or

(d) any other amendments similar to the foregoing.

10.2 Other Amendments. Amendments to this Agreement, other than those described in Section 10.1, may be adopted by the affirmative vote of the General Partner and a Majority in Interest of the Partners. The General Partner may seek the written vote of the Limited Partner or may call a meeting.

10.3 Amendments not Allowable. Unless otherwise approved by the General Partner, no amendment to this Agreement shall be permitted if the effect of same would be to increase the duties or liabilities of the General Partner.

10.4 Meetings of the Partners. Meetings of the Partners to vote upon any matters on which the Limited Partners are authorized to take action under this Agreement may be called by the General Partner, or by the written request of Limited Partners holding not less than 30% of the total Percentage Interest in the Partnership. The notice will state the nature of the business to be transacted and the meeting will be held at the offices of the General Partner not less than 10 nor more than 60 days from the date of the notice. Limited Partners may vote in person or by proxy at any such meetings. Action may be taken without a meeting provided that the General Partner and/or the Limited Partners owning the requisite Percentage Interest in the Partnership sign written authorizations approving such action.

ARTICLE XI DISSOLUTION

11.1 Causes. Each Partner expressly waives any right which it might otherwise have to dissolve the Partnership except as set forth in this Article XI. Upon the happening of the first to occur of the following events, the Partnership shall be dissolved:

(a) the bankruptcy or removal of the General Partner, or any other occurrence which would legally disqualify the General Partner from acting hereunder;

(b) the retirement, resignation or withdrawal from the Partnership by a General Partner unless the business of the Partnership is continued pursuant to Section 11.2;

- (c) the execution by the General Partner and those Limited Partners who own at least 75% of the Percentage Interests of all of the Limited Partners of an instrument dissolving the Partnership;
- (d) the Partnership ceases to maintain any interest (which term shall include, without limitation, an interest as lienholder or secured party) in the Project;
- (e) the occurrence of any other circumstance which, by law, would require that the Partnership to be dissolved; or
- (f) the expiration of the stated term of the Partnership.

Nothing contained in this Section 11.1 is intended to grant to any Partner the right to dissolve the Partnership at will (by retirement, resignation, withdrawal or otherwise), or to exonerate any Partner from liability to the Partnership and the remaining Partners if it dissolves the Partnership at will. Any dissolution at will of the Partnership, including dissolution caused pursuant to Section 11.1(b), shall be in contravention of this Agreement for purposes of the Act. Dissolution of the Partnership under Section 11.1(c) or (d) shall not constitute dissolution at will.

11.2 Reconstitution. If the Partnership is dissolved as a result of an event described in Section 11.1(a) or (b), the Partnership may be reconstituted and its business continued if, within 90 days after the date of dissolution, those Limited Partners who own at least 67% of the Partnership Interests of all of the Limited Partners affirmatively elect to reconstitute the Partnership, agree on the identity of the new general partner or partners and execute an instrument confirming such facts. If the Partnership is reconstituted, an amendment to this Agreement shall be executed and filed of record.

11.3 Interim Manager. If the Partnership is dissolved as a result of an event described in Section 11.1(a) or (b), those Limited Partner who owns at least 67% of the Partnership Interests of all of the Limited Partner may appoint an interim manager of the Partnership, who shall have and may exercise only the rights, powers and duties of a general partner necessary to preserve the Partnership assets, until (a) the new general partner is elected pursuant to Section 11.2, if the Partnership is reconstituted or (b) a Liquidator is appointed, if the Partnership is not reconstituted. The interim manager shall not be liable as a general partner to the Limited Partner and shall, while acting in the capacity as interim manager on behalf of the Partnership, be entitled to the same indemnification rights as are set forth in Section 7.4.

ARTICLE XII MISCELLANEOUS PROVISIONS

12.1 Entire Contract. This Agreement and the Certificate of Limited Partnership filed with the Secretary of State of Virginia shall constitute the entire contract between the parties, and there are no other agreements outstanding which are not specifically mentioned herein; provided, however, that the parties may by agreement amend and supplement this Agreement from time to time.

12.2 Notices. Notices hereunder shall be in writing and shall be deemed to be delivered when placed in the United States mail if properly posted with postage prepaid, in an envelope

properly addressed to the last known address of the addressee hereunder, and sent by registered or certified mail. Until further notice, addresses are shown in Exhibit A hereto.

12.3 Nature of Interest of Limited Partners. The interest of each Limited Partner in this Partnership is personal property.

12.4 Place of Contract. This Agreement shall be construed and enforced according to the laws of the State of Virginia, exclusive of said state's conflict and choice of law principles which would result in the application of the laws of another state.

12.5 Execution in Counterparts. This Agreement may be executed in multiple counterparts, each to constitute an original, but all in the aggregate to constitute one agreement, as executed, and to be binding upon and inure to the benefit of the parties hereto, their heirs, representatives, successors, and assigns.


[Signature page follows.]

The undersigned General Partner and Limited Partner have executed this Agreement as of the date first set forth above:

GENERAL PARTNER:

AQUA VISTA GP, LLC,
a California limited liability company

By: BLVD Capital LLC,
a Delaware limited liability company,
its Manager

By: 
Robert Budman, Manager

LIMITED PARTNER:


ROBERT BUDMAN

EXHIBIT A

INITIAL CAPITAL CONTRIBUTION

	<u>Contribution</u>	<u>Units</u>
GENERAL PARTNER:		
Aqua Vista GP, LLC 11911 San Vicente Blvd., Suite 355 Los Angeles, CA 90049	\$.01	.01%
LIMITED PARTNER:		
Robert Budman 11911 San Vicente Blvd., Suite 355 Los Angeles, CA 90049	\$ 99.99	99.99%

OPERATING AGREEMENT
of
AQUA VISTA GP, LLC

This Operating Agreement (this “**Agreement**”) of Aqua Vista GP, LLC, a California limited liability company (the “**Company**”), is dated as of January 21, 2021, by BLVD Capital LLC, a Delaware limited liability company, as the sole member (the “**Sole Member**”), with reference to the following facts:

RECITALS

A. The Articles of Organization (the “**Articles**”) of the Company were filed on April 30, 2021 with the California Secretary of State.

B. The Sole Member now desires to adopt and approve an operating agreement for the Company.

AGREEMENT

1. Formation. CLAS (“**Agent**”) is authorized to file the Company’s initial Articles with the California Secretary of State (such authorization being retroactive) pursuant to and in accordance with the California Revised Uniform Limited Liability Company Act (Corporations Code Section 17701, et seq.), as amended from time to time (the “**Act**”). Agent shall have no liability to the Company and following such filing shall have no authority or responsibilities with respect to the Company.Name. The name of the Company is Aqua Vista, GP, LLC. Term. The Company shall continue until terminated as provided in Section 15. Purpose and Powers. The purpose of the Company is to engage in any lawful activity for which a limited liability company may be organized under the Act.Principal Business Office. The principal office of the Company shall be located at 11911 San Vicente Blvd., Suite 355, Los Angeles, California 90049, or at such location as may hereafter be determined by the Sole Member.Registered Agent and Office. The Company’s registered agent and office in California shall be Robert Budman, 11911 San Vicente Blvd., Suite 355, Los Angeles, CA 90049, or at such location as may hereafter be determined by the Sole Member. Member Mailing Address. The mailing address for the Sole Member is set forth on Schedule 1 attached hereto.Limited Liability. The debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and the Sole Member shall not be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company.Capital Contributions. The Sole Member is admitted as the Sole Member of the Company upon its execution and delivery of this Agreement. The Sole Member has contributed initial capital into the Company. The Sole Member may contribute, but shall not be required to contribute, additional capital as the Sole Member shall determine in its sole and absolute discretion.Tax Matters; Treatment of Profits and Losses. For so long as, and during such time as the Company shall have only one Member, for federal and relevant state income and/or franchise tax purposes (but for no other purpose whatsoever), the Company shall be disregarded as an entity separate from the Sole Member, as provided in Section 301.7701-3(a) of the Federal Income Tax Regulations and any comparable provision of relevant state income or franchise tax law, regulation or administrative

pronouncement. The Sole Member and the Company shall take any and all actions necessary or appropriate to accomplish the foregoing, and neither the Sole Member nor the Company shall at any time take any action that is or might be inconsistent with the foregoing. Consistent with such treatment for federal and relevant state income or franchise tax purposes, each of the assets and each of the liabilities of the Company shall be treated as an asset or a liability (as appropriate) of the Sole Member (and not of the Company) for federal and relevant state income and/or franchise tax purposes (but for no other purpose whatsoever), and each item of income, gain, loss, deduction and credit recognized by the Company shall be treated as having been recognized by the Sole Member (and not by the Company) for federal and relevant state income and/or franchise tax purposes (but for no other purpose whatsoever). Distributions. Distributions of cash shall be made to the Sole Member at the times and in the aggregate amounts determined by the Company. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to the Sole Member on account of its interest in the Company if such distribution would violate the Act or other applicable law. Management. In accordance with the Act, management of the Company shall be vested in the Sole Member. The Sole Member shall have the power to do any and all acts necessary, convenient or incidental to or for the furtherance of the purposes described herein, including all powers, statutory or otherwise, possessed by members of a limited liability company under the laws of the State of California. The Sole Member has the authority to bind the Company. The Sole Member may appoint one or more officers or authorized signatories to act on behalf of the Company. The Sole Member may terminate the authority of the authorized signatories at any time. Officers. The Sole Member may, from time to time as it deems advisable, select natural persons who are employees or agents of the Company and designate them as officers of the Company (the “**Officers**”) and assign titles (including, without limitation, President, one or more Vice Presidents, Secretary and Chief Financial Officer) to any such person. Any number of offices may be held by the same person. Unless the Sole Member decides otherwise, if the title is one commonly used for officers of a business corporation formed under the California Corporations Code, the assignment of such title shall constitute the delegation to such person of the authorities and duties that are normally associated with that office. The Officers of the Company shall be designated by written consent of the Sole Member from time to time. Any delegation pursuant to this Section 13 may be revoked at any time by the Sole Member. Subject to any agreement to the contrary, an officer may be removed with or without cause by the Sole Member. Other Business. The Sole Member may engage in or possess an interest in other business ventures (unconnected with the Company) of every kind and description, independently or with others. The Company shall not have any rights in or to such independent ventures or the income or profits therefrom by virtue of this Agreement. Dissolution. The Company shall be dissolved upon the earliest to occur of the following events: December 15, 2120;

- b. the determination of the Sole Member that the Company should be dissolved;
 - c. the Company shall be dissolved and its affairs shall be wound up when required by a decree of judicial dissolution entered under Section 17707.03 of the Act;
 - d. the closing of the sale or other disposition of all of the assets of the Company;
- or
- e. the dissolution, liquidation and winding up of the Sole Member.

In the event of dissolution, the Company shall conduct only such activities as are necessary to wind up its affairs (including the sale of the assets of the Company in an orderly manner), and the assets of the Company shall be applied in the manner, and in the order of priority, set forth in Section 17707.05 of the Act.

28. Records and Books. The books and records of the Company shall be kept, and the financial position and the results of its operations recorded, in accordance with the accounting methods followed for federal income tax purposes, or such other commonly accepted accounting methods as may be selected by the Sole Member from time to time. The books and records of the Company shall reflect all the Company transactions and shall be appropriate and adequate for the Company's business. The Company shall maintain at its principal office in California all of the following:

a. a current list of the full name and last known business or residence address of the Sole Member, together with the capital account and capital contributions of the Sole Member;

b. a copy of the Articles and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Articles or any amendments thereto have been executed;

c. copies of the Company's federal, state, and local income tax or information returns and reports, if any;

d. a copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;

e. copies of the financial statements of the Company, if any, for the six (6) most recent fiscal years; and

f. the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

29. Tax Returns. To the extent applicable, the Sole Member shall cause to be prepared at least annually, at Company expense, information necessary for the preparation of the Sole Member's federal and state income tax returns. The Company shall send or cause to be sent to the Sole Member within ninety (90) days after the end of each taxable year such information as is necessary to complete federal and state income tax or information returns, and a copy of the Company's federal, state, and local income tax or information returns for that year.

30. Filings. The Sole Member, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Sole Member, at Company expense, shall also cause to be prepared and timely filed, with appropriate federal and state regulatory and administrative bodies, amendments to, or restatements of the Articles and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations.

31. Bank Accounts. The Sole Member shall maintain the funds of the Company in one or more separate bank accounts.

32. Accounting Decisions and Reliance on Others. All decisions as to accounting matters, except as otherwise specifically set forth herein, shall be made by the Sole Member. The Sole Member may rely upon the advice of its accountants as to whether such decisions are in accordance with accounting methods followed for federal income tax purposes.

33. Severability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid, unenforceable or illegal under any existing or future law, such invalidity, unenforceability or illegality shall not impair the operation of or affect those portions of this Agreement which are valid, enforceable and legal. Entire Agreement. This Agreement constitutes the entire agreement of the Sole Member with respect to the subject matter hereof. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of California (without regard to conflict of laws principles), all rights and remedies being governed by said laws. Amendments. This Agreement may not be modified, altered, supplemented or amended except pursuant to a written agreement executed and delivered by the Sole Member. Survival. The indemnification provided herein and any other provisions hereof which state that they expressly survive the termination of the Company shall survive the termination or expiration of this Agreement or the Company. Benefits; Binding Effect. The covenants and agreements contained herein shall inure to the benefit of and be binding upon the Sole Member and its respective permitted successors and permitted assigns. Any permitted person or entity succeeding to the interest of a Member hereunder shall succeed to all of such Member's rights, interests and obligations under this Agreement and be subject to all of the terms and conditions of this Agreement. No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person, firm, corporation, partnership, association or other entity, other than the parties hereto and their respective legal representatives and permitted successors and assigns, any rights or remedies under or by reason of this Agreement. Indemnification. To the fullest extent permitted by law, the Company shall defend, indemnify and save harmless any Officer, the Sole Member, and its respective direct or indirect agents, employees, representatives, officers, directors, shareholders or partners from and against all claims, losses, damages, cost, expense, demands, liabilities, obligations, liens, encumbrances, rights of action or attorneys' fees sustained by reason of any act performed, or omitted to be performed, in good faith and without gross negligence or willful misconduct, within the scope of their respective authority expressly conferred by this Agreement, to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit. Such indemnity shall not be construed to limit or diminish the coverage of any Member under any insurance obtained by the Company. Payment shall not be a condition precedent to any indemnification provided in this Agreement. [THE REMAINDER of this PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound hereby, has duly executed this Operating Agreement of Aqua Vista GP, LLC as of the date first above stated.

SOLE MEMBER:

BLVD CAPITAL LLC,
a Delaware limited liability limited partnership

By: 
Robert Budman, Manager

SCHEDULE 1

NAME, ADDRESS *and* LIMITED LIABILITY COMPANY INTERESTS
of the SOLE MEMBER

Name & Title	Address	LLC Interests
BLVD Capital LLC, <i>Sole Member</i>	11911 San Vicente Blvd., Suite 355 Los Angeles, CA 90049	100%

**AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
BLVD CAPITAL LLC,
A DELAWARE LIMITED LIABILITY COMPANY**

This Amended and Restated Limited Liability Company Agreement (this "Agreement") is entered into effective as of January 1, 2020 ("Effective Date") by and between ROBERT BUDMAN, Trustee of the Budman Living Trust dated June 22, 2018 ("Budman") and PATRICK LUKE, Trustee of the Luke Living Trust dated July 10, 2019 ("Luke") (collectively, the "Members") and Robert Budman and Patrick Luke individual (the "Managers").

RECITALS

A. The Certificate of Formation of the Company was filed with the Delaware Secretary of State on March 25, 2010 (the "Certificate") and, prior to the date hereof, the Company was governed by that certain Operating Agreement, dated as of January 1, 2014 and amended and restated on January 1, 2017 (the "Prior Agreement") by and between Robert Budman and Patrick Luke, individually as the Members. By execution of this Agreement, Robert Budman and Patrick Luke hereby assign their membership interests in the Company from themselves individually to their respective living trusts.

B. The Members now desires to amend and restate the Prior Agreement and adopt and approve this Agreement.

AGREEMENT

NOW, THEREFORE, the parties by this Agreement set forth the Limited Liability Company Agreement for the Company under the laws of the State of Delaware upon the terms and subject to the conditions of this Agreement.

ARTICLE I
DEFINED TERMS

The following capitalized terms shall have the respective meanings specified in this Article 1. Capitalized terms not defined in this Agreement shall have the meanings specified in the Act.

1.1 "Act" means the Delaware Limited Liability Company Act (6 Del. C. Section 18-101, *et seq.*), as amended from time to time.

1.2 "Affiliate" means (a) a Person directly or indirectly controlling, controlled by, or under common control with another Person; (b) a Person owning or controlling more than 10 percent or more of the outstanding voting securities or beneficial interests of another Person; (c) an officer, director, partner, or member of the immediate family of an officer, director, or partner of another Person; and/or (d) any affiliate of any such Person.

1.3 "Agreement" means this Limited Liability Company Agreement, as amended from time to time, including each exhibit hereto.

1.4 "Assignee" means the Person who has acquired an Economic Interest in the Company but is not a Member.

1.5 "Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding revenue law.

1.6 "Company" means BLVD Capital LLC.

1.7 "Contribution" means any money, which a Member expends on behalf of the Company with the consent of the other Member and/or contributes to the Company as capital in that Member's capacity as a Member pursuant to this Agreement or any other agreement between the Members, including an agreement as to value.

1.8 "Economic Interest" means a person's right to share in the income, gains, losses, deductions, credit, or similar items of, and to receive distributions from, the Company, but does not include any other rights of a Member including, without limitation, the right to Vote or to participate in management, or any right to information concerning the business and affairs of the Company.

1.9 "Interest Holder" means any Person who holds an Economic Interest, whether as a Member or as an Assignee of a Member.

1.10 "Involuntary Withdrawal" means, with respect to any Member, the occurrence of any of the following events:

- (i) the Member makes an assignment for the benefit of creditors;
- (ii) the Member is bankrupt;
- (iii) the Member files a petition seeking for the Member any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any state law;
- (iv) the Member seeks, consents to, or acquiesces in the appointment of a trustee for, receiver for, or liquidation of the Member or of all or any substantial part of the Member's properties;
- (v) if the Member is an individual, the Member's death or adjudication by a court of competent jurisdiction as incompetent to manage the Member's person or property;
- (vi) if the Member is acting as a Member by virtue of being a trustee of a trust, the termination of the trust; or
- (vii) if the Member files an action seeking a decree of judicial dissolution pursuant to the Act.

1.11 "Managers" means each of Patrick Luke and Robert Budman, acting together, except as otherwise set forth in Section 5 below.

1.12 "Member" means any Person who executes this Agreement as a Member and any Person who subsequently is admitted as a Member of the Company.

1.13 "Membership Interest" means a Member's rights in the Company, collectively, including the Member's Economic Interest, any right to vote or participate in management, and any right to information concerning the business and affairs of the Company.

1.14 "Net Cash Flow" means the amount of cash of the Company from all sources, including, but not limited to, sales and financing proceeds, which the Managers determine are available for distribution, after taking into account (among other factors) (i) all Company obligations then due and payable (ii) anticipated Company expenditures, and (iii) those amounts which the Managers deem reasonably necessary to place into reserves for customary and usual claims with respect to the Company's business.

1.15 "Percentage" means, as to each Member, the Percentage expressed on the signature page and as to an Interest Holder who is not a Member, the Percentage or part of the Percentage that corresponds to the portion of a Member's Economic Interest that the Interest Holder has acquired, to the extent the Interest Holder has succeeded to that Member's interest.

1.16 "Person" means and includes an individual, corporation, partnership, association, limited liability company, trust, estate, or other entity.

1.17 "Property" means any Property owned by the Company or owned by any entity that is owned and/or managed by the Company.

1.18 "Regulation" means the income tax regulations, including any temporary regulations, from time to time promulgated under the Code.

1.19 "Secretary of State" means the Secretary of State of the State of Delaware.

1.20 "Transfer" means, when used as a noun, any sale, hypothecation, pledge, assignment, attachment, or other transfer, and, when used as a verb, to sell hypothecate, pledge, assign, or otherwise transfer.

1.21 "Voluntary Withdrawal" means a Member's disassociation from the Company by means other than a Transfer or an Involuntary Withdrawal.

1.22 "Vote" includes authorization of written consent.

1.23 "Voting Power" means the power to vote on any matter at the time any determination of voting power is made.

ARTICLE 2 ORGANIZATIONAL MATTERS

2.1 Continuation. The Company was formed upon the filing of the Certificate by an authorized agent of the Company on March 25, 2010. The filing of the Certificate, as may be amended from time to time, is hereby ratified in all respects. The Managers shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof)

necessary for the Company to maintain its existence in Delaware. The Prior Agreement is hereby amended and restated in its entirety, and this Agreement shall hereafter be the limited liability company agreement of the Company

2.2 Name of Company. The name of the Company is "BLVD Capital LLC."

2.3 Purpose. The Company is organized for the purpose of: (i) acquiring, developing, owning, leasing, holding for investment, improving, maintaining, operating, financing and refinancing properties; (ii) owning ownership interests and/or management interests in entities that acquire, develop, own, lease, hold for investment, improve, maintain, operate, finance and refinance properties; (iii) management of properties; and (iv) such other activities related to the foregoing business as may be necessary, advisable, or appropriate, in the reasonable opinion of the Managers to further the foregoing business.

2.4 Term. The Company's existence began upon the filing of the Articles of Organization with the Secretary of State and shall continue in existence in perpetuity unless its existence is sooner dissolved as provided by this Agreement.

2.5 Principal Place of Business. The Company's principal place of business shall be located at 11911 San Vicente Blvd., Suite 355, Los Angeles, CA 90049, or at any other place within the State of California upon which the Members agree.

2.6 Registered Agent. The name and address of the Company's registered agent for service of process in Delaware shall be Agents and Corporations, Inc., 1201 Orange Street, Suite 600, City of Wilmington, New Castle County, Delaware 19801, or at such location as may hereafter be determined by the Members.

2.7 Members. The name and Percentage of each Member are set forth on the signature page attached hereto.

ARTICLE 3 MEMBERS' CAPITAL

3.1 Capital Contributions to Capital. If capital is needed by the Company (as determined in the sole discretion of the Managers), the Members shall contribute to the Company such sums as the Company needs to fulfill its purposes in proportion to such Member's Percentage.

3.2 Return of Contributions. Except as otherwise provided in this Agreement, no Member nor Interest Holder shall have the right to receive the return of any Contribution or withdraw from the Company, except upon the dissolution of the Company.

ARTICLE 4 DISTRIBUTIONS

4.1 Distributions.

4.1.1 Net Cash Flow. To the extent that Net Cash Flow, such Net Cash Flow shall

be distributed to the Interest Holders in accordance with their Percentages, except any Property listed in Schedule "A" shall distributed as listed in the schedule.

4.1.2 Time of Distributions. The Company shall distribute Net Cash Flow to the Interest Holders as determined by the Managers.

Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a distribution to an Interest Holder on account of its interest in the Company if such distribution would violate Section 18-607 the Act or other applicable law.

ARTICLE 5 MANAGEMENT RIGHTS, POWERS AND DUTIES

5.1 Management.

5.1.1 Manager. The business of the Company shall be managed by the Managers. Except as otherwise provided in this Agreement, all decisions concerning the management of the Company's business shall be made by the Managers, acting together.

5.1.2 Exclusive. The business, property and affairs of the Company shall be managed exclusively by the Managers. The Managers shall have full, complete and exclusive authority, power and discretion to manage and control the business, property and affairs of the Company, to make all decisions regarding those matters and to perform any and all other acts or activities customary or incident to the Company's business, property and affairs.

5.1.3 Powers. The Managers shall have all necessary powers to manage and carry out the purposes, business, property, and affairs of the Company.

5.1.4 Liability. A Manager shall not be liable to the Company or to any Member for any loss or damage sustained by the Company or any Member, unless the loss or damage shall have been the result of fraud, deceit, or intentional misconduct. Each Manager shall perform his managerial duties in good faith and in a manner he reasonably believes to be in the best interests of the Company and the Members. A Manager who so performs the duties of Manager shall not have any liability by reason of having been a Manager of the Company.

5.1.5 Time and Effort. A Manager is obligated to devote all his reasonable time or business efforts to the affairs of the Company, other than reasonable personal business affairs.

5.2 Payments to Manager.

5.2.1 Expenses. The Company shall reimburse each Manager and his Affiliates for the actual cost of goods and materials used for or by the Company. Except as otherwise provided herein, each Manager and his Affiliates shall not be reimbursed by the Company, nor shall the Company directly pay for expenses substantially benefiting only one Manager as determined by the Managers.

5.3 Execution. The Managers are authorized to endorse checks, drafts, and other evidences of indebtedness made payable to the order of the Company. All checks, drafts, and other instruments obligating the Company to pay money may be signed by the Managers. The Managers

are authorized to sign all contracts and instruments on behalf of the Company.

5.4 Member Restriction. No Member shall conduct competing or other business affairs, except (i) personal or family business affairs, (ii) businesses existing prior to the creation of this Agreement, (iii) by mutual agreement of the Managers.

5.5 Activities that Require Only One Manager. One Manager, acting alone, shall have the right to undertake the following:

(a) Decision to enter into, amend or modify any contract or agreement with any Person in connection with the operations of the Company, or the renovation, management, operation or purchase and sale of the Property where the amounts payable by or on behalf of the LLC to such Person under such contract would, in the aggregate with any other amounts owed to, or paid or payable by the LLC to such Person do not exceed Ten Thousand and No/100 Dollars (\$10,000.00), per individual Property, or the Company.

(b) Notwithstanding the foregoing, either Manager, acting alone on behalf of the Company, may (i) sign a purchase agreement and open escrow in connection with the purchase of real property that is ultimately intended to be assigned to a limited liability company owned by the Company or an Affiliate, along with Brian Chien-Chih Chen or Alan Smolinisky as key principals (individually or thru their trusts) (a “Conquest Company”), (ii) assign such purchase agreement to a Conquest Company, (iii) execute any and all documents as a member of a Conquest Company, and (iv) perform any of its obligations as a “special member” of a Conquest Company, including all of those obligations as asset manager. To the extent that either Manger, acting alone, has taken any such actions since inception of the Company, such actions are hereby ratified.

ARTICLE 6

TRANSFER OF INTERESTS AND WITHDRAWALS OF MEMBERS

6.1 Transfers. Transfers of Membership Interests may only be made with the consent of the Managers. The attempted Transfer of any portion or all of a Membership Interest in violation of the prohibition contained in this Section 6.1 shall be deemed invalid, null and void, and of no force or effect.

6.2 Voluntary Withdrawal. No Member shall have the right or power to Voluntarily Withdraw from the Company.

6.3 Involuntary Withdrawal. Immediately upon the occurrence of an Involuntary Withdrawal, the successor of the withdrawn Member shall thereupon become an Interest Holder but shall not become a Member. The successor Interest Holder shall have all the rights of an Interest Holder but shall not have the right to exercise any other rights of a Member.

6.4 Maximum Transfers. Notwithstanding any other provisions of the Agreement, no Member may transfer his interest in the Company if the transfer would cause a termination of the Company for federal income tax purposes within the meaning of Code Section 708.

6.5 Permitted Transfers. The Economic Interest of any Member may be transferred, without the prior written consent of the Members, upon consent of the Manager, which shall not be

unreasonably withheld, by the Member (i) by inter vivos gift or by testamentary transfer to any spouse, child or grandchild of the Member, or to a trust for the benefit of the Member or such spouse, child or grandchild of the Member; or (ii) to the partners of any Member that is a partnership, upon its dissolution; it being agreed that in executing this Agreement, each Member has consented to such transfers.

ARTICLE 7

DISSOLUTION, LIQUIDATION, AND TERMINATION OF THE COMPANY

7.1 Events of Dissolution. The Company shall be dissolved upon the earliest to occur of (i) the Vote of both Members to dissolve the Company, or (ii) a decree of judicial dissolution entered under Section 18-802 of the Act.

7.2 Winding Up. Upon the Company's dissolution, if the Company is not to be continued in accordance with this Agreement, the Company's business shall be wound up within a reasonable period of time, its assets liquidated in the manner, and in the order of priority, set forth in Section 18-804 of the Act, a final accounting made, and the Company's books closed. In this regard, the liquidation of the Company's real property shall be carried on in an orderly fashion over a reasonable period of time in accordance with established real estate practices. The remaining Members shall perform the winding up of the Company's business.

7.3 Allocation of Profits and Losses. During the period of winding up, Company profits and losses shall continue to be allocated to the Members in accordance with Article 4 above.

7.4 Manner of Distribution. The proceeds of the Company upon its dissolution, liquidation, and termination, after complying with the requirements of Section 18-804 of the Act, shall be applied and distributed in the following order of priority:

(a) First, to the payment of expenses of liquidation and Company debts owing to creditors other than Members;

(b) Second, to the payment of any Company debts owing to Members;

(c) Third, to the Members in accordance with the unpaid balance of their Capital Contributions; and

(d) Fourth, any remaining funds shall be split according to the percentages shown on the signature page.

7.5 Termination and Retention of Member Records. Upon the Company's liquidation, the Company shall terminate. Following the Company's termination, the Members shall (i) appoint a Member to retain custody of all Company books and records for a period of six (6) years from the date of such termination or such longer period of time as may be required under the Act, and (ii) make such books and records available during normal business hours for the inspection of each Member or its designated representative. Each Member shall have the right to copy all or any part of such books and records at such Member's expense.

7.6 Filing of Certificate of Cancellation. Upon completion of the affairs of the Company, the Manager shall promptly file the Certificate of Cancellation of Certificate of

Formation with the Secretary of State.

ARTICLE 8
BOOKS, RECORDS, ACCOUNTING AND TAX ELECTIONS

8.1 Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts chosen by the Manager. The Managers shall determine the financial institution or institutions at which the accounts will be opened and maintained, the types of accounts, and the Persons who will have authority with respect to the accounts and the funds therein.

8.2 Books and Records.

8.2.1 Unless agreed otherwise, the Managers shall keep or cause to be kept complete and accurate books, records, and financial statements of the Company and supporting documentation of transactions with respect to the conduct of the Company's business. The books, records, and financial statements of the Company shall be maintained on the basis of accounting selected by the Managers.

8.2.2 Such books, records, and financial statements of the Company and supporting documentation shall be kept, maintained, and available at a location to be determined by the Managers; however, at least one copy of all such documents shall be kept at the Company's office within the State of California.

8.3 Annual Accounting Period and Method of Accounting. The annual accounting period of the Company shall be the calendar year.

8.4 Tax Matters Partner. The Managers shall be the Tax Matters Partner for purposes of Code Section 6231, and shall have all the authority granted by the Code to the Tax Matters Partner.

8.5 Title to Company Property. All real and personal property acquired by the Company shall be acquired and held by the Company in the Company's name.

ARTICLE 9
GENERAL PROVISIONS

9.1 Assurances. Each Member shall execute all certificates and other documents and shall do all such filing, recording, publishing, and other acts as the Members deem appropriate to comply with the requirements of law for the formation and operation of the Company and to comply with any laws, rules, and regulations relating to the acquisition, operation, or holding of the property of the Company.

9.2 Complete Agreement. This Agreement constitutes the complete and exclusive statement of the agreement among the Members. It supersedes all prior written and oral statements, including any prior representation, statement, condition, or warranty.

9.3 Applicable Law. All questions concerning the construction, validity, and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the State of Delaware.

9.4 Article and Section Titles. The headings herein are inserted as a matter of convenience only and do not define, limit, or describe the scope of this Agreement or the intent of the provisions hereof

9.5 Binding Provisions. This Agreement is binding upon, and to the limited extent specifically provided herein, inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and assigns.

9.6 Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular, and plural, as the identity of the Person may in the context require.





9.7 Separability of Provisions. Each provision of this Agreement shall be considered separable; and if, for any reason, any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

9.8 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, or as facsimile copies, each of which shall be deemed an original and all of which, when taken together, constitute one and the same document. The signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

9.9 Indemnification. To the fullest extent provided or allowed by the law of the State of Delaware, the Company shall indemnify, defend and hold harmless the Members and the Managers for all obligations, liabilities, claims (including any claim for damage to property or injury to or death of any persons), liens or encumbrances, losses, damages, costs or expenses (including any judgment, awards, settlements, reasonable attorneys' fees and other costs and expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, including appellate proceedings, and any reasonable collection or enforcement costs) paid or accrued by a Member or any Manager in connection with the business of the Company or because such persons are Members or Managers. Any amendment to this provision shall not impact any Member or Manager which has not approved such modification with respect to any matters occurring prior to the date of such amendment.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth hereinabove.

Managers:	Members:	Percentage:
 Robert Budman	 Robert Budman, Trustee of the Budman Living Trust	50%
 Patrick Luke	 Patrick Luke, Trustee of the Luke Living Trust	50%

Schedule "A"

Profit Splits:

Isabel – 75% Budman / 25% Luke

Rosewood – 90% Budman / 10% Luke

Lexington – 90% Budman / 10% Luke

Sherwood – 90% Budman / 10% Luke

Carlyle – 85% Budman / 15% Luke

Toland – 85% Budman / 15% Luke

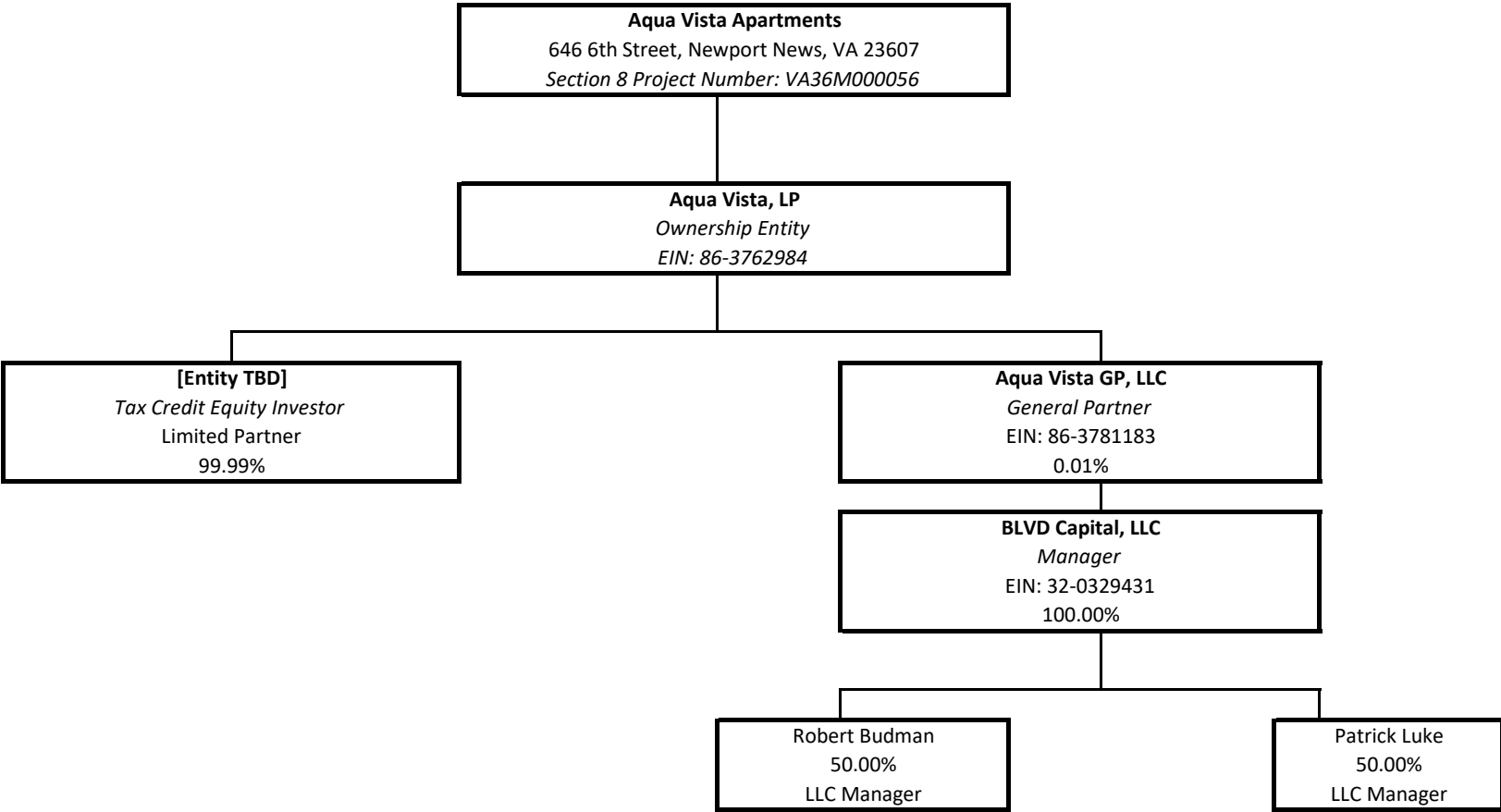
Lanark – 85% Budman / 15% Luke

Equity Interests:

All BLVD equity interests as a result of the sale of past deals is owned 100% by Budman (ie capital rolled into White Cottage as well as equity in deals from exchanges), and any cash in bank accounts prior to this agreement owned by BLVD (\$5672.14 in Bank of America) is 100% owned by Budman.

Newport News - Prelim Organizational Chart

5/11/2021



TAB A

LPA

Developer Fee Agreement

DEVELOPMENT FEE AGREEMENT

THIS DEVELOPMENT FEE AGREEMENT (this "*Agreement*") is made and entered into effective as of May 24, 2021, by and between **AQUA VISTA GP, LLC**, a California limited liability company (the "*Developer*"), and **AQUA VISTA, LP**, a Virginia limited partnership (the "*Partnership*").

WITNESSETH:

WHEREAS, the Partnership has been formed for the purposes, inter alia, of acquiring, financing, owning, constructing, developing, maintaining, improving, operating, leasing and selling or otherwise disposing of certain real property located in Newport News, Virginia together with all improvements, furnishings, equipment and personal property to be located thereon (together, the land and improvements are known as Aqua Vista Apartments and will be collectively referred to as the "*Apartment Complex*"), which Apartment Complex upon completion will consist of ten residential buildings totaling 150 apartment units, a management office, fitness center, community room, and all furnishings, equipment, land, real property and personal property used in connection with the operation thereof, and is intended to be rented and managed in order that it will qualify for the low-income housing tax credit provided in Section 42 of the Internal Revenue Code of 1986, as amended (the "*Code*");

WHEREAS, in order to effectuate the purposes for which it has been formed, the Partnership has engaged the services of the Developer with respect to overseeing the development of the Apartment Complex for the Partnership; and

WHEREAS, the parties desire to enter into this Agreement that amends and restates in total any and all prior agreements and sets forth the obligations of, and the services to be performed by, the Developer and the compensation for such services.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1. Obligations of the Developer. The Developer shall have the following duties, to the extent they have not already been performed:

(a) to assist, advise and consult on the selection of and provide coordination and supervision of the architect and engineer in connection with the preparation of and any changes to the site plan for the Apartment Complex and the renderings, drawings and specifications for construction of Improvements (the "*Plans and Specifications*");

(b) to be cognizant of and advise the Partnership with respect to any and all rules or regulations, city ordinances, including health and fire safety regulations, or any other requirements of

law or governmental authorities applicable to the development and construction of the Improvements and to coordinate the services of professionals in connection therewith;

(c) to assist, coordinate and supervise the obtaining of all necessary building permits and approvals for and in connection with the development and construction of the Apartment Complex;

(d) to consult, advise and assist in preparing a development and construction budget and pro forma cash flow projections and coordinating professionals in connection therewith;

(e) to cooperate and coordinate with the construction contractors appointed by the Partnership;

(f) to otherwise use commercially reasonable best efforts to coordinate, supervise and cause the development and construction of the Apartment Complex on a timely basis and within the contemplated budget;

(g) to record the progress on all of the foregoing, and, as requested, submit written progress reports to the Partnership; and

(h) to maintain or cause to be maintained at its sole cost and expense all off-site office and accounting facilities and equipment necessary to adequately perform all functions of Developer specified herein.

The Developer may retain the services of independent consultants, provided the Partnership shall have no responsibility to such independent parties.

Section 2. Services Not Contemplated By This Agreement. The Developer is not responsible for in any manner or form and shall not perform any of the following services, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership:

(a) any services with respect to the acquisition of the land or buildings included in the Apartment Complex or development of nonresidential improvements;

(b) services in connection with obtaining an allocation of Credits;

(c) any services in connection with obtaining commitments from and negotiating with any permanent lender to the Apartment Complex;

(d) any services in connection with the syndication of the Partnership or placement of the equity from investor limited partners;

- (e) any services with respect to the lease-up of the Apartment Complex units (such services already having been contemplated in the Management Agreement);
- (f) any services in connection with the organizational structure of the Apartment Complex and any entity with respect thereto or the organization of the Partnership; and
- (g) any services in connection with obtaining any rental subsidies for the Apartment Complex.

The Developer understands that it will not be paid and at no time will be due any amount under this Agreement if and to the extent the Developer should perform any such services. In connection hereto, the Developer represents, warrants and covenants that, to the best of its knowledge, it has not performed and will not perform any of such services in connection with this Agreement and, in the event the Developer has performed or does perform any such services, it agrees that no compensation at any time payable to the Developer pursuant to this Agreement will be attributable to any such services.

Section 3. Development Fee.

(a) In consideration of the performance by the Developer of the development services described herein, the Partnership shall pay to the Developer a development fee (the "**Development Fee**") in the amount of \$[632,666]. The Partnership and the Developer acknowledge that specific portions of the Development Fee shall be earned by Developer as certain benchmarks are satisfied as more particularly described in the [Amended and Restated Agreement of Limited Partnership] of the Partnership to be entered into after the date hereof (the "**Partnership Agreement**"), but in any event all of the Development Fee shall be earned upon the receipt by the Partnership of the final certificate of occupancy for the last building in the Apartment Complex (or, if earlier, as of the end of the first year of the credit period (as such term is defined in Section 42(f)(1) of the Code)). All amounts due and payable hereunder shall be paid in accordance with the Partnership Agreement.

(b) Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Apartment Complex, obtaining an allocation of Credits or securing financing for the Apartment Complex other than construction financing, it being the understanding between the parties hereto that all such listed activities and services are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership. In addition, any amount of Development Fee that remains unpaid after Construction Completion of the Apartment Complex shall constitute a loan bearing an interest rate equal to the long-term Applicable Federal Rate for the month in which the Apartment Complex achieves Construction Completion, from the Developer to the Partnership, and shall be due and payable in full by the fifteenth anniversary of Construction Completion.

Section 4. Termination of Duties and Responsibilities of Developer. The Developer shall have no further duties or obligations hereunder after receipt of a final certificate of occupancy for the last building in the Apartment Complex and completion of all punch list items. The Developer's duties, responsibilities and rights hereunder shall not be terminated by the Partnership except for "cause" **finally determined by a court of competent jurisdiction.** For purposes hereof, "cause" shall mean fraud, dishonesty, reckless disregard for customary practices and intentional misconduct after at least thirty (30) days' prior notice and opportunity to cure.

Section 5. Miscellaneous.

(a) This Agreement shall be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any of the parties hereto without the written consent of the other party and the Developer may not assign or pledge its rights or its duties under this Agreement.

(b) The descriptive paragraph headings of this Agreement are inserted for convenience only and are not intended to and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement nor the meaning of any provision hereof.

(c) This Agreement and the rights and obligations of the parties hereto shall be governed and construed and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to principles of conflicts of laws. The parties agree and consent that venue for purposes of resolving any dispute or controversy relating to this Agreement shall be Spotsylvania County, Virginia.

(d) This Agreement embodies the entire agreement and understanding between the parties relating to the subject matter hereof and supersedes all prior agreements and understandings related to such subject matter, and it is agreed that there are no terms, understandings, representations or warranties, express or implied, other than those set forth herein.

(e) This Agreement shall not be amended or modified in any respect without the prior written consent of each party hereto.

(f) No party hereto shall file or attempt to file this Agreement of record.

(g) This Agreement and the obligations of the Developer hereunder are solely for the benefit of the Partnership and its Partners and no benefits to third parties are intended.

(h) In the event any provision hereof is deemed to be unenforceable or against public policy, then such provision shall be deemed omitted from this Agreement and to the extent possible such provision shall be replaced with an enforceable provision which corresponds with the spirit of the omitted provision, and no other provision of this Agreement shall be affected by such omission or unenforceability.

(i) The parties agree that the prevailing party in any action or dispute involving litigation concerning the subject matter hereof, shall be entitled to reasonable attorneys' fees and court costs.

(j) The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

(k) All capitalized terms herein shall have the same meanings as set forth in the Partnership Agreement, except as otherwise expressly set forth herein.

Section 6. Notice. Any notice required to be given hereunder shall be in writing and mailed by certified mail, postage prepaid, or hand delivered with receipt of service simultaneously to all parties at the addresses set forth in the Partnership Agreement. Each party shall have the right to change its address for the receipt of notices, upon the giving of proper notice to all other parties hereto. Whenever a period of time is to be computed from the date of receipt of an item of certified mail, such period shall be computed from the fifth day following the date of mailing if delivery of the certified mail item is refused by the party to whom it was directed.

Section 7. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 8. Responsibilities of the Partnership. In order for the Developer to perform duties described herein, the Partnership shall:

- (a) provide full information regarding its requirements for the Apartment Complex;
- (b) designate a representative who shall be fully acquainted with the scope of the work and has authority to render decisions promptly and furnish information expeditiously; and
- (c) if the Partnership becomes aware of any fault or defect in the Apartment Complex or nonconformance with any contract or other documents, it shall give prompt written notice thereof to the Developer.

Section 9. Independent Contractor. The parties hereto do not intend to create a partnership or any similar association for any purpose pursuant to this Agreement. The Developer shall be an independent contractor for all purposes.

Section 10. Waiver of Jury Trial. (a) Each of the parties hereto hereby knowingly, voluntarily and intentionally, after opportunity for consultation with independent counsel, waives its right to trial by jury in any action or proceeding to enforce or defend any rights or obligations (i) under this

Agreement, (ii) arising from the financial relationship between the parties existing in connection with this Agreement or (iii) arising from any course of dealing, course of conduct, statement (verbal or written) or action of the parties in connection with such financial relationship. (b) No party hereto will seek to consolidate any such action in which a jury trial has been waived with any other action in which a jury trial has not been or cannot be waived. (c) The provisions of this Section have been fully negotiated by the parties hereto, and these provisions shall be subject to no exceptions. (d) No party hereto has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances. (e) This Section is a material inducement for the Partnership to enter into this Agreement.

[End of text; signatures begin on following page]

DRAFT

IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed and delivered as of the Effective Date.

DEVELOPER:

AQUA VISTA GP, LLC, a California limited liability company

By: _____
Robert Budman, Manager

PARTNERSHIP:

AQUA VISTA, LP, a Virginia limited partnership

By: Aqua Vista GP, LLC, a California limited liability company
Its general partner

By: _____
Robert Budman, Manager

Tab B:

Virginia State Corporation Commission Certification
(MANDATORY)

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, May 7, 2021

This is to certify that the certificate of limited partnership of

Aqua Vista, LP

was this day admitted to record in this office and that the said limited partnership is authorized to transact its business subject to all Virginia laws applicable to the limited partnership and its business.

Effective date: May 7, 2021



STATE CORPORATION COMMISSION

Attest:

A handwritten signature in cursive script, appearing to read "Bernard J. St. John".

Clerk of the Commission

Tab C:

Principal's Previous Participation Certification
(MANDATORY)



Previous Participation Certification Instructions

General Instructions:

The following certification:

- Must be completed, regardless of any principal's inclusion on the Developer Experience List.
- Must be signed by an individual who is, or is authorized to act on behalf of, the Controlling General Partner (if LP) or Managing Member (if LLC) of the Applicant, as designated in the partnership agreement. Virginia Housing will accept an authorization document, which gives signatory authorization to sign on behalf of the principals.
- Must be dated no more than 30 days prior to submission of the LIHTC Application.

Definitions:

Development - the proposed multifamily rental housing development

Participants - the principals who will participate in the ownership of the development

Principal - any person (including any individual, joint venture, partnership, limited liability company, corporation, nonprofit organization, trust, or any other public or private entity) that (i) with respect to the proposed development, will own or participate in the ownership of the proposed development or (ii) with respect to an existing multifamily rental property, has owned or participated in the ownership of such property, all as more fully described herein below. The person who is the owner of the proposed development or multifamily rental property is considered a principal. In determining whether any other person is a principal, the following guidelines shall govern:

- In the case of a partnership which is a principal (whether as the owner or otherwise), all general partners are also considered principals, regardless of the percentage interest of the general partner;
- In the case of a public or private corporation or organization or governmental entity that is a principal (whether as the owner or otherwise), principals also include the president, vice president, secretary, and treasurer and other officers who are directly responsible to the board of directors or any equivalent governing body, as well as all directors or other members of the governing body and any stockholder having a 25% or more interest;
- In the case of a limited liability company (LLC) that is a principal (whether as the owner or otherwise), all members are also considered principals, regardless of the percentage interest of the member;
- In the case of a trust that is a principal (whether as the owner or otherwise), all persons having a 25% or more beneficial ownership interest in the assets of such trust;
- In the case of any other person that is a principal (whether as the owner or otherwise), all persons having a 25% or more ownership interest in such other person are also considered principals; and

Instructions, cont'd

- Any person that directly or indirectly controls, or has the power to control, a principal shall also be considered a principal.

Please follow guidelines below for listing principals.

- If the owner is a partnership, list the names of all GPs, regardless of % interest in the General Partnership
- If the owner is an LLC, list the names of all members regardless of % interest
- If the owner is a Corporation (public or private), Organization or Governmental Entity, list the names of officers who are directly responsible to the Board of Directors (or equivalent) and any stockholder having a 25% or more interest
- If the owner is a Trust, list the names of all persons having a 25% or more beneficial ownership interest in the assets of the trust
- If the owner is an Individual, list the name of anyone having a 25% or more ownership interest of the named individual

If none of the above applies, list the name of any person that directly or indirectly controls or has the power to control a principal.

If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.



Previous Participation Certification

Development Name: Aqua Vista Apartments
Name of Applicant (entity): Aqua Vista, LP

I hereby certify that:

1. All the statements made by me are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in Schedule A and any statements attached to this certification.
2. During any time that any of the participants were principals in any multifamily rental property, no property has been foreclosed upon, in default or assigned to the mortgage insurer (governmental or private); nor has mortgage relief by the mortgagee been given;
3. During any time that any of the participants were principals in any multifamily rental property, there has not been any breach by the owner of any agreements relating to the construction or rehabilitation, use, operation, management or disposition of the property, including removal from a partnership;
4. That at no time have any principals listed in this certification been required to turn in a property to the investor or have been removed from a multifamily rental property ownership structure;
5. That to the best of my knowledge, there are no unresolved findings raised as a result of state or federal audits, management reviews or other governmental investigations concerning any multifamily rental property in which any of the participants were principals;
6. During any time that any of the participants were principals in any multifamily rental property, there has not been a suspension or termination of payments under any state or federal assistance contract for the property;
7. None of the participants has been convicted of a felony and is not presently, to my knowledge, the subject of a complaint or indictment charging a felony. A felony is defined as any offense punishable by imprisonment for a term exceeding one year, but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less;
8. None of the participants has been suspended, debarred or otherwise restricted by any federal or state governmental entity from doing business with such governmental entity; and

Previous Participation Certification, cont' d

9. None of the participants has defaulted on an obligation covered by a surety or performance bond and has not been the subject of a claim under an employee fidelity bond.
10. None of the participants is a Virginia Housing employee or a member of the immediate household of any of its employees.
11. None of the participants is participating in the ownership of a multifamily rental housing property as of this date on which construction has stopped for a period in excess of 20 days or, in the case of a multifamily rental housing property assisted by any federal or state governmental entity, which has been substantially completed for more than 90 days but for which requisite documents for closing, such as the final cost certification, have not been filed with such governmental entity.
12. None of the participants has been found by any federal or state governmental entity or court to be in noncompliance with any applicable civil rights, equal employment opportunity or fair housing laws or regulations.
13. None of the participants was a principal in any multifamily rental property which has been found by any federal or state governmental entity or court to have failed to comply with Section 42 of the Internal Revenue Code of 1986, as amended, during the period of time in which the participant was a principal in such property. This does not refer to corrected 8823's.
14. None of the participants is currently named as a defendant in a civil lawsuit arising out of their ownership or other participation in a multi-family housing development where the amount of damages sought by plaintiffs (i.e., the ad damnum clause) exceeds One Million Dollars (\$1,000,000).
15. None of the participants has pursued a Qualified Contract or planned foreclosure in Virginia after January 1, 2019.

Statements above (if any) to which I cannot certify have been deleted by striking through the words. In the case of any such deletion, I have attached a true and accurate statement to explain the relevant facts and circumstances.

Failure to disclose information about properties which have been found to be out of compliance or any material misrepresentations are grounds for rejection of an application and prohibition against future applications.



Signature

Robert Budman

Printed Name

Printed Name

7/19/2022

Date

Date (no more than 30 days prior to submission of the Application)

Tab D:

List of LIHTC Developments (Schedule A)
(MANDATORY)

List of LIHTC Developments (Schedule A)



Development Name: Aqua Vista Apartments
 Name of Applicant: Aqua Vista, LP

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

RB
 Principal's Name: Robert Budman Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Baltimore and Cleveland Gardens - Las Vegas, NV	BGCG, LP Office #: (702) 348-8994	Y	201	201	2/3/2017	7/15/2018	N
2	LA 78 Portfolio - Los Angeles, CA	LA 78, LP Office #: (323) 998-0342	Y	78	78	1/1/2019	12/8/2021	N
3	Palmdale Park Apartments - Palmdale, CA	Palmdale Park Apartments, LP Office #: (661) 265-1825	Y	58	58	2/28/2019	6/2/2021	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE TOTAL: 337 337 LIHTC as % of Total Units 100%

ADD ADDITIONAL PROPERTIES USING NEXT TAB

List of LIHTC Developments (Schedule A)



Development Name: Aqua Vista Apartments
 Name of Applicant: Aqua Vista, LP

INSTRUCTIONS:

- 1 A Schedule A is required for every individual that makes up the GP or Managing Member - does not apply to principals of publicly traded corporations.
- 2 For each property for which an uncorrected 8823 has been issued, provide a detailed explanation of the nature of the non-compliance, as well as a status statement.
- 3 List only tax credit development experience since 2005 (i.e. for the past 15 years)
- 4 Use separate pages as needed, for each principal.

Principal's Name: Patrick Luke Controlling GP (CGP) or 'Named' Managing Member of Proposed property? Y
Y or N

	Development Name/Location	Name of Ownership Entity and Phone Number	CGP or 'Named' Managing Member at the time of dev.? (Y/N)*	Total Dev. Units	Total Low Income Units	Placed in Service Date	8609(s) Issue Date	Uncorrected 8823's? (Y/N) Explain "Y"
1	Baltimore and Cleveland Gardens - Las Vegas, NV	BGCG, LP Office #: (702) 348-8994	Y	201	201	2/3/2017	7/15/2018	N
2	LA 78 Portfolio - Los Angeles, CA	LA 78, LP Office #: (323) 998-0342	Y	78	78	1/1/2019	12/8/2021	N
3	Palmdale Park Apartments - Palmdale, CA	Palmdale Park Apartments, LP Office #: (661) 265-1825	Y	58	58	2/28/2019	6/2/2021	N
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* Must have the ability to bind the LIHTC entity; document with partnership/operating agreements and one 8609 (per entity/development) for a total of 6.

1st PAGE
TOTAL: 337 337

LIHTC as % of
100% Total Units

ADD ADDITIONAL PROPERTIES USING NEXT TAB

Tab E:

Site Control Documentation & Most Recent Real
Estate Tax Assessment (MANDATORY)

FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT

This First Amendment to Purchase and Sale Agreement (“Amendment”) is dated as of July 8, 2022 by and between Aqua Vista, LP, a Virginia limited partnership, as assignee from BLVD Capital, LLC (“Buyer”) and I’m Frieda’s Boss, LLC, a California limited liability company (“Seller”) and amends that certain Purchase and Sale Agreement dated as of April 22, 2021 (“Agreement”). Capitalized terms which are not defined herein are used as they are defined in the Agreement. In case of any conflict between this Amendment and the Agreement, the terms and conditions of this Amendment shall control.

1. The first sentence of section 8(a) of the Agreement is hereby amended to read as follows: “(a) Closing of Sale. The purchase and sale contemplated herein shall close (the “**Closing**” on the later of (i) ten (10) days after preliminary assumption of the HAP contract and (ii) November 30, 2022 (the “**Closing Date**”).

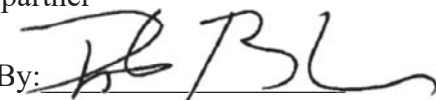
2. Except as provided herein, the Agreement remains unmodified and in full force and effect.

In witness whereof, this Amendment was executed as of the date first written above.

BUYER:

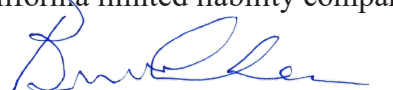
Aqua Vista, LP,
a Virginia limited partnership


By: Aqua Vista GP, LLC,
a California limited liability company,
general partner

By: 
Its: manager

SELLER:

I’m Frieda’s Boss, LLC,
a California limited liability company

By: 
Brian Chien-Chih Chen, manager and as
Trustee of the Brian Chien-Chih Chen Trust
amended and restated on August 6, 2003, member

By: 
Alan Smolinisky, Trustee of the
Alan B. Smolinisky Trust amended and restated
On August 8, 2014, member

ASSIGNMENT OF PURCHASE AGREEMENT

This Assignment of Purchase Agreement (“**Assignment**”) is dated as of May 13, 2021, by and among BLVD Capital, LLC, a Delaware limited liability company (“Assignor”) and Aqua Vista, LP a Virginia limited partnership (“Assignee”).

WHEREAS, I’m Frieda’s Boss, LLC, as seller, and Assignor, as buyer, entered into that certain Purchase and Sale Agreement dated as of April 22, 2021, as amended (the “**Agreement**”) with respect to the real property located at 648 Aqua Vista Drive, Newport News, VA (“Property”);

WHEREAS, Assignor desires to assign his right, title and interest in, to and under the Agreement to Assignee, and in connection therewith, Assignee shall replace all monies deposited by Assignor into escrow; and

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. Except as specifically set forth hereinbelow, the parties hereto hereby ratify and confirm each and every term, covenant and condition set forth in the Agreement, and confirm that the Agreement, except as modified by this Assignment, remains in full force and effect; provided, however, that in the event of any conflict between the Agreement and this Assignment, this Assignment shall govern and control. Except as otherwise stated herein, all capitalized terms shall have the same meanings as ascribed thereto in the Agreement.

2. Assignor has elected to assign all of his rights and obligations under the Agreement to Assignee. Assignee acknowledges and agrees that it hereby assumes each of the obligations of Assignor under the Agreement. Nothing herein shall release Assignor from its obligations under the Agreement.

3. Except as modified by this Assignment, the Agreement remains in full force and effect. All references in the Agreement to "this Agreement" shall be deemed references to the Agreement as modified by this Assignment.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment on the day and year first set forth above.

ASSIGNEE:

Aqua Vista, LP,
a Virginia limited partnership

By: Aqua Vista GP, LLC,
a California limited liability company
its: general partner

By: 

Its: Manager

ASSIGNOR:

BLVD Capital, LLC,
a Delaware limited liability company

By: 

Its: Manager

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is made and entered into as of April 22, 2021 (the “**Effective Date**”), by and among I’m Frieda’s Boss, LLC, a California limited liability company (“**Seller**”), and BLVD Capital, LLC, a Delaware limited liability company (“**Buyer**”).

RECITALS

A. Seller is the owner of the “Property” (defined below), which consists of one hundred fifty (150) apartment units, known as Aqua Vista Apartments, having a street address of 648 Aqua Vista Drive, Newport News, Virginia (“Property”).

B. Buyer desires to purchase and Seller desires to sell the Property on the terms and conditions hereinafter documented.

NOW, THEREFORE, in consideration of the mutual undertakings of the parties hereto, it is hereby agreed as follows:

1. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the following:

(a) The real property commonly known as Aqua Vista Apartments, and as more particularly described in **Exhibit A**, together with all tenements, hereditaments, easements, rights-of-way and appurtenances belonging or in any way appertaining to the same and owned by Seller (the “**Land**”);

(b) All improvements, structures and fixtures now and on the Closing Date (as defined below) located upon the Land (collectively, the “**Improvements**”);

(c) All tangible personal property now and on the Closing Date located on or about the Land or Improvements or attached or appurtenant thereto or used in connection with the operation of the Property and owned by Seller, but excluding tangible personal property owned by tenants in their capacity as tenants (collectively, the “**Personal Property**”); and

(d) All intangible property now and on the Closing Date owned by Seller or held by it in connection with the use and operation of the Property including but not limited to: leases; contract rights, service and other agreements relating to the operation of the Property (collectively, “**Service Agreements**”); building and trade names; warranties relating to the Improvements or Personal Property; all licenses, franchises, certificates, authorizations, approvals and permits issued or approved by any governmental agency and relating to the operation, ownership and maintenance of the Property or any part thereof, including elevator permits, machinery permits, business licenses and the like; telephone exchange numbers; advertising materials; plans and specifications; claims and causes of action; rights to surveys, engineering and

environmental reports; rights in governmental contracts; to the extent assignable, Seller's rights in that certain Project-based Section 8 Housing Assistance Payments Contract between Seller and the U.S. Department of Housing and Urban Development ("**HUD**") having Section 8 Project Number VA36-M000-056, as such contracts may be extended, renewed and or replaced with new HAP Contracts as provided below such that the term of the HAP Contracts shall be twenty (20) years from Closing (the "**HAP Contract**"); tenant security deposits and accounts (collectively, the "**Intangible Property**"). The Land, Improvements, Personal Property and Intangible Property are collectively referred to as the "**Property.**" The Property shall include all right, title and interest, if any, of Seller in and to any land lying in the bed of any street, road, highway or avenue, open or proposed, in front of or adjoining all or any part of the Property and in all strips, gores or rights-of-way, riparian rights and easements.

2. **Purchase Price.** The purchase price for the Property is Fourteen Million Six Hundred Thousand Dollars (\$14,600,000.00) (the "**Purchase Price**"). The Purchase Price shall be paid in cash or by wire transfer of immediately available funds at Closing, less the Escrow Deposit and subject to the prorations and adjustments specifically provided for in this Agreement.

3. **Escrow Deposit.** Within three (3) business days after the Effective Date, Buyer shall deposit the sum of One Hundred Dollars (\$100.00) (together with all interest thereon, the "**Escrow Deposit**" or "**Deposit**") by wire transfer into the account of First American Title Insurance Company, 800 Boylston Street, Suite 2820, Boston, MA 02199, attn: Anthony J Bucchere (abucchere@firstam.com), which company, in its capacity as escrow holder hereunder, is called "**Escrow Agent**". Such amount shall be held by Escrow Agent as a deposit against the Purchase Price in accordance with the terms and provisions of this Agreement. The Deposit shall be disbursed by Escrow Agent only as provided in this Agreement.

4. **Examination Period and Due Diligence.**

(a) **Examination Period.** For a period beginning on the Effective Date and ending two hundred forty (240) calendar days thereafter (the "**Examination Period**"), Buyer shall have the right to enter upon the Property and to perform, at Buyer's expense, such economic, surveying, engineering, topographic, environmental, marketing, and other tests, studies and investigations as Buyer may deem appropriate (including, without limitation, physical needs inspections, surveys, engineering tests, economic feasibility studies, soils, seismic and geologic reports and environmental testing) with respect to the Property; provided, however, neither Buyer nor any of its agents shall be permitted to do invasive testing into the walls of any of the structures on the Land or drilling into the soil without the prior written consent of Seller, which consent will not be unreasonably withheld, conditioned or delayed.

Within two (2) days of the Effective Date, Seller will make available to Buyer and its agents and consultants all books and records, reports, tax bills, contracts, employee records and other information related to the Property which are in Seller's possession or control. The documents, information, and inspections described in this Section 4 are referred to as the "**Due Diligence**" and listed on Exhibit E. To the extent that Buyer determines that any of the Due Diligence has not been made available or delivered to Buyer pursuant to this Section 4(a), Buyer shall notify Seller and Seller shall use commercially reasonable efforts to deliver the same to Buyer within five (5) business days after such notification is received by Seller; provided, however, that

under no circumstances will the Examination Period be extended and Buyer's sole remedy after Seller's failure to deliver any Due Diligence shall be to terminate this Agreement pursuant to Section 4(c) below.

(b) Entry and Indemnity. Buyer and its agents, contractors, engineers, surveyors, attorneys and employees shall have the right during business hours (with reasonable advance notice to Seller and subject to the rights of the tenants in possession), at Buyer's sole cost and expense and at Buyer's and its consultants' sole risk, to perform inspections and tests of the Property and to perform such other analyses, inquiries and investigations as Buyer shall deem necessary or appropriate; provided, however, that in no event shall (i) such inspections or tests unreasonably disrupt or disturb the ongoing operation of the Property or the rights of the tenants at the Property, or (ii) Buyer or its consultants conduct any physical testing, drilling, boring, sampling or removal of, on or through the surface of the Property (or any part or portion thereof) including, without limitation, any ground borings or invasive testing of the Improvements (collectively, "**Physical Testing**"), without Seller's prior written consent, which consent may be given or withheld in Seller's reasonable discretion. After making such tests and inspections, Buyer agrees to promptly restore the Property to its condition prior to such tests and inspections (which obligation shall survive the Closing or any termination of this Agreement). Seller shall have the right, in its discretion, to accompany Buyer and/or its consultants during any inspection (including, but not limited to, tenant interviews) provided Seller or its agents do not unreasonably interfere with Buyer's inspection. Buyer shall keep the Property free and clear of any liens directly related to Buyer's inspection, and does hereby indemnify, defend, and hold Seller harmless from all claims and liabilities asserted against Seller or the Property as a result of (a) any injury or damage to person or property caused at any time subsequent to the date of this Agreement by any act or omission of the Buyer, its agents, employees, contractors or representatives or (b) Buyer's failure to pay any bills, invoices or other charges relating to any inspections, investigations, evaluations, or due diligence inquiries by Buyer, its agent, employees, contractors or representatives. The foregoing obligations of Buyer shall survive any termination of this Agreement. The foregoing indemnity shall survive the termination of this Agreement and, if not so terminated, the Closing and delivery of the Deed.

(c) Termination. On or prior to the expiration of the Examination Period, Buyer shall notify Seller and Escrow Agent in writing of its election to terminate this Agreement or to proceed with the transaction. If Buyer notifies the parties that it no longer intends to acquire the Property on or prior to the expiration of the Examination Period, the Agreement shall terminate and the Escrow Deposit shall be refunded to the Buyer (less title search and examination fees). If Buyer fails to notify the parties that it no longer intends to acquire the Property, the Buyer shall be deemed to have elected not to proceed with the transaction contemplated herein, the Deposit shall be returned to Buyer and this Agreement shall terminate.

(d) Continuing Duty to Provide Due Diligence and Cooperate; Authorization. Until the Closing, Seller will use reasonable efforts to provide Due Diligence and reasonable access and cooperation as reasonably requested by Buyer. During the Examination Period and until Closing, Seller hereby authorizes Buyer to review records related to the Property which are maintained by HUD or other federal, state or local agencies or authorities. Seller shall provide authorization to HUD and, to the extent necessary and reasonable, to any other appropriate federal or state agency, to release to Buyer copies of the HAP Contract, or other documents or agreements

with HUD in connection with obtaining HUD Approvals (as defined below).

(e) HUD Approvals.

Buyer agrees that, at the Closing, Seller shall assign and Buyer shall assume the HAP Contract (the “**HAP Assumption**”) subject to the terms and conditions set forth herein. Buyer further acknowledges that the HAP Contract requires the satisfaction by Buyer of certain requirements as set forth therein and established by HUD to allow for the HAP Assumption. Prior to the Closing, Buyer shall, at its sole cost and expense, obtain 2530 approval from HUD, as well as HUD’s approval of the HAP Assumption, and any other approvals required in connection with same (collectively, the “**HUD Approvals**”). In connection with the foregoing, Buyer, at its sole cost and expense, shall submit a complete application to HUD (the “**HUD Application**”) in order to obtain HUD Approvals, including, without limitation, all application documents, certificates, agreements, information and fees required by HUD to allow for HUD’s approval of Seller’s assignment and Buyer’s assumption of the HAP Contract. In addition to the foregoing, Buyer shall satisfy all other requirements imposed by HUD field offices in connection with any other process imposed as a prerequisite to obtaining HUD Approval. The Buyer shall obtain the HUD Approvals on or before the expiration of the HUD Approval Period (defined hereinafter in Section 7(b)), as such period may be extended as permitted hereunder. If Buyer has not obtained the HUD Approvals within such period, this Agreement may be terminated by either party by written notice to the other party, the Deposit shall be returned to Buyer, and this Agreement shall be of no further force and effect, subject to and except for the provisions intended to survive the termination of this Agreement.

Buyer agrees promptly to deliver to HUD all documents and information required in order to obtain the HUD Approvals, and such other information or documentation as HUD reasonably may request, including, without limitation, financial statements, income tax returns and other financial information for Buyer and any required guarantor, materials, documents, certificates, signatures, and other items. Seller agrees that it will cooperate with Buyer and HUD, at no cost or expense to Seller, in connection with Buyer’s application to HUD for HUD Approval. Seller reserves the right to reject, in Seller’s sole discretion, the terms and conditions imposed by HUD in connection with the HUD Approvals which would impose liability on Seller or adversely affect the economic remuneration due Seller from the sale contemplated hereby unless (A) Buyer agrees to compensate Seller on or before Closing for such liability or adverse impact, and (B) such liability or adverse impact can readily be calculated and recompense made by monetary compensation. Buyer shall be responsible at its sole cost and expense for correcting and re-submitting any deficiencies noted by HUD in connection with the application for HUD Approvals no later than five (5) business days after notification from HUD of such deficiency, provided such deficiency is not intentionally caused by Seller or related to an action required by HUD from Seller, both of which shall be cured by Seller (but, subject to Section 4.(e)(iii), Seller shall not be required to incur any expense to cure such items). Buyer shall pay all fees and expenses (including, without limitation, transfer fees, assumption fees, title fees, endorsement fees, and other fees) imposed or charged by HUD or its counsel in connection with either the HUD Application or the HUD Approvals (which obligation shall survive the termination of this Agreement and the Closing). Without limiting the generality of the foregoing, Buyer shall pay the cost of any physical inspection report required in connection with obtaining HUD Approvals.

5. **Title and Survey.**

(a) **Title Report.** As soon as possible after the Effective Date, Seller shall request that a preliminary title report or title commitment (“**Preliminary Title Report**”) and copies of all underlying documents identified therein and covering the Property from First American Title Insurance Company (which company, in its capacity as title insurer hereunder, is herein called the “**Title Company**”). Seller shall deliver to Buyer the existing survey, if any, of the Property in Seller’s possession. Buyer may obtain a new or updated survey at Buyer’s sole cost and expense prior to the expiration of the Examination Period.

(b) **Title Objections.** On or before the end of the Examination Period, Buyer shall either approve in writing to the Seller and the Escrow Agent the exceptions contained in said Preliminary Title Report and any existing survey or updated survey (collectively, the “**Survey**”), or send notice to Seller and Escrow Agent to specify in writing any exceptions to title reflected in the Preliminary Title Report and Survey (as applicable) to which Buyer objects (“**Buyer's Title Letter**”). The failure of Buyer to deliver said Buyer's Title Letter to Seller and Escrow Agent on or before expiration of the Examination Period shall be deemed a waiver of Buyer's right to object to any condition of title or Survey pertaining to the Property set forth on such Preliminary Title Report or Survey as of the date of such Preliminary Title Report or Survey as the case may be. If Buyer issues a Buyer's Title Letter, Seller shall, within ten (10) calendar days after Seller’s receipt of Buyer's Title Letter, deliver to Buyer written notice (the “**Seller's Title Response Letter**”) to indicate that either: (i) Seller will, at Seller's expense, remove all or some of the title and Survey exception(s) to which Buyer has objected in the Buyer's Title Letter before the Closing Date (and Seller shall be entitled to reasonable extension(s) of the Closing date to cure the objections) or (ii) Seller is unwilling or unable to eliminate or cure all or some of the cited exception(s). If Seller fails to deliver to Buyer the Seller's Title Response Letter within such ten (10) day period, Seller shall be deemed to have elected not to remove the title and Survey exception(s) to which Buyer has objected in the Buyer's Title Letter before the Closing Date. If Seller delivers Seller's Title Response Letter indicating that Seller is unwilling or unable to remove any such exception by the Closing Date, or Seller is deemed to have made such election, Buyer may either: (i) elect to terminate this Agreement and receive back the Escrow Deposit previously paid (less title examination or cancellation fees) in which event Buyer and Seller shall have no further obligations under this Agreement, except for those obligations specifically stated in this Agreement as surviving the termination of this Agreement, or (ii) alternatively, Buyer may elect to purchase the Property subject to such exception(s) cited in the Buyer's Title Letter.

6. **Representations and Warranties.**

(a) **Representations, Warranties, and Covenants of Seller.** Seller hereby warrants, represents and covenants to Buyer (with such representations and warranties to be re-made as of Closing pursuant to Section 8) as follows:

(i) Seller is and will be on the Closing Date, duly organized, validly existing and in good standing under the laws of the state of its formation. Seller is duly authorized and qualified to do business in the state where the Property is located. All of the documents to be delivered by Seller to Buyer will be duly authorized, executed, and, when executed, will be legal, valid, and binding obligations of Seller, enforceable in accordance with

their respective terms, and do not and will not at Closing violate any provisions of any agreement to which Seller is subject.

(ii) Seller has and will make available to Buyer at the Property all Leases and rent rolls (“**Rent Rolls**”) for the Property within fifteen (15) days of the Effective Date, including information regarding each Tenant’s original move-in date, most recent lease renewals, most recent certified incomes, confirmation of non-student status, and the amount of security deposit, if any. Except as shown, no tenant is more than thirty (30) days past due in making its rental payment. Seller shall deliver a current, updated Rent Roll at Closing and shall certify the accuracy thereof to Buyer. The Leases are in full force and effect.

(iii) To Seller’s knowledge, other than actions to evict tenants in the ordinary course of business or any matter covered by Seller’s current insurance policy(ies), there are no actions, suits or proceedings pending, and, to Seller’s knowledge, Seller has not received written notice of threatened actions, suits or proceedings against or affecting the Property. Seller has received no written notice of any condemnation or eminent domain proceeding pending or threatened against any of the Property.

(iv) Seller is not acting directly for or on behalf of any person named by the United States Treasury Department as a Specifically Designated National and Blocked Person, or for or on behalf of any person designated in Executive Order 13224 as a person who commits, threatens to commit, or supports terrorism (a “**Prohibited Person**”). Seller is not engaged in the transaction contemplated by this Agreement directly or indirectly on behalf of, or facilitating such transaction directly or indirectly on behalf of, any such person.

(v) There has not occurred at any time the making by Seller of any general assignment for the benefit of creditors, or the filing by Seller or against Seller of a petition to have Seller adjudged a bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy, or the appointment of a trustee or receiver to take possession of substantially all of the interest of Seller in the Property, or the attachment, execution or judicial seizure of substantially all the assets of Seller or the interests of Seller in the Property or any legal proceeding in which Seller is adjudicated as being, or stipulates to being, insolvent or unable to pay its debts as they come due.

(vi) Seller is not a “foreign person,” as that term is used and defined in the Internal Revenue Code, Section 1445, as amended.

(vii) To Seller’s actual knowledge, the Property is not in violation of any applicable laws, rules and regulations.

(viii) Seller has not received written notice that Seller is in default under the HAP Contract, or received written notice that an event has occurred which would be an event of default under the HAP Contract.

(ix) To Seller’s actual knowledge, there are no hazardous substances or materials located on, in or under the Property in violation of applicable laws, rules and regulations.

(b) Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller (with such representations and warranties to be re-made as of Closing pursuant to Section 8) as follows:

(i) Buyer is duly organized and validly existing and in good standing under the laws of the state of its formation. Buyer is duly authorized and qualified to do all things required of it under this Agreement and that this Agreement has been, and all the documents to be delivered by Buyer to Seller will be duly authorized, executed, and are or will be legal, valid, and binding obligations of Buyer, are or will be enforceable in accordance with their respective terms, and do not and will not at Closing violate any provisions of any agreement to which Buyer is subject.

(ii) To Buyer's knowledge, no pending or, to the knowledge of Buyer, threatened litigation exists against Buyer which if determined adversely would restrain the consummation of the transactions contemplated by this Agreement or would declare illegal, invalid or non-binding any of Buyer's obligations or covenants to Seller.

(iii) Buyer is not a Prohibited Person.

(iv) To Buyer's knowledge, none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person.

(v) To Buyer's knowledge, the funds or other assets Buyer will transfer to Seller under this Agreement are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person.

(vi) To Buyer's knowledge, the funds or other assets Buyer will transfer to Seller under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

(vii) Neither Buyer nor any affiliate of Buyer has been denied preliminary approval as transferee under a transfer of physical assets application or proposed assignment of any Housing Assistance Payments Contract, in each case within the 12 calendar months preceding the Effective Date of this Agreement, nor has Buyer or any affiliate of Buyer had any past or pending issues or matters with HUD that would prevent Buyer from obtaining the HUD Approvals.

(viii) Buyer acknowledges that it has received the Lead-Based Paint and Lead-Based Paint Hazards Disclosure attached hereto and incorporated herein at **Exhibit G**. Buyer acknowledges that it has read the Disclosure and reviewed all information contained therein and attached thereto.

7. **Closing Conditions.**

(a) Buyer's obligation to proceed to Closing is conditioned upon the satisfaction of the following conditions, provided that Buyer may, in its sole discretion, elect to waive any such condition in writing:

(i) Seller's Representations. All of Seller's representations and warranties made pursuant to Section 6(a) shall be true and correct in all material respects.

(ii) No Breach. Seller shall have performed in all material respects its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(iii) Condition of Property. At Closing, Seller shall deliver the Property substantially in the same manner and condition as of the Effective Date, pursuant to its normal course of business, subject to reasonable wear and tear and further subject to destruction by casualty and taking by eminent domain in accordance with Section 10(a) of this Agreement.

(iv) Seller's Deliverables. Seller shall have delivered all of the documents and other items required pursuant to Section 8(f)(ii).

(v) HUD Approvals. Buyer shall have obtained the HUD Approvals or HUD shall have issued preliminary approval subject only to Closing.

(vi) Financing. Buyer shall have obtained financing for its acquisition on such terms as Buyer shall approved in its sole and absolute discretion.

(b) If any condition specified in Section 7(a)(i)–(iv) is not met on or prior to the Closing Date (all other conditions to Closing having been satisfied or waived), Buyer may waive any of the foregoing conditions and proceed to Closing on the Closing Date with no offset or deduction from the Purchase Price, or notify Seller in writing of Buyer's election to terminate this Agreement, in which event, unless such condition has not been satisfied by reason of a default by Buyer of its obligations hereunder, the Deposit shall be returned to Buyer (less any escrow cancellation charges or title search/examination fees) and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth herein. If any conditions specified in Section 7(a)(v) or (vi) above is not met on or before the date that is two hundred ten (210) calendar days after the Effective Date ("**HUD and Financing Approval Period**"), all other conditions to Closing having been satisfied or waived, Buyer may terminate this Agreement on the date of the expiration of the HUD and Financing Approval Period by providing written notice to Seller and Escrow Agent, in which event, the Deposit shall be paid to Buyer (less any escrow cancellation charges or title search/examination fees) and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth herein. Provided that Buyer is not in default under the terms of this Agreement, Buyer shall be permitted to extend the expiration of the HUD and Financing Approval Period for up to two (2) additional periods of fifteen (15) days each by concurrently delivering (with respect to each such fifteen (15) day extension period): (i) written notice to Seller no later than five (5) days prior to the then-scheduled expiration of the HUD and Financing Approval Period, and (ii) the payment of an "**Extension Fee**" to Seller in the amount of \$5,000.00, which amount shall be non-refundable (subject to receipt of the HUD Approvals and financing and the other conditions to Closing), but applicable towards the Purchase Price at Closing.

(c) Notwithstanding the foregoing, in the event that, after the expiration of the HUD and Financing Approval Period, as such period may be extended as permitted hereunder, if

this Agreement is not otherwise terminated, and the HUD Approvals or financing are denied or not obtained by the expiration of the HUD and Financing Approval Period, this Agreement may be terminated by either party by written notice to the other party, the Deposit shall be returned to Buyer, and this Agreement shall be of no further force and effect, subject to and except for the provisions intended to survive the termination of this Agreement.

(d) Seller's obligation to proceed to Closing is conditioned upon the satisfaction of the following conditions, provided that Seller may, in its sole discretion, elect to waive any such condition in writing:

(i) HUD Approvals. Buyer shall have obtained the HUD Approvals or HUD shall have issued preliminary approval subject only to Closing.

(ii) Buyer's Representations. All of Buyer's representations and warranties made pursuant to Section 6(b) shall be true and correct in all material respects.

(iii) Buyer's Deliverables. Buyer shall have delivered all of the documents, funds and other items required pursuant to Section 8(f)(i).

(iv) No Breach. Buyer shall have performed in all material respects all of its obligations contained in this Agreement required to be performed on or prior to the Closing Date.

(e) If any condition specified in Section 7(d) is not met (all conditions to Closing having been satisfied or waived), Seller may waive any of the foregoing conditions and proceed to Closing on the Closing Date or terminate this Agreement, in which event, unless such failure of a condition was the result of a default by Buyer (in which event the remedies set forth in Section 10(e) below shall apply), the Deposit shall be returned to Buyer and no party shall have any further rights, duties, obligations or liabilities under this Agreement except as specifically set forth herein.

8. Closing.

(a) Closing of Sale. The purchase and sale contemplated herein shall close (the "**Closing**") at the office of the Escrow Agent (at the address shown in Section 10(b)), on the later of (i) ten (10) days after preliminary assumption of the HAP contract and (ii) two hundred forty (240) calendar days from the Effective Date (the "**Closing Date**"). At Closing, Seller will deliver to Buyer a Grant Deed conveying fee simple title (the "**Deed**") in the form of Exhibit C attached hereto and other closing documents, including an Assignment, Assumption and Bill of Sale wherein all Personal Property, Intangible Property, Leases, and Service Agreements shall be conveyed to and assumed by Buyer in the form of Exhibit D attached hereto, required hereunder and Buyer will cause payment of the Purchase Price to be made to Seller as set forth in Section 2 above.

(b) Prorations; Adjustments. All income and operating expenses (other than for insurance premiums, compensation, benefits or fees due, accruing, deferred or outstanding to any employee or under any property management or affiliate agreements, which shall be paid by Seller at Closing), including property taxes, of the Property shall be prorated (utilizing the actual

number of days remaining in such month or year, as applicable) by Buyer and Seller as of 12:01 a.m. on the date of Closing (i.e., Buyer is entitled to the income and responsible for the expenses of the day of Closing). All income will be prorated on the basis of income actually received by Seller, as opposed to income that is due. All real estate and personal property taxes which are a lien on the Property and not yet due and payable shall be prorated as of the Closing Date. To the extent that the taxes to be prorated are not known with certainty, such proration will be based upon the most recent tax bill. Seller shall assign and credit to Buyer all tenant deposits and utility allowances not disbursed to tenants and held by Seller. Buyer will pay amounts subsequently received by it from tenants, HUD or any other payor constituting rent or other income due from tenants and attributable to Seller's period of ownership, but not collected as of the Closing Date, to Seller promptly upon receipt; provided that amounts received from tenants or other payors by Buyer will be first applied to current charges, and the balance will be applied to payments due to Seller. Seller and Buyer hereby agree to use their reasonable efforts to calculate prorations, including real estate tax prorations, so as to permit settlement thereof as of the Closing Date. Any prepaid tenant rents and/or HAP payments will be prorated and paid as described above. If Seller receives any tenant rents, HAP payments (or any other rent, subsidies, fees, deposits or other amounts payable in connection with the Property) after Closing attributable to periods after Closing, Seller shall pay such amounts to Buyer. If HAP payments received by Buyer include amounts attributable to adjustments for periods prior to Closing, Buyer will pay such amounts to Seller. If HAP payments received by Seller include any amounts attributable to adjustments for periods after Closing, Seller will pay such amounts to Buyer. In connection with any delinquent rents that exist as of the Closing Date, Buyer covenants and agrees with Seller to continue to use commercially reasonable efforts to collect the same on behalf of Seller (net of all costs and expenses, including reasonable attorney's fees incurred by Buyer in connection with such collection efforts) and Seller agrees to relinquish to Buyer any right to pursue any delinquent tenant for the such delinquent rentals; provided, however, Buyer (i) shall have no duty to engage a collection agency, hire an attorney or initiate any legal action; and (ii) Buyer may, at any time, assign delinquent rent accounts to Seller in full and complete satisfaction of any duty to pursue collection of such accounts, and relinquish to Seller the rights Buyer had to pursue such accounts. Any payments required hereunder to be made to other party in settlement of the prorations made at Closing shall be made promptly as soon as such amounts are known.

(c) Calculation. The prorations and payments shall be made on the basis of a written statement submitted to Buyer by Seller prior to the Close of Escrow and approved by Buyer and Seller. To the extent the amounts of such items are then known, and attributable to periods prior to Closing, Seller shall pay such items at Closing or Buyer shall receive a credit therefor against the Purchase Price, and Seller shall pay the balance of such amounts in the ordinary course of business. Any item that cannot be finally prorated because of the unavailability of information shall be tentatively prorated on the basis of the best data then available and reprorated when the information is available. In the event any prorations or apportionments made under this Section 5 shall prove to be incorrect for any reason, then any party shall be entitled to prompt reimbursement based on such adjustment to correct the same provided a written request identifying the error in reasonable detail is given to the other party as soon as practicable after Closing; provided, however, that neither party shall have any obligation to re-adjust any items after the expiration of sixty (60) days after Closing. The provisions of this Section shall survive the Closing and delivery of the Deed to Buyer for the aforementioned 60-day adjustment period. Notwithstanding the foregoing, in the event the real estate or personal property taxes due for the period of Closing are not known

at the time of Closing, then any readjustment of the amounts prorated for such taxes will occur within thirty (30) days after such amounts are known.

(d) Closing Costs. Seller shall be charged the following amounts at Closing: (i) Grantor tax; (ii) one-half (1/2) of the escrow fee; (iii) half of any recording costs for the Deed, and (iv) the cost to remove any monetary encumbrances on the Property and associated recording costs. Buyer shall be charged the following amounts at Closing: (i) the cost of the owner's title policy, any title endorsements, riders and special coverages or for any lender's title policy required by Buyer; (ii) half of any recording costs for the Deed and all of the recording costs of Buyer's financing documents; (iii) the cost of all state, city and county transfer taxes; (iv) any cost to approve Buyer as the purchaser of the Property by HUD or in connection with the HAP Contract and HUD Approvals; (v) the cost of the Survey; and (vi) one-half (1/2) of the escrow fee. Each party shall pay its own attorneys' fees, except as otherwise specifically set forth herein. Any prorations to which Buyer may be entitled by reason of the foregoing shall be credited against the balance of the Purchase Price to be paid at Closing.

(e) Possession. Subject to the rights of tenants pursuant to Leases delivered to Buyer, Seller will deliver possession of the Property to Buyer on the Closing Date and Seller will thereupon deliver to Buyer the originals of all Leases, all correspondence with tenants, tenant/lease files, operating statements, plans and specifications, supplies and advertising materials, booklets, keys, and other items used in connection with operation of the Property in Seller's possession.

(f) Closing Documents.

(i) Buyer's Closing Documents. As part of the Closing, Buyer will execute, acknowledge, as applicable, and deliver to the Seller the following at Closing:

(a) good federal funds in an amount equal to the Purchase Price, less the Deposit and, if applicable, any Extension Fee(s) not previously paid to Seller (which shall be delivered by Escrow Agent to Seller at Closing) and plus or minus prorations and adjustments as provided for herein;

(b) an executed counterpart of the Assignment, Assumption and Bill of Sale;

(c) a certificate executed by Buyer reaffirming that all representations and warranties made by Buyer in this Agreement are true, complete and correct as of the Closing Date;

(d) an executed counterpart of the Closing Statement;

(e) letters, in form to be supplied by Buyer and signed by Seller, to the tenants at the Property, instructing the tenants to pay rent to Buyer, to recognize Buyer as landlord under their leases and the new holder of the tenants' security deposits (the "**Tenant Notices**"); and

(f) all other documents, instruments or writings which may be reasonably required to consummate the transactions contemplated herein.

(ii) Seller's Closing Documents. As part of the Closing, Seller will deliver to Buyer the following, duly and fully executed, properly notarized and acknowledged, in recordable form:

- (a) the Deed;
- (b) Non-foreign (“**FIRPTA**”) affidavit that Seller is not a foreign person within the meaning of Section 1445(e) of the Internal Revenue Code of 1986, as set forth in **Exhibit F** attached hereto and incorporated herein;
- (c) such affidavits as are customarily required by the Title Company in connection with issuance of the owner's title insurance policy;
- (d) the Assignment, Assumption and Bill of Sale;
- (e) Tenant Notices signed by Seller;
- (f) a Rent Roll, certified as of the Closing Date;
- (g) a certificate executed by Seller reaffirming that all representations and warranties made by Seller in this Agreement are true, complete and correct as of the Closing Date;
- (h) an executed counterpart of the Closing Statement;
- (i) Keys, entry cards, passwords, and any other similar items pertaining to the Property in Seller's possession; and
- (j) such other documents, instruments or writings reasonably required to consummate the transactions contemplated herein.

(g) Work Pre-Closing. If in connection with the loan which Buyer intends to obtain at Closing, the lender requires certain repairs to the Property, then Seller hereby agrees that Buyer may cause such repairs to be performed at Buyer's sole cost and expense prior to Closing, but only following the Contingency Expiration Date. In the event that Buyer desires to undertake such repair work, prior to the commencement of performance, Buyer shall provide Seller with the following:

- i. A list of all work to be performed;
- ii. The name of all contractors to perform such work;
- iii. The total amount to be expended for such work.

Prior to commencement of performance, Buyer shall provide evidence of insurance from all contractors naming Seller as an additional insured. Buyer shall, prior to the commencement of performance, deposit with the Title Company, an amount equal to one-hundred twenty five percent (125%) of the total to be expended on the repair work. All invoices for the repair work shall be

presented to the Title Company and shall be paid directly to the contractor(s), upon the presentation of all necessary lien waivers, by the Title Company. Any funds which remain in the possession of the Title Company following the completion of the repair work shall be refunded to or as directed by Buyer. Buyer hereby indemnifies, defends, protects and holds Seller harmless of and from any and all liabilities, losses, claims, demands and expenses (including attorneys fees, court costs and litigation expenses) arising from or relating to the entry onto the Property and/or the performance of such work, including but not limited to mechanic's liens and/or materialmen liens. In the event that this transaction shall fail to close due to no fault of the Seller, and in consideration of Seller's grant of permission to Buyer as set forth in this Section 13(k), all repair work shall be and remain the property of the Seller, Buyer shall be deemed to have waived any claim and Seller shall have no obligation to repay any sums expended by the Buyer in its performance of the repair work. The Seller's retention of such work shall be in addition to, and not in lieu of any of Buyer's rights as otherwise set forth in this Agreement.

9. **Escrow Agent.** This Section 9 sets forth all of the responsibilities of the Escrow Agent pursuant to this Agreement, and the parties agree that such duties are ministerial in nature. However, Escrow Agent's signature hereon shall not be a prerequisite to the binding nature of this Agreement on Buyer and Seller. Escrow Agent is expressly authorized to rely upon a notice delivered to it by Buyer within the Examination Period (or any extension thereof) without any duty to investigate the sufficiency, manner of execution, or validity of any such notice. Escrow Agent shall not be required to determine whether or not the terms and conditions of this Agreement have been complied with by the parties. Escrow Agent shall not at any time be held liable for actions taken or omitted to be taken in good faith and without gross negligence. Escrow Agent is hereby relieved of all liability under this Agreement except for fraud, gross negligence, or willful misconduct. The parties agree to save and hold Escrow Agent harmless from any loss and from any claims or demands arising out of its actions hereunder and hereby agree to indemnify Escrow Agent from any claims or demands for losses arising out of its activities hereunder, including without limitation, court costs, reasonable attorney's fees, and expenses. The Escrow Agent may be removed at any time by an instrument or concurrent instruments in writing delivered to the Escrow Agent signed by Buyer and Seller.

10. **Miscellaneous.**

(a) **Casualty and Condemnation.** Seller agrees to keep its customary property and casualty insurance covering the Property in effect until the Closing. If between the Effective Date and the Closing the Improvements on the Property are destroyed or damaged in a "material" respect, in whole or in part, or if condemnation proceedings are commenced against all or a "material" portion of the Property, Buyer may (i) terminate this Agreement or (ii) elect to accept the Property in its then condition, in which event Seller will assign to Buyer at Closing all proceeds of insurance (plus the applicable deductible) and/or condemnation awards payable to Seller by reason of such damage or condemnation. For the purpose of this Section 10(a) the term "**material**" means that the Improvements have suffered damage greater than \$50,000.00 to repair or, in the event of a condemnation proceeding, the value of the Improvements is greater than \$50,000.00. If between the Effective Date and the Closing, the Improvements on the Property are destroyed or damaged in less than "material" respect or if condemnation proceedings are commenced against less than a "material" portion of the Property, this Agreement shall not terminate, and Seller shall, at Seller's election, in the event of casualty damage either (i) repair the damage to the Property, or

(ii) assign to Buyer at Closing all proceeds of insurance (plus the applicable deductible) (if Seller has failed to maintain casualty insurance coverage on the Property, then Seller shall pay to Buyer the amount necessary to repair the casualty damage), payable to Seller by reason of such damage, or, in the event of condemnation, assign to Buyer at Closing the condemnation awards payable to Seller by reason of such damage or condemnation. Unless Buyer has terminated this Agreement, Seller shall not settle insurance claims or condemnation awards prior to Closing without Buyer's express written consent, which shall not be unreasonably withheld, denied, conditioned or delayed.

(b) Notices. All notices required or permitted hereunder must be in writing and shall be served on the parties at the following address:

As to Seller: I'm Frieda's Boss, LLC
881 Alma Real Drive, Suite 213
Pacific Palisades, CA 90272
Phone: (310) 454-1321
Fax: (213) 232-3717
Email: alan@conquesthousing.com
Email: casey@conquesthousing.com

With a copy to: Law Offices of Greg Yaris
1875 Century Park East, Suite 2230
Los Angeles, CA 90067
Attn: Greg Yaris
Phone: (310) 553-3900
Fax: (310) 553-3910
Email: greg@yarislaw.com

As to Buyer: BLVD Capital, LLC
11911 San Vicente Blvd., Suite 355
Los Angeles, CA 90049
Attn: Patrick Luke
Phone: (323) 302-9609
Fax: (323) 302-9620
Email: pat@blvdcapitalinvestment.com

As to Escrow Agent: First American Title Insurance Company
800 Boylston Street, Suite 2820
Boston, MA 02199
attn: Anthony J. Bucchere
Phone: 617-772-9268
Email: abucchere@firstam.com

Any such notices may be sent by: (a) certified mail, return receipt requested, in which case notice will be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. mail; or (b) a nationally recognized overnight courier, in which case notice will be deemed delivered one (1) business day after deposit with such courier; or (c) facsimile or email transmission, in which case notice will be deemed delivered upon electronic verification that transmission to recipient was completed, provided that notices sent by facsimile or email transmission on a day other than a business day, or after 5:00 p.m. on a business day, shall be deemed given on the first business day following the date of transmission; or (d) personal delivery. All notices must be sent to each party in the same manner and at the same time. The above addresses and facsimile numbers may be changed by notice to the other party; provided that no notice of a change of address or facsimile number will be effective until actual receipt of such notice.

(a) Parties Bound; Governing Law. Subject to the foregoing, this Agreement is binding upon and shall inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. This Agreement shall be governed by and interpreted in accordance with the substantive, internal laws of the state where the Property is located without giving effect to conflict of laws principles thereof, and shall not be construed strictly against the drafter thereof. Buyer and Seller consent to exclusive jurisdiction in the City of Los Angeles and each waives (i) objections to jurisdiction or venue based on forum non conveniens or otherwise, and (ii) any and all right to trial by jury on any matters in dispute.

(b) Seller's Covenants Until Closing. Between the Effective Date and the Closing, Seller agrees to keep and perform all of the obligations to be performed as owner of the Property and as landlord under any leases and laws and to maintain replacement value insurance coverage for the Improvements and Personal Property. Seller agrees to operate the Property in the same manner as before the making of this Agreement, the same as though Seller were retaining the Property and to keep Buyer reasonably informed, from time to time, of the operation of the Property and notify Buyer of any litigation or any enforcement actions against or involving Seller or the Property. Seller agrees not to convey the Property, nor to grant any liens or easements with respect thereto, nor to enter into, materially modify or terminate the HAP Contract or service agreements that will survive the Closing without, in each case, the prior consent of Buyer, not to be unreasonably withheld, conditioned or delayed. Seller may continue to enter into Leases upon Seller's customary lease terms. After the Effective Date, Seller may continue to enter into new Service Agreements affecting the Property so long as any such new Service Contract is terminable upon thirty (30) days written notice.

(c) Brokers. Seller and Buyer represent and warrant there are no real estate agents, brokers, finders or salespeople who would be entitled to a commission on account of this sale. The parties agree to indemnify each other against any claim by any real estate agent, broker, or salesperson for commission where such real estate agent, broker or salesperson claims a commission on this sale through dealings with the indemnifying party. The indemnity contained in this Section 10(c) shall survive the Closing.

(d) Assignment. Prior to Closing, Buyer shall have the right to assign this Agreement provided that Buyer delivers to Seller no later than ten (10) days prior to the Closing Date a written assignment and assumption agreement under which the assignee assumes all of Buyer's obligations under this Agreement and the Buyer is not released from its liability

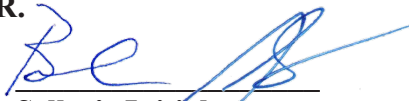
hereunder; provided further that there shall not be any increase in Seller's obligations and such assignee is assigned the HAP Contract.

(e) Remedies for Non-Performance; Attorney's Fees.

(i) In the event of any default or breach of this Agreement by Seller of its obligations to Close the purchase and sale transaction as described herein or the discovery before Closing of a material misrepresentation by Seller, and such breach or misrepresentation has not been cured on or before the tenth (10th) day after written notice from Buyer to Seller, then Buyer may either (i) terminate this Agreement and receive back the balance of the Deposit and all interest earned thereon, OR (ii) seek specific performance within sixty (60) days of the then-scheduled Closing Date. By electing either of these remedies, Buyer is expressly waiving any right to pursue Seller for any other damages—compensatory or punitive.

(ii) If said sale is not consummated because of a default under this Agreement on the part of Buyer, and such default has not been cured on or before the tenth (10th) day after written notice from Seller to Buyer, the balance of the Deposit and any interest earned thereon will be disbursed to and retained by Seller as Seller's sole and exclusive remedy.

IN CONNECTION WITH THE FOREGOING, THE PARTIES RECOGNIZE THAT SELLER WILL INCUR EXPENSE IN CONNECTION WITH THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT AND THAT THE PROPERTY WILL BE REMOVED FROM THE MARKET; FURTHER, THAT IT IS EXTREMELY DIFFICULT AND IMPRACTICABLE TO ASCERTAIN THE EXTENT OF DETRIMENT TO SELLER CAUSED BY THE BREACH BY BUYER UNDER THIS AGREEMENT AND THE FAILURE OF THE CONSUMMATION OF THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT OR THE AMOUNT OF COMPENSATION SELLER SHOULD RECEIVE AS A RESULT OF BUYER'S BREACH OR DEFAULT. IN THE EVENT THIS AGREEMENT IS NOT TERMINATED ON OR BEFORE THE EXPIRATION OF THE EXAMINATION PERIOD OR ON OR BEFORE THE EXPIRATION OF THE HUD APPROVAL PERIOD IN THE EVENT OF BUYER'S FAILURE TO OBTAIN HUD APPROVALS AND THE SALE CONTEMPLATED HEREBY IS NOT CONSUMMATED DUE TO BUYER'S DEFAULT, OR BUYER OTHERWISE DEFAULTS IN A MATERIAL RESPECT IN ANY OF ITS REPRESENTATIONS AND WARRANTIES, AND ANY SUCH DEFAULT CONTINUES FOR MORE THAN 10 DAYS AFTER WRITTEN NOTICE, THEN THE RETENTION OF THE DEPOSIT SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS AGREEMENT BY REASON OF SUCH DEFAULT OR FAILURE, SUBJECT TO THE PROVISIONS OF THIS AGREEMENT THAT EXPRESSLY SURVIVE A TERMINATION OF THIS AGREEMENT AND THE PARTIES SHALL TAKE SUCH ACTION AS MAY BE REQUIRED TO CAUSE THE DEPOSIT TO BE DELIVERED TO SELLER.



Seller's Initials



Buyer's Initials

The obligations of the parties contained herein are intended to be binding only on the rights

of the parties in the Property and resort shall not be had to the private properties of any of the managers or members of such party and any manager or member of such party shall have no personal liability pursuant to this Agreement or any document executed in connection with the transactions contemplated by this Agreement. Notwithstanding any limitation on remedies or amounts recoverable set forth elsewhere herein, if any action is brought by either party against the other party, the prevailing party will be entitled to recover attorney's fees and court costs.

(f) Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event, after which the designated period of time begins to run, is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday (i.e., a day on which federally chartered banks are not open for business). The last day of any period of time described herein shall be deemed to end at 5:00 p.m. on the last day of such period of time. All days other than Saturdays, Sundays and legal holidays on which federally chartered banks are closed are business days hereunder. Any reference to time of day shall mean Pacific Time ("PST" or "PDT" as applicable).

(g) "AS-IS".

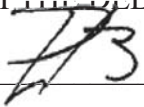
(i) **AS A MATERIAL PART OF THE CONSIDERATION FOR THE TRANSACTION CONTEMPLATED UNDER THIS AGREEMENT, BUYER AND SELLER EXPRESSLY STIPULATE AND AGREE THAT BUYER SHALL ACCEPT THE PROPERTY "AS IS" AND "WITH ALL FAULTS," EXCEPT TO THE EXTENT SELLER HAS OTHERWISE MADE AN EXPRESS REPRESENTATION, WARRANTY OR COVENANT HEREIN, AND BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN. SELLER MAKES AND HAS MADE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE CONDITION OF THE PROPERTY, THE FITNESS OF THE PROPERTY FOR ANY INTENDED USE OR PURPOSE, THE WORKMANSHIP OR MATERIALS USED IN THE IMPROVEMENTS ON THE PROPERTY, OR THE PRESENT OR FUTURE INCOME THAT MAY BE GENERATED FROM THE PROPERTY, OTHER THAN WITH RESPECT TO THE WARRANTY OF TITLE SELLER AGREES TO DELIVER IN THE DEED REQUIRED UNDER THE PROVISIONS OF THIS AGREEMENT.**

(ii) **EXCEPT FOR THE REPRESENTATIONS, WARRANTIES, AND COVENANTS SET FORTH IN THIS AGREEMENT AND THE CLOSING DOCUMENTS, BUYER ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATIONS, STATEMENTS, ASSERTIONS OR NON-ASSERTIONS BY SELLER WITH RESPECT TO THE CONDITION OF THE PROPERTY, BUT IS RELYING UPON ITS OWN INVESTIGATION AND EXAMINATION OF THE PROPERTY.**

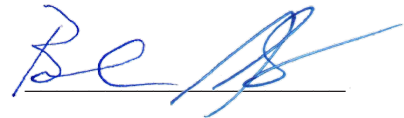
(iii) In providing the Due Diligence to Buyer, except as expressly provided in this Agreement, Seller makes no representation or warranty, express, written, oral, statutory, or implied, and all such representations and warranties are hereby expressly excluded

and disclaimed. All Due Diligence are provided for informational purposes only. Recognizing that the Due Diligence delivered or made available by Seller pursuant to this Agreement may not be complete or constitute all of such documents which are in Seller's possession or control, but are those that are readily and reasonably available to Seller, Buyer shall not in any way be entitled to rely upon the completeness or accuracy of such Due Diligence and will instead in all instances rely exclusively on its own inspections and consultants with respect to all matters which it deems relevant to its decision to acquire, own and operate the Property.

(iv) Buyer agrees to and shall, commencing at the Closing, release Seller and its members, managers, employees, agents, affiliates, successors and assigns (collectively, "Indemnitees") from any and all liabilities, losses, claims, costs, charges, orders, liens, demands and expenses (including reasonable attorneys' fees and costs whatsoever) (collectively, "Claims"), regardless of by whom or when asserted, arising out of or in any way connected with the Property, but excluding Claims arising from or related to a material breach of Seller's representations or warranties contained in Article 6 of this Agreement; provided Buyer has commenced an action within three (3) months from Closing (the "Released Claims"). No such action shall include a claim for rescission or consequential, special or punitive damages, nor shall any manager, member or agent of Seller be named in any such action, and in no event shall Seller be liable for more than Seventy Five Thousand Dollars (\$75,000.00). From and after the expiration of the Survival Period, all Claims arising out of a breach of the representations and warranties set forth in Article 6 above shall be "Released Claims" and shall be covered by the release of Claims set forth in this section. In connection with the preceding, Buyer expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR EXPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN TO HIM OR HER MUST HAVE MATERIALLY AFFECTED THE SETTLEMENT WITH THE DEBTOR."



Buyer



Seller

The provisions of this section (g) shall survive Closing.

(h) Modifications; Entire Agreement; Severability; Time of the Essence. This Agreement may only be amended by a writing signed by Buyer and Seller (and Escrow Agent but only to the extent the rights and responsibilities of Escrow Agent are affected by such amendment). This Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof. Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions

of this Agreement. Time (including, without limitation, the date specified as the Closing Date) is of the essence of this Agreement.

(i) Recordation. Neither this Agreement nor any memorandum thereof shall be recorded by either party.

(j) Facsimile, Electronic and Counterpart Signatures. Executed copies of this Agreement or any amendments hereto delivered via facsimile or other electronic means, including email, shall be binding upon the parties, and copies of signatures appearing hereon or on any amendments hereto shall be deemed to be original signatures. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(k) 1031. The parties hereto agree to cooperate with each other in the event a party elects to sell or purchase the Property as part of a like-kind exchange under Section 1031 of the IRC (“1031 Exchange”). A party’s contemplated exchange shall not impose upon the other party any additional liability or financial obligation, and the party performing such an exchange agrees to hold the other party harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon the exchanging party’s ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by the party performing such an exchange should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

[Remainder of page intentionally blank – Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date, intending to be legally bound.

BUYER:

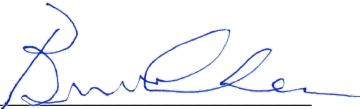
BLVD CAPITAL, LLC, a Delaware limited liability company

By: _____

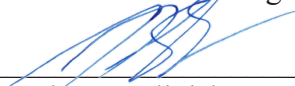
Its: Robert Budman, manager

SELLER:

I'm Frieda's Boss, LLC
a California limited liability company

By: _____

Brian Chien-Chih Chen, manager and as
Trustee of the Brian Chien-
Chih Chen Trust amended
and restated on August 6, 2003, member

By: _____

Alan Smolinisky, Trustee
of the Alan B. Smolinisky
Trust amended and restated on
August 8, 2014, member

EXHIBIT A
PROPERTY DESCRIPTION

All that certain lot or parcel of land, together with all improvements thereon located, situate and being in the City of Newport News, Virginia and being more particularly described as follows:

ALL THAT CERTAIN lot, piece or parcel of land, situate, lying and being in the City of Newport News, Virginia, containing approximately 5.368 acres of land, more or less, bounded generally on the north by the southerly right of way line of Sixth Street, on the east by the property formerly owned by E.T. Ivy and formerly known as the "Ivy Avenue Tract", on the south by high water mark in Hampton Roads, and on the west by the property of the City of Newport News, Virginia, and being more particularly designated and described as follows:

BEGINNING at a point on the south side of 6th Street, said point being the intersection of the extension of the west side of Bates Drive and the south side of 6th Street; thence north $48^{\circ} 30' 00''$ east along the east side of 6th Street a distance of 450.60 feet to a concrete manhole; thence south $41^{\circ} 29' 46''$ east along the property now or formerly belonging to E. T. Ivy a distance of 510.91 feet to the mean high water line of Hampton Roads; thence running in a southwesterly direction in a meandering course along the mean high water line of Hampton Roads for a distance of approximately 475' to a point located at the intersection of the mean high water line of Hampton Roads and the property line now or formerly belonging to the City of Newport News; thence north $38^{\circ} 59' 07''$ west along the property now or formerly belonging to the City of Newport News a distance of 479.35' to the point of beginning, all as shown on a plat attached hereto entitled "Survey of A Portion of Disney Property for Bernard L. Lipman, Aqua Vista Apartments", made by Old Dominion Surveyors, of Virginia Beach, Virginia, dated May 20, 1971, and which plat is made a part hereof by reference made thereto.

EXHIBIT B

[NOTE: SUBJECT TO HUD REQUIRED/REQUESTED MODIFICATIONS]

**ASSIGNMENT, ASSUMPTION AND AMENDMENT AGREEMENT
SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT**

THIS ASSIGNMENT, ASSUMPTION AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE CONTRACT (herein called the "Agreement") is made this _____ day of _____, 201____, by the United States of America, acting through the U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (herein called "the Contract Administrator"), _____ (herein called the "Seller"), and [_____] , LLC, a [_____] limited liability company (herein called the "Buyer").

WHEREAS, the Contract Administrator and Seller, pursuant to Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437(f), entered into a Section 8 Housing Assistance Payments Contract (herein called the "HAP Contract") identified as FHA Property No. _____, HAP Contract Numbers _____, _____, _____, and _____ for [_____] units in [_____] Apartments located in [_____] , [_____] (herein called "the Property"); and

WHEREAS, Seller and Buyer have entered into a Purchase and Sale Agreement, dated as of _____, 2013, wherein Seller agrees to sell the Property and Buyer agrees to purchase the Property, including, without limitation, the improvements situated thereon, and has agreed to accept the assignment of and assume all obligations under the HAP Contracts; and

WHEREAS, Buyer has submitted to the Secretary of HUD (herein called the "Secretary") an application and documents in support thereof (herein collectively referred to as the "Application") requesting the Secretary's approval of the proposed assignment of the HAP Contracts to Buyer as set forth in the aforesaid Purchase and Sale Agreement; and

WHEREAS, Seller and Buyer mutually desire to assign the HAP Contracts; and it is necessary to, and the Contract Administrator and Buyer mutually desire to, amend the HAP Contracts to allow for physical inspections in accordance with 24 CFR Subpart G and require financial reporting in accordance with 24 CFR Subpart H;

NOW, THEREFORE, in consideration of the foregoing, the sum of Ten Dollars (\$10.00) in hand paid and other good consideration, the receipt of which is hereby acknowledged, and in order to comply with the requirements of the Secretary, the National Housing Act of 1937, and the regulations adopted pursuant thereto, the parties hereto agree as follows:

1. Seller hereby irrevocably assigns the HAP Contract to Buyer together with all rights and obligations in and under said contract provided, however, in no event shall this assignment or assumption be effective unless and until the Buyer takes title to the Property.
2. Effective as of the date of this Agreement, Buyer agrees to assume and to be bound by said HAP Contracts as modified herein, and is responsible for filing the Annual Financial

Statement (AFS) from the date of this Agreement through the end of Buyer's fiscal year.

3. Effective as of the date of this Agreement, Seller is released from any further liability under the HAP Contracts, excepting that Seller shall remain responsible for filing the AFS through the day before this Agreement if said HAP Contract includes an AFS filing requirement.

4. Part II of the HAP Contracts shall be amended as follows to include the following provisions:

Physical Conditions Standards and Inspection Requirements. The Owner shall comply with the Physical Condition Standards and Inspection Requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.

Financial Reporting Standards. The Owner shall comply with the Uniform Financial Reporting Standards of 24 CFR Part 5, Subpart H, including any changes in the regulation and related Directives. This obligation shall apply during the current term of the HAP contract and for each successive renewal term.

5. This Agreement shall be construed under the laws of the State in which the Property is located and to the extent inconsistent with the laws of such State, the laws of the United States of America. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

6. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

7. The Secretary, by the signature of his authorized representative below, consents to the assignment made hereby. Said consent shall be void ab initio if the Secretary determines that Buyer, or any principal or interested party of Buyer, is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

NOTHING in this Agreement shall in anyway impair the HAP Contract or alter, waive, annul, vary or affect any provision, condition, covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

IN WITNESS WHEREOF, Seller, Buyer and the Contract Administrator have caused this agreement to be executed.

SELLER:

[_____] , a [_____]

BUYER:

[_____] , a [_____]

CONTRACT ADMINISTRATOR (HUD or
PHA) U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: _____
Authorized Representative

EXHIBIT C

FORM OF SPECIAL WARRANTY DEED

(to be updated to comply with VA law)

This Special Warranty Deed is made as of _____, by and between I'm Frieda's Boss, LLC, a California limited liability company ("Grantor"), to _____ ("Grantee").

WITNESSETH, that in consideration of the sum of Ten Dollars (\$10.00) in hand paid, and other valuable consideration, the Grantor does grant and convey, with special warranty as set forth herein, to the Grantee, its successors and assigns, in fee simple, that parcel of land situated Newport News, Virginia, and as more particularly described on Schedule C-1 attached hereto and made a part hereof;

TOGETHER with the buildings, fixtures and other improvements located thereon, and the rights, privileges, appurtenances and advantages thereto belonging;

AND the Grantor hereby covenants that it will warrant the property hereby granted against every person whomsoever claiming or to claim the same or any part thereof by, through or under Grantor, and that it will execute such further assurances of the same as may be required.

WITNESS the name and seal of said partnership by its duly authorized representative.

I'm Frieda's Boss, LLC,
a California limited liability company

By: _____
Brian Chien-Chih Chen, manager and as
Trustee of the Brian Chien-Chih Chen Trust
amended and restated on
August 6, 2003, member

By: _____
Alan Smolinisky, Trustee
of the Alan B. Smolinisky
Trust amended and restated on
August 8, 2014, member

(Attach Notary)

EXHIBIT D

ASSIGNMENT, ASSUMPTION AND BILL OF SALE

Aqua Vista Apartments

Newport News, VA

THIS ASSIGNMENT, ASSUMPTION AND BILL OF SALE (this “**Assignment**”) is made and entered into as of the ____ day of _____ 202_, by I’m Frieda’s Boss, LLC, a California limited liability company (the “**Seller**”), and _____ (“**Buyer**”).

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the undersigned, SELLER, hereby sells, transfers, assigns and conveys to BUYER, without warranty, the following:

1. Personal Property. All right, title and interest of Seller in and to the “**Personal Property**” (as hereinafter defined).
2. Leases. All right, title and interest of Seller in and to the leases (the “**Leases**”) described in Schedule “A” attached hereto.
3. Service Agreements. All right, title and interest of Seller in and to the service agreements (the “**Service Agreements**”) described in Schedule “B” attached hereto.
4. Other Intangible Property. All right, title and interest of Seller, to the extent assignable, in and to any other “**Intangible Property**” (as hereinafter defined).

This Bill of Sale, Assignment and Assumption is given pursuant to that certain agreement (the “**Purchase and Sale Agreement**”) dated as of January __, 2020, between Seller and Buyer, providing for the sale of certain property in the City of Newport News, State of Virginia. The covenants, agreements, and limitations provided in the Purchase Agreement with respect to the property conveyed hereunder are hereby incorporated herein by this reference as if herein set out in full. Buyer hereby accepts the foregoing assignment and agrees to assume and discharge, in accordance with the terms thereof, all of the obligations of Seller under the Leases and Service Agreements, to the extent the same arise on or after the date hereof. This Bill of Sale, Assignment and Assumption shall inure to the benefit of and shall be binding upon Seller and Buyer, and their respective successors and assigns. As used herein, “**Personal Property**” and “**Intangible Property**” shall have the respective meanings set forth for the same in the Purchase Agreement.

IN WITNESS WHEREOF, Seller and Buyer have executed this Assignment on the day and year first above written.

SELLER:

I'm Frieda's Boss, LLC,
a California limited liability company

By: _____
Brian Chien-Chih Chen, manager and as
Trustee of the Brian Chien-Chih Chen Trust
amended and restated on
August 6, 2003, member

By: _____
Alan Smolinisky, Trustee
of the Alan B. Smolinisky
Trust amended and restated on
August 8, 2014, member

BUYER:

[_____] , a [_____]

EXHIBIT E
DUE DILIGENCE

EXHIBIT F
Form of Non-Foreign ("FIRPTA") Affidavit

FIRPTA AFFIDAVIT

RE: Transfer from ("Seller"), to _____, a _____
_____, of the improved real property known as _____ Apartments located in the City
of _____, _____ County, _____.

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Seller, the undersigned hereby certifies the following on behalf of _____:

1. Seller is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations);

2. Seller's U.S. employer identification number is _____; and

3. Seller's office address is _____.

Seller understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of _____, a _____, acting as the _____ of Seller.

EXHIBIT G

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Every Buyer of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below)

(i) ___ Known lead-based paint and/or lead-based paint hazards are present in the housing.
(explain)

(ii) ___ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below)

(i) _ Seller has provided the Buyer with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) ___ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing

Buyer's Acknowledgment (initial)

(c) ___ Buyer has received copies of all information listed above.

(d) X Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Buyer has (check (i) or (ii) below):

(i) ___ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) X waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Acknowledgment (initial)

(f) _____ BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to (a) provide Purchaser with the federally approved pamphlet on lead poisoning prevention; (b) complete this attachment; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all available records and reports to Purchaser pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to ten (10) days (or other mutually agreed upon time period) to have the Property inspected; and (f) retain a completed copy of this addendum for at least three (3) years following the sale. Brokers are aware of their responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

SELLER:

BUYER:

Most Recent Real Estate Tax Assessment

MARTY G. EUBANK, TREASURER
 CITY OF NEWPORT NEWS
 PO BOX 975
 NEWPORT NEWS, VA 23607-0975



**REAL ESTATE TAX
 STORMWATER MANAGEMENT FEE
 DUE DECEMBER 5, 2020**

RETURN SERVICE REQUESTED

- For questions regarding real estate assessments or valuations please contact the Real Estate Assessors Office at (757) 926-1926. For questions regarding the Stormwater Management Fee, please contact the Department of Engineering at (757) 926-8611. For questions regarding payment, please contact the Treasurer's Office at (757) 926-8731.
- Make checks and money orders payable to the City of Newport News.
- Please see reverse side for information on payment methods.
- Tax bills are due on or before the due date. If payment is not received, or postmarked by midnight of the due date, a 10% penalty will accrue on the Real Estate tax due.
- Visit our website at www.nnva.gov/treasurer.

****AUTO**MIXED AADC 230



I'M FRIEDA'S BOSS LLC
 881 ALMA REAL DR STE 213
 PACIFIC PALISADES CA 90272-3737



**RETAIN THIS PORTION FOR YOUR RECEIPT/RECORD
 INFORMATION REGARDING YOUR REAL ESTATE TAX & STORMWATER MANAGEMENT FEE BILL
 DUE DECEMBER 5, 2020**

TAXING PERIOD - JULY 1 - DEC 31

TAX RATE PER \$100 - 1.22

SW FEE RATE - 11.85

ACCOUNT NUMBER	TAX YEAR	CYCLE	ADDRESS	DESCRIPTION	ASSESSED VALUE SW NET #ERUS	TOTAL TAX SW FEE	TAX RELIEF/ DEFERRED	PAYMENTS	AMOUNT DUE
320.00-01-03	2021	01	648 AQUA VISTA DR	PT TAYLOR TRACT 6.30A & PT AL WARD 2	\$7,691,000 63.00	\$46,915.10 \$4,479.30	\$0.00	\$0.00 \$0.00	\$46,915.10 \$4,479.30

TOTAL CURRENT DUE ON OR BEFORE DECEMBER 5, 2020	\$51,394.40
TOTAL DUE (if paid on or before DECEMBER 5, 2020)	\$51,394.40

Please retain the top portion for your records. Dedicated to Serving You Better

**RETURN THIS SECTION WITH YOUR PAYMENT
 REAL ESTATE TAX & STORMWATER MANAGEMENT FEE**

ACCOUNT NUMBER	TAX YEAR	CYCLE	ADDRESS
320.00-01-03	2021	01	648 AQUA VISTA DR

DESCRIPTION	ASSESSED VALUE	TAX RATE PER \$100	SW RATE	#ERUS
PT TAYLOR TRACT 6.30A & PT AL WARD 2	\$7,691,000	1.22	11.85	63.00

AN ADDITIONAL 10% WILL BE ASSESSED IF NOT PAID BY DUE DATE
 INTEREST WILL BE CHARGED AT A DAILY RATE OF 10% PER YEAR IF NOT PAID BY DUE DATE

Check if you have updated mailing address or wish to receive information regarding EasyPay, please fill out the appropriate information on the back of this tax bill.

AS OF 10/28/2020

DUE DECEMBER 5, 2020

DUE DECEMBER 5, 2020

REAL ESTATE TAX	\$46,915.10
TAX RELIEF/DEFERRED	\$0.00
PENALTY	\$0.00
INTEREST	\$0.00
STORMWATER MANAGEMENT FEE	\$4,479.30
STORMWATER PENALTY	\$0.00
STORMWATER INTEREST	\$0.00
PAYMENTS	\$0.00
TOTAL CURRENT DUE	\$51,394.40
PAST DUE	\$0.00
TOTAL DUE	\$51,394.40

TAXING PERIOD - JULY 1 - DEC 31 REFERENCE NUMBER: 32000010317054

MARTY G. EUBANK, TREASURER
 CITY OF NEWPORT NEWS
 P.O. BOX 975
 NEWPORT NEWS, VA 23607-0975



I'M FRIEDA'S BOSS LLC
 881 ALMA REAL DRIVE, STE 213
 PACIFIC PALISADES CA 90272

PAYMENT METHODS

1. MAIL

Payments should be mailed to: Marty G. Eubank, Treasurer, City of Newport News, P.O. Box 975, Newport News, VA 23607-0975. If you wish a receipt, please enclose a self-addressed stamped envelope. Make checks and money orders payable to the City of Newport News.

2. TWO CONVENIENT LOCATIONS

We have locations at **2400 Washington Avenue** (Downtown) and **12912 Jefferson Avenue** (Denbigh). Hours of operation are Monday through Friday, 8 am through 5 pm. Cash, check, money order or credit/debit card payments are accepted. Each location has a drop box for check and money order payments.

3. IMAGE CASH LETTERS (ACH Deposits)

The City of Newport News participates in the Image Cash Letter program. All checks are imaged and sent electronically to the financial institution to be debited from the paying account.

4. EASYCHECK (Electronic check payment method)

Pay your tax bills on-line using an Electronic Check. It's Safe, Secure and Easy to Use. You may set-up an account to retrieve your tax bills when they are available or do a one-time pay. **EasyCheck** resides on a Secure Web Site and utilizes 128-Bit Encryption Software to ensure your personal account information is protected while in transit to our site. **EasyCheck** is a Free Service provided to you by the Office of the Treasurer and the City of Newport News.

To logon to **EasyCheck**, go to our website at www.nnva.gov/treasurer.

5. INVOICE CLOUD (Credit/debit card payment method)

Pay your tax bills using your credit or debit card via telephone or the web. Invoice Cloud accepts all major credit cards.

To pay by telephone: Call 1-855-985-1135. Please follow the prompts and make note of the verbal receipt number.

To pay by the web: Visit our website at www.nnva.gov/treasurer

A convenience fee will be added to your transaction. This convenience fee is clearly noted during the payment process. The charge is from Invoice Cloud. No portion of the fee is retained by the City of Newport News.

6. EASYPAY (Automatic debit withdrawal payment method)

Budget your Real Estate and Personal Property Tax Payments. You can now have your tax payment deducted automatically from your financial institution. The **EasyPay** Program allows you the ease and convenience of pre-authorized monthly, quarterly or due date payments, providing you the opportunity to tailor your tax payments to your budget.

If you have any questions regarding this program, please contact this office at (757) 926-8642 or visit our website at www.nnva.gov/treasurer. To receive an EasyPay Informational brochure, please submit a request with this tax payment or submit a request on-line from our website. Please include the account number(s) of the personal property or real estate you wish to include in the EasyPay program.

7. ON-LINE BANKING BILL PAY (Payment though your financial institution)

Pay through your financial institutions website. This gives you the option of paying all your personal property taxes, vehicle license fees, real estate taxes or storm water management fees. Please pay each bill individually. Remit separate payments for each type of bill you receive. Please verify your bank statement to insure your remittance has cleared your financial institution.

8. LOCAL MOBILE PROPERTY TAX

Local Mobile Property (airplanes, boats, campers, recreational vehicles and trailers) are assessed using a recognized pricing guide or a percentage of cost • The assessment of such property may be appealed to the Commissioner of the Revenue within one (1) year from the last day of the tax year for which the assessment is made or within one (1) year from the date of assessment, whichever is later • The taxpayer, tax period covered by the challenged assessment, the amount in dispute, remedy sought, alleged error in assessment, grounds and any other relevant facts must be provided in the application • Commissioner may hold a conference with the taxpayer if requested or require additional documents or evidence as deemed necessary • The Commissioner will issue a determination to the taxpayer within 90 days after the application is filed • If the appeal is denied by the Commissioner of the Revenue, the taxpayer may appeal the determination to the Tax Commissioner within 90 days.

CHANGE OF ADDRESS

IF THE MAILING ADDRESS IS INCORRECT, PLEASE FILL OUT INFORMATION BELOW AND RETURN WITH YOUR PAYMENT:

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Account: _____

Signature Required for Authorizing Change of Address

Tab F:

RESNET Rater Certification (MANDATORY)



Appendix F

RESNET Rater Certification of Development Plans

I certify that the development's plans and specifications incorporate all items for the required baseline energy performance as indicated in Virginia's Qualified Allocation Plan (QAP).

In the event the plans and specifications do not include requirements to meet the QAP baseline energy performance, then those requirements still must be met, even though the application is accepted for credits.

***Please note that this may cause the Application to be ineligible for credits. The Requirements apply to any new, adaptive reuse or rehabilitated development (including those serving elderly and/or physically disabled households).

In addition provide HERS rating documentation as specified in the manual

New Construction - EnergyStar Certification
The development's design meets the criteria for the EnergyStar certification. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide EnergyStar Certification to Virginia Housing.

Rehabilitation -30% performance increase over existing, based on HERS Index
Or Must evidence a HERS Index of 80 or better
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

Adaptive Reuse - Must evidence a HERS Index of 95 or better.
Rater understands that before issuance of IRS Form 8609, rater must provide Certification to Virginia Housing of energy performance.

Additional Optional Certifications

I certify that the development's plans and specifications incorporate all items for the certification as indicated below, and I am a certified verifier of said certification. In the event the plans and specifications do not include requirements to obtain the certification, then those requirements still must be met, even though the application is accepted for credits. Rater understands that before issuance of IRS Form 8609, applicant will obtain and provide Certification to Virginia Housing.

Earthcraft Certification - The development's design meets the criteria to obtain EarthCraft Multifamily program Gold certification or higher

LEED Certification - The development's design meets the criteria for the U.S. Green Building Council LEED green building certification.

National Green Building Standard (NGBS) - The development's design meets the criteria for meeting the NGBS Silver or higher standards to obtain certification

Enterprise Green Communities - The developmen's design meets the criteria for meeting meeting the requirements as stated in the Enterprise Green Communities Criteria for this developments construction type to obtain certification.

*****Please Note Raters must have completed 500+ ratings in order to certify this form**

Date: 8/24/22 Signed: 
Printed Name: Chris Dwyer

Resnet Provider Agency: Sol Developments LLC Signature:  RESNET Rater

Provider Contact and Phone/Email: Sanyog Rathod, sanyogr@solconsults.com 514 445 8228

Aqua Vista Apartments 2021 LIHTC Pre-Review Comments

Project Address

646 Aqua Vista Dr.
Newport News, VA 23607

Project Summary

Aqua Vista Apartments is a new construction low-rise multifamily development, comprised of 150 units located in Newport News, VA. BLVD Capital plans to construct the project utilizing 4% LIHTC. The project is seeking HERS 80 certification which requires all models to obtain a HERS of 80 or less. Biran Hoehn of Hooker Dejong, Inc. is the primary architect contact for the project.

Unit-Level Energy Modeling

Unit-level models were generated using Ekotrope v4.0.0 based on the proposed scope and plans provided by the project team dated May 6, 2021. With the current scope of work, the worst case units in the development are obtaining a projected HERS index of 71, meeting necessary modeling goals for HERS 80 certification. The following outlines the scope as it is currently modeled.

Enclosure:

- Uninsulated existing slab
- R-11 Grade III existing cavity insulation in exterior walls, adiabatic walls, adiabatic floors and ceilings
- R-25 Grade I continuous roof deck insulation
- 0.45 U-Value for opaque doors
- 0.45 U-Value/0.40 SHGC windows & glass doors

Mechanicals:

- 18k SEER 14.5 Air conditioner, 30k 96% AFUE furnace
- 0.7 EF storage natural gas water heaters, 40 gallon
- 10 ACH₅₀ for infiltration threshold/blower door test
- 15% duct leakage to the outside, 20% total duct leakage
- All ducts within conditioned space
- Outside air provided by duct tapped to return, continuous exhaust fan at 2013 ASHRAE 62.2 flow rate



Lights & Appliances:

- ES rated kitchen appliances
 - 691 kWh/yr refrigerator
 - 270 kWh/yr dishwasher
- Advanced lighting 100% CFL or LED

Please let me know if you have any questions or if the above information does not accurately capture your current scope.

Sincerely,

A handwritten signature in black ink that reads "Katy Maher".

Katy Maher
Project Manager, Viridiant



viridiant

Project Name: Aqua Vista Apartments
Construction Type: Renovation
Energy Efficiency Path: HERS 80 or better

Unit Type	Quantity	HERS
1bd botom/mid	40	71
1bd top floor	20	70
2bd bottom/mid	40	69
2bd top	20	67
3bd bottom/mid	20	67
3bd top	10	66
Projected Project HERS - Weighted Average		69

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: 6LAra4Kd

HERS® Index Score:

73

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$407

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

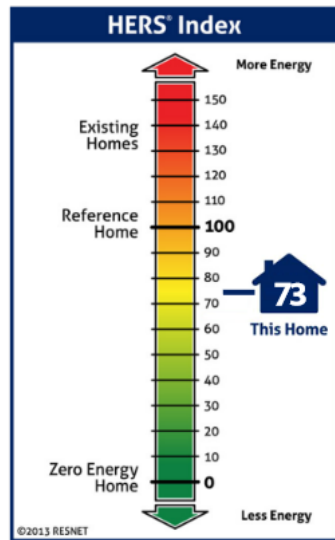
Rating Completed by:

Energy Rater: Katy Maher
RESNET ID: 2430236

Rating Company: Viridiant
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant
1431 W. Main Street, Richmond, VA 23220


Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:42 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	679 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.7 Energy Factor
House Tightness:	10 ACH50
Ventilation:	40 CFM • 5.1 Watts
Duct Leakage to Outside:	8 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: q2Rmnmvgv

HERS® Index Score:

73

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$569

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridiant

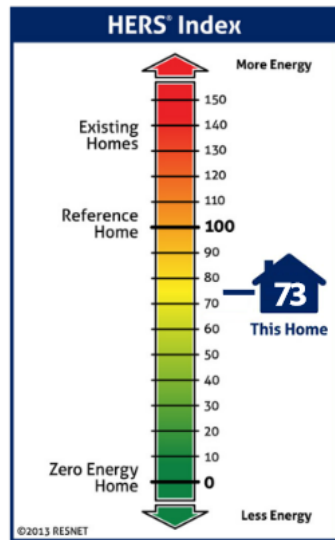
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:42 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	679 ft ²
Number of Bedrooms:	1
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.92 UEF
House Tightness:	10 ACH50
Ventilation:	40 CFM • 5.1 Watts
Duct Leakage to Outside:	15 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Vaulted Roof, R-25
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	R-11

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: bL7MI41v

HERS® Index Score:

70

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$501

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridiant

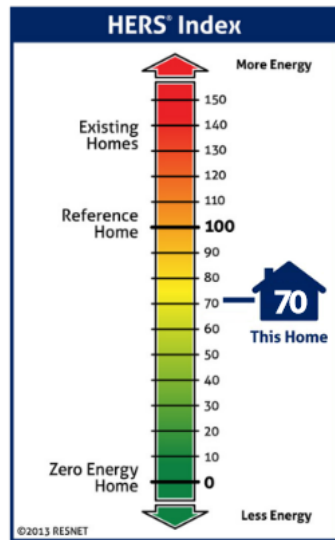
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:39 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	898 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Natural Gas • 0.7 Energy Factor
House Tightness:	10 ACH50
Ventilation:	50 CFM • 5.1 Watts
Duct Leakage to Outside:	15 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: yL0jNjJv

HERS® Index Score:

70

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$724

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridiant

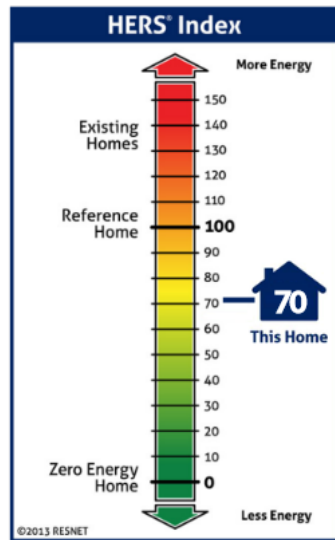
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:43 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	898 ft ²
Number of Bedrooms:	2
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.92 UEF
House Tightness:	10 ACH50
Ventilation:	50 CFM • 5.1 Watts
Duct Leakage to Outside:	12 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Vaulted Roof, R-25
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	R-11

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: bLb3Gbbd

HERS® Index Score:

71

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$785

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridiant

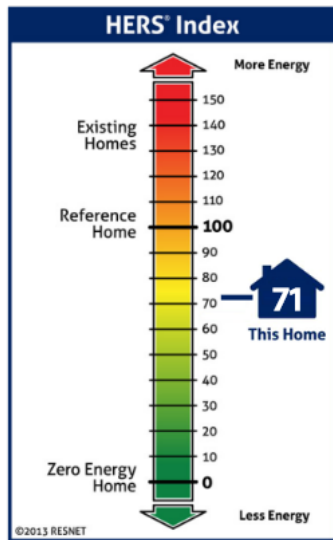
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:41 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,030 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.92 UEF
House Tightness:	10 ACH50
Ventilation:	60 CFM • 5.1 Watts
Duct Leakage to Outside:	15 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Adiabatic, R-11
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	N/A

Home Energy Rating Certificate

Projected Report

Rating Date:
Registry ID:
Ekotrope ID: MvDrGjOL

HERS® Index Score:

69

Your home's HERS score is a relative performance score. The lower the number, the more energy efficient the home. To learn more, visit www.hersindex.com

Annual Savings

\$815

*Relative to an average U.S. home

Home:

Newport News, VA 23601

Builder:

This home meets or exceeds the criteria of the following:

Rating Completed by:

Energy Rater: Katy Maher

RESNET ID: 2430236

Rating Company: Viridiant

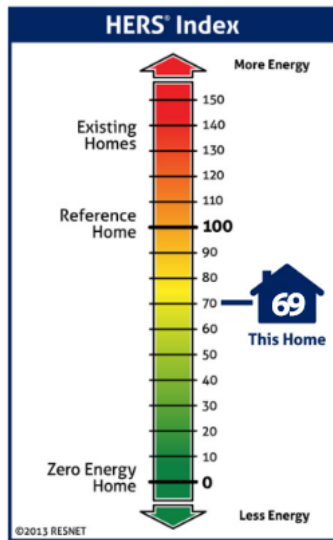
1431 W. Main Street, Richmond, VA 23220

Rating Provider: Viridiant

1431 W. Main Street, Richmond, VA 23220



Katy Maher, Certified Energy Rater
Digitally signed: 3/29/22 at 9:44 AM



Home Feature Summary:

Home Type:	Apartment, end unit
Model:	N/A
Community:	N/A
Conditioned Floor Area:	1,030 ft ²
Number of Bedrooms:	3
Primary Heating System:	Air Source Heat Pump • Electric • 8.5 HSPF
Primary Cooling System:	Air Source Heat Pump • Electric • 15 SEER
Primary Water Heating:	Residential Water Heater • Electric • 0.92 UEF
House Tightness:	10 ACH50
Ventilation:	60.9 CFM • 5.1 Watts
Duct Leakage to Outside:	15 CFM25 / 100 ft ²
Above Grade Walls:	R-11
Ceiling:	Vaulted Roof, R-25
Window Type:	U-Value: 0.45, SHGC: 0.4
Foundation Walls:	N/A
Framed Floor:	R-11

Tab G:

Zoning Certification Letter (MANDATORY)

Zoning Certification

DATE: July 25, 2022

TO: Virginia Housing
Attention: JD Bondurant
601 South Belvidere Street
Richmond, Virginia 23220

RE: ZONING CERTIFICATION

Name of Development: Aqua Vista

Name of Owner/Applicant: Aqua Vista, LP

Name of Seller/Current Owner: I'm Frieda's Boss, LLC

The above-referenced Owner/Applicant has asked this office to complete this form letter regarding the zoning of the proposed Development (more fully described below). This certification is rendered solely for the purpose of confirming proper zoning for the site of the Development. It is understood that this letter will be used by the Virginia Housing Development Authority solely for the purpose of determining whether the Development qualifies for credits available under VHDA's Qualified Allocation Plan.

DEVELOPMENT DESCRIPTION:

Development Address:

646-696 Aqua Vista Drive, Newport News, VA

Legal Description:

See Attached "Exhibit A"

Proposed Improvements:

<input type="checkbox"/> New Construction:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area Sq. Ft.
<input type="checkbox"/> Adaptive Reuse:	<u> </u>	# Units	<u> </u>	# Buildings	<u> </u>	Total Floor Area Sq. Ft.
<input checked="" type="checkbox"/> Rehabilitation:	<u>150</u>	# Units	<u>10</u>	# Buildings	<u>137,000</u>	Total Floor Area Sq. Ft.

Zoning Certification, cont'd

Current Zoning: R8 - High Density Multi Family allowing a density of
34 _____ units per acre, and the following other applicable conditions: _____

Other Descriptive Information:

LOCAL CERTIFICATION:

Check one of the following as appropriate:

- The zoning for the proposed development described above is proper for the proposed residential development. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.
- The development described above is an approved non-conforming use. To the best of my knowledge, there are presently no zoning violations outstanding on this property. No further zoning approvals and/or special use permits are required.



Signature

John Zaszewski, PE
Printed Name

Group Leader of Timmons Group
Title of Local Official or Civil Engineer

(757) 213-6674
Phone:

7/25/2022
Date:

NOTES TO LOCALITY:

1. Return this certification to the developer for inclusion in the tax credit application package.
2. Any change in this form may result in disqualification of the application.
3. If you have any questions, please call the Tax Credit Allocation Department at (804) 343-5518.

EXHIBIT A

PARCEL PROPERTY DESCRIPTION
AQUA VISTA APARTMENTS
TAX PARCEL ID # 320000103

COMMENCING AT THE SOUTHWEST CORNER OF THE INTERTSECTION OF IVY AVENUE AND 6TH STREET; THENCE, BEARING S47°15'20"W, ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF 6TH STREET, A DISTANCE OF 125.00 FEET TO THE POINT OF BEGINNING; SAID POINT MARKING A CORNER COMMON TO THE PARCEL HEREIN DESCRIBED AND A 15 FOOT ALLEY; THENCE, FROM THE POINT OF BEGINNING, BEARING S42°44'40"E ALONG THE LINE OF THE 15 FOOT ALLEY, A DISTANCE OF 574.39 FEET TO A POINT ON SOUTHEASTERLY LINE OF THE PARCEL HEREIN DESCRIBED; SAID POINT BEING A WITNESS TO THE TRUE CORNER LOCATED AT MEAN-LOW-WATER OF HAMPTON ROADS, SAID POINT ALSO BEING A CORNER COMMON TO THE PARCEL HEREIN DESCRIBED AND PROPERTY OF THE CITY OF NEWPORT NEWS, VIRGINIA ; THENCE, BEARING S50°17'12"W, ALONG A SURVEY TIE LINE, THE PROPERTY LINE FOLLOWS THE MEAN-LOW-WATER LINE OF HAMPTON ROADS, A DISTANCE OF 475.60 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF THE PARCEL HEREIN DESCRIBED; SAID POINT BEING A WITNESS TO THE TRUE CORNER LOCATED AT MEAN-LOW-WATER OF HAMPTON ROADS, SAID POINT ALSO BEING A CORNER COMMON TO THE PARCEL HEREIN DESCRIBED AND PROPERTY OF THE CITY OF NEWPORT NEWS, VIRGINIA ; THENCE, BEARING N40°13'47"W, ALONG THE LINE OF THE CITY OF NEWPORT NEWS, VIRGINIA, A DISTANCE OF 549.77 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF 6TH STREET; THENCE, BEARING N47°15'20"E, ALONG SAID RIGHT-OF-WAY LINE OF 6TH STREET, A DISTANCE OF 450.81 FEET TO THE POINT OF BEGINNING;

CONTAINING 5.973 ACRES, MORE OR LESS (AREA TO SURVEY TIE LINE)

Tab H:

Attorney's Opinion (MANDATORY)

July 25, 2022

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, Virginia 23220

RE: 2022 Tax Credit Reservation Request

Name of Development: **Aqua Vista Apartments**
Name of Owner: **Aqua Vista, LP**

Gentlemen:

This undersigned firm represents the above-referenced Owner as its counsel. It has received a copy of and has reviewed the completed application package dated July 25, 2022 (of which this opinion is a part) (the "Application") submitted to you for the purpose of requesting, in connection with the captioned Development, a reservation of low income housing tax credits ("Credits") available under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"). It has also reviewed Section 42 of the Code, the regulations issued pursuant thereto and such other binding authority as it believes to be applicable to the issuance hereof (the regulations and binding authority hereinafter collectively referred to as the "Regulations").

Based upon the foregoing reviews and upon due investigation of such matters as it deems necessary in order to render this opinion, but without expressing any opinion as to either the reasonableness of the estimated or projected figures or the veracity or accuracy of the factual representations set forth in the Application, the undersigned is of the opinion that:

1. It is more likely than not that the inclusion in eligible basis of the Development of such cost items or portions thereof, as set forth in Parts VIII and IX of the Application form, complies with all applicable requirements of the Code and Regulations.
2. The calculations (a) of the Maximum Allowable Credit available under the Code with respect to the Development in Part VIII of the Application form and (b) of the Estimated Qualified Basis of each building in the Development in Part IX of the Application form comply with all applicable requirements of the Code and regulations, including the selection of credit type implicit in such calculations.

3. The information set forth in Subpart VII-C of the Application form as to proposed rents satisfies all applicable requirements of the Code and Regulations.
4. The site of the captioned Development is controlled by the Owner, as identified in Subpart II-A of the Application.
5. Intentionally Omitted.
6. Intentionally Omitted.
7. Intentionally Omitted.
8. After reasonable investigation, the undersigned has no reason to believe that the representations made under Subpart I-E of the Application form as to the Development's compliance with or eligibility for exception to the ten-year "look-back rule" requirement of Code §42(d)(2)(B) are not correct.

Finally, the undersigned is of the opinion that, if all information and representations contained in the Application and all current law were to remain unchanged, upon the placement in service of each building of the Development, the Owner would be eligible under the applicable provisions of the Code and the Regulations to an allocation of Credits in the amount(s) requested in the Application.

This opinion is rendered solely for the purpose of inducing the Virginia Housing Development Authority ("VHDA") to issue a reservation of Credits to the Owner. Accordingly, it may be relied upon only by VHDA and may not be relied upon by any other party for any other purpose.

This opinion was not prepared in accordance with the requirements of Treasury Department Circular No. 230. Accordingly, it may not be relied upon for the purpose of avoiding U.S. Federal tax penalties or to support the promotion or marketing of the transaction or matters addressed herein.

Very truly yours,



COX, CASTLE & NICHOLSON LLP

Tab I:

Nonprofit Questionnaire (MANDATORY for points or pool)

NOTE: The following documents need not be submitted unless requested by Virginia Housing:

- Nonprofit Articles of Incorporation
- IRS Documentation of Nonprofit Status
- Joint Venture Agreement (if applicable)
- For-profit Consulting Agreement (if applicable)

This deal does not require
information behind this tab.

Tab J:

Relocation Plan and Unit Delivery Schedule
(MANDATORY-Rehab)

TENANT RELOCATION PLAN

Aqua Vista Apartments
Newport News, VA

Overview

BLVD Capital is an owner, operator and developer of affordable housing nationwide. It aims to preserve and expand long-term housing affordability for low-income households primarily through utilizing the Federal Low Income Housing Tax Credit program and the Section 8 rent subsidy program. BLVD's team has a proven record of successfully owning, developing and asset managing affordable housing with a current portfolio of 6,000 affordable units in 17 states.

BLVD Capital is proposing the rehabilitation of Aqua Vista Apartments (the "Project"), a 10 building, 150-unit property located in Newport News, VA. Other than the manager's unit, all units are covered by a Project-Based Section 8 contract where qualifying tenants pay no more than 30% of their monthly income. The Project is expected to have 135 households in tenancy at the time of the renovation. The proposed renovation will include exterior improvements, new building systems, and renovated interior units. Community amenities will also be added, including a business center, community garden, community room, dog park, exercise facility, and BBQ areas. These additions will enrich the quality of life for the families and seniors that reside at Aqua Vista.

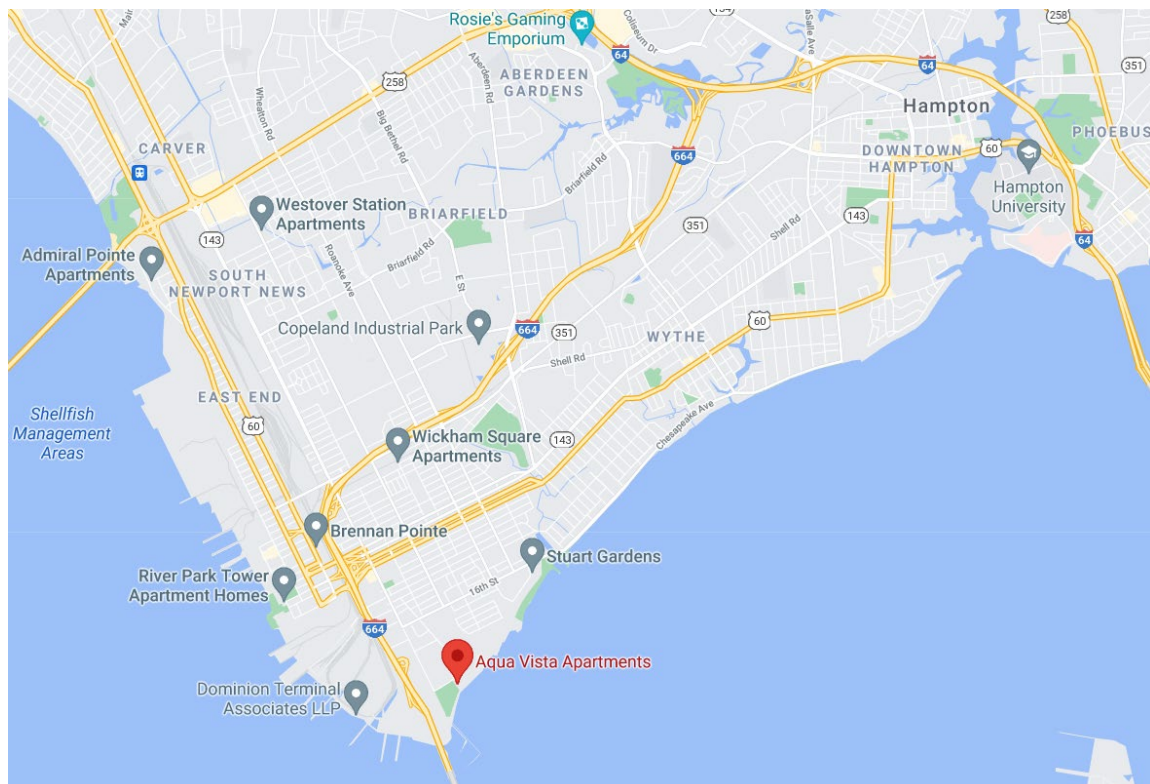
The relocation plan will consist of a rolling rehab of the buildings in order to minimize the amount of disruption to the residents. Each building will be vacated and the renovation process is expected to take approximately 4 weeks. Any relocation in excess of this reasonable time period will be assessed on an individual basis. During this time, the resident will be relocated to a vacant unit onsite until their original unit is ready for re-occupancy. Upon re-occupancy of their original unit, the vacant unit will be cleaned prior to the occupancy of the next resident on the relocation schedule.

Location Highlights

The Project provides residents convenient access to schools, restaurants, medical centers, community services, and local employers.

Aqua Vista Apartments is located:

- Approximately 2 miles south of downtown Newport News and 8 miles southwest of downtown Hampton
- Within 3 miles of Southeastern Virginia Health System, Heritage High school, B.T. Washington Middle School, Newsome Park Elementary, Pearl Bailey Library, and Doris Miller Community Center
- Roughly 3.5 miles from a number of local employers, including Huntington Ingalls Industries, the United Parcel Service, and others
- With excellent proximity to transportation options, including immediate access to multiple public bus stops and I-644



Aqua Vista Apartments – Newport News, VA

Property Rents

Below are the current and post rehab monthly gross rents for the Project:

Bedroom Type	Unit Mix	Current Gross Rent	Post Rehab Gross Rent
1BR	60	\$910	\$1,313
2BR	60	\$1,066	\$1,549
3BR	29	\$1,319	\$1,785

Assessor Parcel ID: 320000103

For information on rental policies, please refer to the Tenant Section Plan and Affordable Fair Housing Marketing Plan.

Relocation Assistance Plan

Prior to construction, a resident meeting will be set up to discuss the rehabilitation project and answer any questions and concerns. After the meeting, the property manager will draft an FAQ (Frequently Asked Questions) covering all the questions asked during the meeting and sent it out as a notice to all residents in case anyone was unable to attend the meeting. Furthermore, the on-site manager and/or relocation specialist will meet with each resident to understand their needs, advise them about their rights and provide assistance regarding their temporary relocation. For additional help, a contact number for the property manager and relocation specialist will also be provided. Every effort will be made to minimize the disruption caused to the residents.

Each household will receive the following written notices:

- A General Information Notice (“GIN”) regarding the proposed rehabilitation and the planned relocation program,
- An Informational Notice to Vacate, and
- A 30-Day Notice to Vacate in accordance with VHDA requirements.

During rehabilitation any resident that is temporarily relocated from their apartment for any reason will be provided with the following assistance:

- Ownership will hire a professional moving company and relocation specialist to assist with the relocation of residents.
- Residents will be provided with packing supplies upon request.

- All moving expenses incurred through the use of the selected moving company to temporarily relocate the resident to a vacant unit on-site will be paid for by the ownership.
- No residents will be required to move themselves. As a result, no allowances will be given directly to the residents. The ownership will directly pay the moving company for all incurred relocation expenses for each eligible resident. Any additional considerations will be evaluated on an individual, case-by-case basis.

No residents are expected to be permanently displaced. In the event of a permanent displacement, The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the “Uniform Act” or “URA”), as amended, and its implementing regulations at 49CFR, Part 24 will be followed. Moreover, tenant advisory services will be provided in the event of a permanent displacement.

Relocation Expenses

A \$300,000 reserve has been established to pay for any expenses that are incurred for the relocation of residents. All residents who must be temporarily or permanently relocated will be eligible for relocation assistance. The level of assistance will be evaluated on an individual, case-by-case basis and will be paid for by the established relocation reserve.

Unit Delivery Schedule

Each month, approximately 12 renovated units are expected to be delivered by the General Contractor. The relocation specialist will provide each individual resident with their specific unit delivery date during the construction period.

COVID-19 Impact and Precautions

The situation around COVID-19 is always changing and is closely monitored. During construction and relocation, every effort will be made to ensure the necessary precautions and protocols are followed based on CDC’s and VHDA’s current guidelines at that time.

Unit by Unit Delivery Schedule (Rehab only)

Detailed Schedule of Rents and Tax Credits During Lease-Up

Project ID# 39809

6/10/22 10:34 AM

Project Name: Aqua Vista Apartmer	Number of Buildings in Project: 10		
	Using BxB Analysis below? No		
Date 1st Bldg Available for Occupancy: 10/01/22	Const Completion Date: 01/01/24	Qualified Occupancy(100% of Tax	02/01/24
Projected First Credit Delivery Date 01/01/23	Projected Stabilization Date 4/1/2024		

Month	Tax Credit Units Leased	Cumulative Tax Credit Units Leased	Non Tax Credit Units Leased	Cumulative Non-tax Credit Units Leased	Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/rehab Tax Credits 9% or 4%	Acquisition Tax Credits 4%	Total Tax Credits
Total Number of Units	150		0									
Year: 2022										503	309	812
January-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
February-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
March-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
April-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
May-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
June-22	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
July-22	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
August-22	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
September-22	N/A	N/A	N/A	N/A	0	0	0	0	0	0	0	0
October-22	135	135	-	0	135	203,722	0	203,722	0	0	0	0
November-22	0	135	-	0	135	203,722	0	203,722	0	0	0	0
December-22	0	135	-	0	135	203,722	0	203,722	0	0	0	0
First Year TOTALS					135	611,167	0	611,167		0	0	0

Credits without Excess Basis 0 0 0

Year: 2023	1st year Credits Using Excess Basis? No										Notes:	
January-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
February-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
March-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
April-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
May-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
June-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
July-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
August-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
September-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
October-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
November-23	0	135	0	0	135	203,722	0	203,722	135	67,869	41,754	109,623
December-23	15	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
Second Year TOTALS					150	2,467,302	0	2,467,302		821,964	505,691	1,327,655

Credits without Excess Basis 821,964 505,691 1,327,655

Year: 2024	1st year Credits Using Excess Basis? No										Notes:	
January-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
February-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
March-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
April-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
May-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
June-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
July-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
August-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
September-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
October-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
November-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
December-24	0	150	0	0	150	226,358	0	226,358	150	75,410	46,394	121,803
Third Year TOTALS					150	2,716,296	0	2,716,296		904,915	556,724	1,461,639

1st year Credits Using Excess Basis? No Credits without Excess Basis 904,915 556,724 1,461,639

Tab K:

Documentation of Development Location:

This deal does not require
information behind this tab.

Tab K.1

Revitalization Area Certification



2021 and 2022 Small DDAs and QCTs

648 Aqua Vista Dr. Newport News VA

Go

Select a State

Select a County

Go

Map Options : Clear | Reset | Full Screen

QCT Legend: Tract Outline

LIHTC Project

2022 Qualified Census Tracts

SADDA Legend: FMR Boundary

2022 Small DDA

Non Metro DDA

Hide the overview

The 2022 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2022. The 2022 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 9, 2021

Map Options

13 Current Zoom Level

Show Difficult Development Areas (Zoom 7+)

Color QCT Qualified Tracts (Zoom 7+)

Show Tracts Outline (Zoom 11+)

Show FMR Outlines (Zoom 4+)

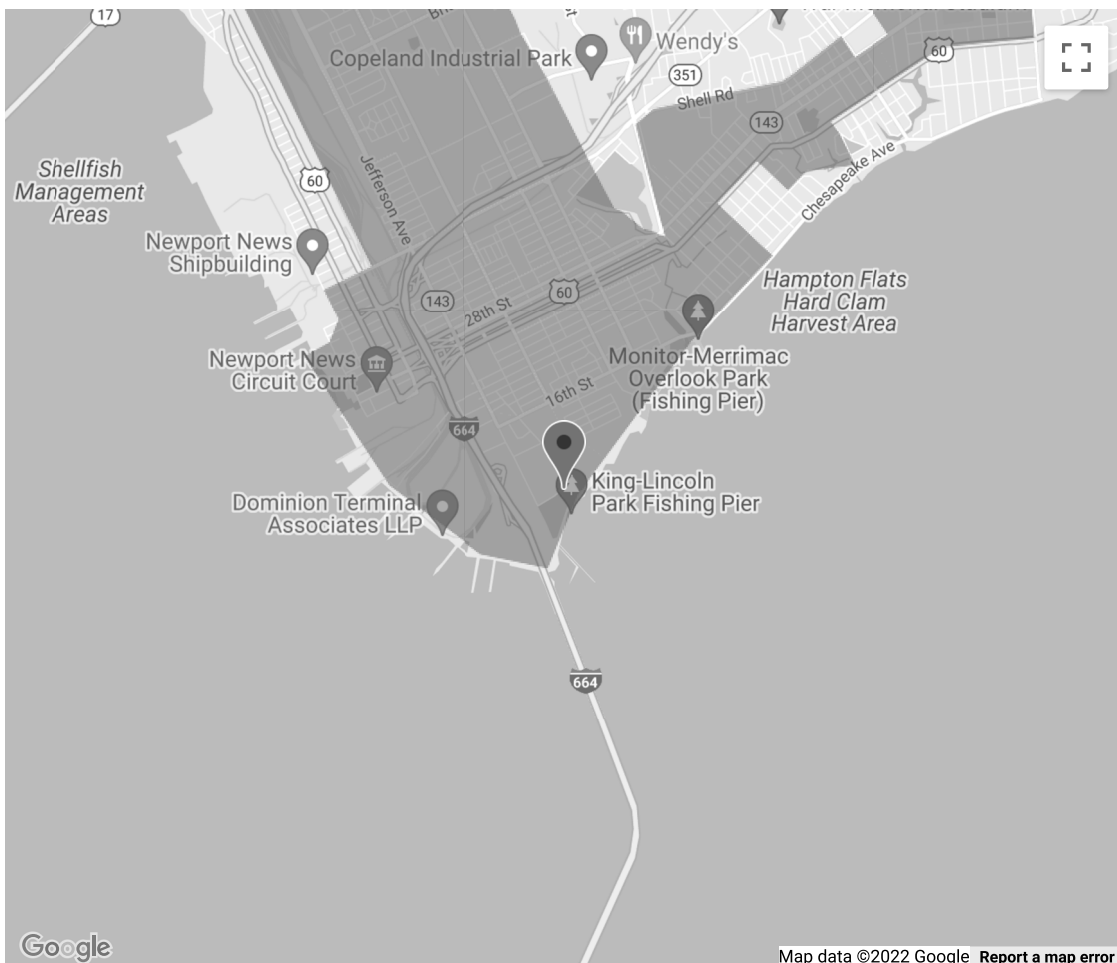
Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year

2022

2021



2K

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PD&R Mission

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Tab K.2

Location Map



Tab K.3

Surveyor's Certification of Proximity To Public
Transportation



2901 S. Lynnhaven Rd.
Suite 200
Virginia Beach, VA 23452

P 757.213.6679
F 757.340.1415
www.timmons.com

Engineer's Certification of Proximity to Transportation

DATE: July 20, 2022

TO: Virginia Housing Development Authority
601 South Belvidere Street
Richmond, VA 23220-6500

RE: 2022 Tax Credit Reservation Request

Name of Development: Aqua Vista
Name of Owner: Aqua Vista, LP

Gentlemen:

This letter is submitted to you in support of the Owner's Application for Reservation of Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code of 1986, as amended.

Based upon due investigation of the site and any other matters as it deemed necessary this firm certifies that: the main street boundary entrance to the property is within:

- 2,640 feet or 1/2 mile of the nearest access point to an existing commuter rail, light rail or subway station; **or**
- 1,320 feet or 1/4 mile of the nearest access point to an existing public bus stop.

Timmons Group

Firm Name

By: 

Its: Group Leader

Title

Tab L:

PHA / Section 8 Notification Letter

This deal does not require
information behind this tab.

Tab M:

Locality CEO Response Letter

This deal does not require
information behind this tab.

Tab N:

Homeownership Plan

This deal does not require
information behind this tab.

Tab O:

Plan of Development Certification Letter

This deal does not require
information behind this tab.

Tab P:

Developer Experience documentation and Partnership agreements

Low-Income Housing Credit Allocation and Certification

Go to www.irs.gov/Form8609 for instructions and the latest information

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions)
LA78
825 Forest Avenue BLDG. 9 of 9
Los Angeles, CA 90033

B Name and address of housing credit agency
California Tax Credit Allocation Committee
915 Capitol Mall, Suite 485
Sacramento, CA 95814

C Name, address, and TIN of building owner receiving allocation
LA78, LP
3416 Via Oporto, Suite 301
Newport Beach, CA 92663

D Employer identification number of agency
68-0280919


E Building identification number (BIN)
CA-03-80709

TIN ▶ 82-2695743

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable . . .	1b	\$54,698
2 Maximum applicable credit percentage allowable (see instructions)		2	3.31%
3a Maximum qualified basis		3a	\$1,652,522
b Check here ▶ <input type="checkbox"/> If the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	100%
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	71.01%
5 Date building placed in service ▶ <u>11/19/2018</u>			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized	b <input type="checkbox"/> Newly constructed and not federally subsidized	c <input checked="" type="checkbox"/> Existing building	
d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized	e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized		
f <input type="checkbox"/> Allocation subject to non-profit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form to the best of my knowledge and belief, the information is true, correct, and complete.


 Nancee Robles
Executive Director
December 8, 2021

Signature of authorized official Name (please type or print) Date

Part II First-Year Certification – Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	1,652,522
8a Original qualified basis of the building at close of first year of credit period	8a	1,652,522
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No N/A
b For market-rate units above the average quality standards of low-income housing in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3)(B))? ▶	<input type="checkbox"/> Yes	<input type="checkbox"/> No N/A
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) . . . ▶	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes	
c Elect minimum set-aside requirement (section 42(g)) (see instructions)	<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only)	
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40	

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

 82-2695743
Signature Taxpayer identification number
1/6/22
Names (please type or print) First year of the credit period Date

Multiple Building Project Statement under Section 42(g)(3)(D)

Entity Name: LA78, LP
Project Name: Casa De Woods, Delta Apartments & Vendome Courts
Address: 1951 West 22nd Street, Los Angeles, CA 90018
 825 Forest Avenue, Los Angeles, CA 90033
 135 South Reno Street, Los Angeles, CA 90057
 831 Lucile Avenue, Los Angeles, CA 90026
 4131 West Normal Avenue, Los Angeles, CA 90029
 4215 Burns Avenue, Los Angeles, CA 90029
EIN#: 82-2695743

ADDRESS	BIN NUMBER	Acquisition/New Construction Credit Per 8609 Line 1b	Rehabilitation Credit Per 8609 Line 1b
Vendome Courts 135 South Reno Street, Building 1 Los Angeles, CA 90057	CA-03-80701	\$57,044	\$19,726
Vendome Courts 831 Lucile Avenue, Building 2 Los Angeles, CA 90026	CA-03-80702	\$90,256	\$31,211
Vendome Courts 4131 West Normal Avenue, Building 3 Los Angeles, CA 90029	CA-03-80703	\$21,297	\$9,574
Vendome Courts 4131 West Normal Avenue, Building 4 Los Angeles, CA 90029	CA-03-80704	\$32,179	\$14,465
Vendome Courts 4131 West Normal Avenue, Building 5 Los Angeles, CA 90029	CA-03-80705	\$21,297	\$9,574
Vendome Courts 4215 Burns Avenue, Building 6 Los Angeles, CA 90029	CA-03-80706	\$24,348	\$10,947
Vendome Courts 4219 Burns Avenue, Building 7 Los Angeles, CA 90029	CA-03-80707	\$24,348	\$10,947
Casa De Woods 1951 West 22nd Street, Building 8 Los Angeles, CA 90018	CA-03-80708	\$206,185	\$92,687
Delta Apartments 825 Forest Avenue, Los Angeles, CA 90033, Building 9	CA-03-80709	\$54,698	\$24,589
Aggregate Credits		\$531,652	\$223,720
Total Aggregate Credits Over 10 Years		\$5,316,520	\$2,237,200

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
LA78, LP
A CALIFORNIA LIMITED PARTNERSHIP

Dated as of November 1, 2018

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AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
LA78, LP
A CALIFORNIA LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF LA78, LP, a California limited partnership (this “**Agreement**”), is made and entered into as of the 1st day of November, 2018, by and among LA78 GP, LLC, a California limited liability company, as the co-general partner (the “**Co-General Partner**”), IH CDP PARTNERSHIP LLC, a California limited liability company, as the managing general partner (the “**Managing General Partner**” and together with the Co-General Partner, the “**General Partners**” and each a “**General Partner**”), AEGON LIHTC FUND 55, LLC, a Delaware limited liability company, as the investor limited partner (the “**Investor Limited Partner**”), TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation, as the special limited partner (“**Special Limited Partner**”), and LA78 GP, LLC, a California limited liability company, in its capacity as the withdrawing limited partner (the “**Withdrawing Limited Partner**”) on the following terms and conditions:

RECITALS

WHEREAS, the General Partners and Withdrawing Limited Partner established LA78, LP, a California limited partnership, under the laws of the State of California by entering into that certain Agreement of Limited Partnership dated as of August 22, 2017 (the “**Original Agreement**”) and by causing a Certificate of Limited Partnership to be filed with the California Secretary of State on August 22, 2017 for the purposes of acquiring the fee interest in approximately 1.49 total acres of land located at (i) 831 Lucile Avenue, (ii) 4131 West Normal Avenue, (iii) 825 Forest Avenue, (iv) 135 South Reno Street, (v) 4215 Burns Avenue and (vi) 1951 West 22nd Street in Los Angeles, California, and rehabilitating, developing, maintaining and operating thereon a multifamily rental housing development which will contain, in the aggregate, 78 dwelling units in nine (9) buildings plus central laundry, community onsite management, playgrounds, community gardens and recreation rooms; 78 of the units are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code (as defined in Article 1 below), including 2 units which are expected to be occupied by tenants who also serve in the capacity of a resident manager or resident maintenance personnel (the “**Project**”).

WHEREAS, the Investor Limited Partner and the Special Limited Partner desire to acquire limited partnership interests in the Partnership pursuant to the terms and conditions set forth herein and in the other Project Documents (as defined herein). The parties hereto desire to amend and restate the Original Agreement (i) to admit the Investor Limited Partner and the Special Limited Partner, (ii) to provide for the withdrawal of the Withdrawing Limited Partner, and (iii) to set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto do hereby mutually covenant and agree that the Original Agreement is hereby amended and restated in its entirety on the following terms and conditions:

ARTICLE 1
DEFINITIONS

Unless the context otherwise clearly requires, the terms defined in this Article shall for all purposes of this Agreement have the meanings specified in this Article 1, to be equally applicable to both the singular and plural forms of the terms defined. Reference to federal, state or local statutes or regulations and any governmental rules, permits, or licenses are to be construed as including all amendments or successors thereto. The words “includes,” “include” and “including” shall be deemed to be followed by the words “without limitation.” References to agreements, instructions, and other documents shall be deemed to include all subsequent amendments, other modifications, and successor documents thereto, but only to the extent such amendments, other modifications, and successor documents are made in accordance with the terms of the original agreement, instrument, or other document, and are not prohibited by the terms of this Agreement. References to persons include their respective permitted successors and assigns. References to the masculine, feminine or neuter gender shall be deemed to include the others whenever the context so indicates or requires.

Capitalized words and phrases used in this Agreement shall have the following meanings:

“Accountants” means initially Carter & Co., of Destin, Florida, or any successor firm of independent certified public accountants employed by the Partnership pursuant to Section 8.6.

“Accountants’ Certificate” means the certificate in the form attached hereto as Exhibit G to be delivered by the Accountants on the First Adjustment Date and Second Adjustment Date.

“Accountants’ Determination” means a determination made by the Accountants following the First Adjustment Date and Second Adjustment Date concerning the amount of Housing Tax Credits allocable to the Investor Limited Partner during the entire Credit Period and/or during any one or more Fiscal Years during the Credit Period, as reflected in a final version of any Partnership Tax Return prepared by the Accountants or by written notice from the Accountants to the Partnership determining the amount of Housing Tax Credits.

“Accountants’ Fifty Percent Test Certification” means the written certification of the Accountants that the Fifty Percent Test has been met.

“Acquired Personal Property Depreciation Adjuster” shall have the meaning set forth in Section 3.2.

“Acquired Site Improvement Depreciation Adjuster” shall have the meaning set forth in Section 3.2.

“Act” means the Uniform Limited Partnership Act of 2008 in effect in the State, as amended from time to time (or any corresponding provisions of succeeding law).

“Actual Acquired Personal Property Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Actual Acquired Site Improvement Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Actual Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Additional First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(iv).

“Additional Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(v).

“Aegon” means AEGON USA Realty Advisors, LLC, an Iowa limited liability company, as advisor and asset manager on behalf of the Investor Limited Partner.

“Aegon Affiliated Insurance Company” means an insurance company directly or indirectly controlled by or under common control with AEGON N.V.

“Affiliate” means, with respect to any Person, (i) such Person; (ii) each member of the Immediate Family of such Person; or (iii) any corporation, partnership, limited liability company, trust or other entity directly or indirectly controlling, controlled by or under common control with such Person. For this purpose “control,” “controlled” or “controlling” means (w) the ownership, directly or indirectly, of more than ten percent (10%) of the voting stock or other voting equity participation of the corporation or other entity in question, or (x) control of management through holding, directly or indirectly, a general partnership interest in a limited partnership or a managing member interest in, or right to control, a limited liability company (including, but not limited to, acting as a non-member manager of a limited liability company), or (y) if such Person has no stock or other equity, control over a majority of the board of directors of such Person; or (z) the direct or indirect power under contract to direct the management, financial, legal, beneficial, day-to-day operations or other interests of a company (or other entity).

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by the IRS or any other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received. For the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Aggregate Housing Tax Credit Shortfall” shall have the meaning set forth in Section 3.2.

“Agreement” means this Amended and Restated Agreement of Limited Partnership of LA78, LP, a California limited partnership, and as may be amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time.

“Annual Housing Tax Credit Shortfall” means an Accountants’ Determination or a Final Determination that the amount of Housing Tax Credits allocated annually in any of the years 2019 through 2028 to the Investor Limited Partner are less than the Projected Annual Investor Housing Tax Credit Amount for such year(s).

“Annual Housing Tax Credit Shortfall Amount” means an amount, on an After-Tax Basis, to be paid within thirty (30) days following the receipt of the Accountants’ Determination or Final Determination evidencing an Annual Housing Tax Credit Shortfall equal to the sum of (1) the difference between (x) the Housing Tax Credits actually allocable to the Investor Limited Partner in the current Fiscal Year (after giving effect to any disallowance or recapture of Housing Tax Credits required as a result of an Annual Housing Tax Credit Shortfall), and (y) the Projected Annual Investor Housing Tax Credit Amount for such Fiscal Year, plus (2) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such disallowance or recapture of Housing Tax Credits.

“Annual Operating Budget” means the annual budget for the operation of the Project for a Fiscal Year, as established pursuant to Section 7.4.

“Annual Shortfall Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Annual Shortfall Adjustment Year” shall have the meaning set forth in Section 3.2.

“Architect” means Ground Floor Design, Inc. of Idyllwild, California.

“Architect’s Certificate” means a Certificate executed by the Architect substantially in the form attached hereto as Exhibit F.

“Asset Management Fee” means the annual fee to be paid by the Partnership to the Asset Manager pursuant to Section 5.1 commencing in the year of the Completion Date in the amount of \$5,000, increasing at a rate of three percent (3%) per annum on the first day of each subsequent year. The Asset Management Fee shall be due and payable in full upon the Completion Date, shall not be subject to proration for the first year and shall be due and payable in full on January 1st of each subsequent year. The Asset Management Fee shall be payable to the extent of Operating Cash Flow and accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Asset Manager” shall initially mean Aegon or any substitute party named pursuant to Section 7.16.

“Assignee” means the Person to whom a Transfer of a Partnership Interest is made in accordance with Article 10 of this Agreement; an Assignee is not a Partner unless and until the requirements of Article 10 are fully satisfied.

“Authority” means the Credit Agency, any Lender, the City of Los Angeles, California, the Issuer, or any other federal, state or local governmental authority having jurisdiction over the particular matter to which reference is being made.

“Bankruptcy” or “Bankrupt” means, with respect to any Person, such Person making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Person or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Person, or a receiver, liquidator, custodian, or trustee being appointed for such Person or a substantial part of such Person’s assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within ninety (90) days of its filing; or the entry of an order for relief against such Person under Title 11 of the United States Code. A Person shall be deemed Bankrupt if the Bankruptcy of such Person shall have occurred and be continuing.

“Basis Shortfall” shall have the meaning set forth in Section 3.2.

“BOE” means the California State Board of Equalization and its successors.

“BOE Certification” has the meaning set forth in Section 7.18(f).

“BOE Property Tax Rules” has the meaning set forth in Section 9.40

“BOE Supplemental Certificate” has the meaning set forth in Section 7.18(a).

“Bond Loan” means the first mortgage construction and permanent loan in the amount of up to \$16,500,000 made or to be made to the Partnership by the Issuer with the proceeds of the Bonds, which consist of a tax-exempt note issued under the volume cap of Section 146 of the Code, and assigned to the Funding Lender. The Bond Loan will bear interest at a rate of 4.70% per annum (exclusive of Issuer, fiscal agent or other third party fees), which interest rate shall be set at the Closing Date. The Bond Loan shall have a term of 204 months and an amortization period of 420 months.

“Bond Loan Documents” means all documents evidencing, securing, governing or otherwise pertaining to the Bond Loan, including without limitation the Continuing Covenant Agreement and the Freddie Mac Commitment.

“Bonds” means the California Statewide Communities Development Authority Multifamily Housing Revenue Note (LA 78 Apartments) 2018 Series H in the amount of up to \$16,500,000.

“Business Day” means a day of the year on which banks are not required or authorized to close in the State.

“Capital Account” means, with respect to any Partner, the Capital Account maintained for such Partner throughout the term of the Partnership pursuant to Section 3.5.

“Capital Adjuster Distribution” means, collectively, the Recapture Adjuster Distributions, Annual Shortfall Adjuster Distributions, Future Downward Adjuster Distributions and Depreciation Adjusters.

“Capital Contributions” means with respect to any Partner, the total of all money and the Value (at the date of contribution) of all property other than money transferred or assigned other than as a loan by a Partner to the Partnership pursuant to Article 3 or treated as contributed by a Partner to the capital of the Partnership for federal income tax purposes.

“Capital Expenditures” mean any expenses that, pursuant to the Code, cannot be immediately deducted in full and must be capitalized and amortized or depreciated over more than one year.

“Capital Replacement Reserve” shall have the meaning set forth in Section 8.7(a).

“Change in Tax Law” means the enactment of an amendment to the Code or Regulations after the date hereof that is applicable to the Investor Limited Partner, the Partnership or the Project and that provides for a change in the amount, timing or other treatment of any Tax Benefit.

“Closing Date” means the execution date of this Agreement.

“Co-General Partner” means LA78 GP, LLC, a California limited liability company, or its successors or assigns as permitted by this Agreement.

“Co-General Partner Disposition Fee” means the fee equal to \$50,000 plus the actual costs incurred by the Co-General Partner with exiting the Partnership, including without limitation appraisals and legal fees, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.2.

“Co-General Partner Assignment, Pledge and Security Agreement” means the Co-General Partner Assignment, Pledge and Security Agreement dated as of even date herewith by the Co-General Partner and the Developer in favor of the Investor Limited Partner and the Partnership.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Completion” means substantial completion of the Project in accordance with the Plans as modified by change orders approved by the Investor Limited Partner (to the extent that such approval is required under this Agreement), the Lenders and any Authority (to the extent such consent is required), subject to only minor punch list items, and no liens (except for liens which are bonded against in a manner so as to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby), claims or encumbrances which are not Permitted Encumbrances as evidenced by (i) the Contractor filing a notice of completion, (ii) delivery of the Architect’s Certificate, and (iii) a report by the Construction

Inspector that rehabilitation of the Project has been substantially completed in accordance with the Plans, which report shall be completed within thirty (30) days of notice from the Co-General Partner to the Limited Partners that the Project has been completed in accordance with this Section.

“Completion Date” means the date on which Completion is achieved, which in all events shall be no later than April 30, 2020 (the “**Outside Completion Date**”), unless extended by Force Majeure or otherwise extended by the Investor Limited Partner at its sole discretion.

“Compliance Audit” has the meaning set forth in Section 8.3.

“Compliance Auditor” means Novogradac & Company LLP or a third party credits compliance specialist retained by the Co-General Partner and approved by the Limited Partners, which such approval shall not be unreasonably withheld.

“Compliance Period” means the “compliance period,” as defined in Section 42(i)(1) of the Code, applicable to the Project.

“Construction Budget” means the budget for the rehabilitation of the Project and the furnishing of all personalty in connection therewith, which is currently estimated to be in the amounts attached hereto as Exhibit C, and any revisions thereof approved by the Partners.

“Construction Contract” means the contract between the Partnership and the Contractor for the rehabilitation of the Project.

“Construction Inspector” means the rehabilitation inspector engaged by the Asset Manager.

“Construction Monitoring Fee” means the monthly fee to be paid by the Partnership to Aegon commencing on the first day of the month following the Closing Date and ending with the month in which the Completion Date occurs to cover the cost of monthly rehabilitation inspection in the amount of \$500 which such amount is inclusive of all monitoring fees due to Aegon and any agent or contractors thereof.

“Continuing Covenant Agreement” means that certain Continuing Covenant Agreement of even date herewith between the Funding Lender and the Partnership.

“Contractor” means Katerra Affordable Housing, LLC.

“Conversion Loan” shall have the meaning set forth in Section 4.2(a).

“Cost Certification” means the written certification of the Accountants as to the actual itemized costs of rehabilitation of the Project and the Eligible Basis for the Project.

“Credit Agency” means the California Tax Credit Allocation Committee and its successors and assigns.

“Credit Period” means the “credit period” as defined in and determined in accordance with Section 42(f) of the Code beginning with the taxable year in which the Project is placed in

service or, at the election of the Co-General Partner with the consent of the Investor Limited Partner, and to the extent permitted under Section 42(f)(1) of the Code, the succeeding taxable year.

“Credits” means the Federal Housing Tax Credits.

“Debt Service Coverage Ratio” means with respect to any period in question, the ratio of the Operating Cash Flow (not taking into account withdrawals from Reserves or Operating Deficit Loans) for such period to the mandatory payments of principal and interest due on any Loans for such period. For purposes of this definition only, in calculating Partnership Expenses to determine Operating Cash Flow, Partnership Expenses (i) shall be determined on an accrual basis, and shall exclude payments of principal and interest on any Loans the payments of which are not subject to the availability of Operating Cash Flow, such as the Seller Loan, payments on Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans, the Asset Management Fee, Capital Expenditures, the Deferred Development Fee, if any, the Incentive Lease-Up Fee, the Nonprofit Management Fee and the Incentive Management Fee and (ii) shall be the greater of actual expenses or the underwritten expenses set forth in the Initial Economic Projections.

“Deferred Development Fee” means the deferred portion of the Development Fee, projected to be \$300,380 pursuant to the terms of the Development Agreement, which shall be payable within thirteen (13) years after Completion out of Operating Cash Flow in accordance with Section 5.1 or from Extraordinary Cash Proceeds in accordance with Section 5.2 or from a Capital Contribution of the Co-General Partner pursuant to Section 3.1.

“Deferred First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(ii).

“Deferred Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(iii).

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is or is deemed to be obligated to restore to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s Share of Partnership Minimum Gain if any, and (iii) such Partner’s Share of Partner Nonrecourse Debt Minimum Gain, if any.

“Delayed Depreciation Adjustment Event” shall have the meaning set forth in Section 3.2(b)(vi).

“Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year for federal income tax purposes, except that if the Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such beginning adjusted tax basis. If such an asset has a zero adjusted tax basis, the Depreciation may be determined under any reasonable method selected by the Co-General Partner.

“Depreciation Adjuster” shall have the meaning set forth in Section 3.2(b)(vi).

“Depreciation Adjuster Loan” shall have the meaning set forth in Section 3.2(b)(vi).

“Developer” means, collectively, Community Development Partners, a California corporation, and BLVD Capital LLC, a Delaware limited liability company, each a member of the Co-General Partner.

“Development Agreement” means the Development Services Agreement between the Partnership and the Developer dated as of the Closing Date.

“Development Costs” means any and all costs and expenses necessary to (i) acquire the interest in the Land and the Improvements, (ii) cause the rehabilitation of the Project to be completed in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens, substantially in accordance with the Plans and the Construction Budget, (iii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property in accordance with the Plans and the Construction Budget, (iv) obtain all Government Permits for the use and occupancy of the Units and other space in the Project, (v) pay the Development Fee (except for any portion to be deferred as the Deferred Development Fee), (vi) discharge all Partnership liabilities and obligations arising out of any casualty or condemnation occurring prior to the Rent-Up Date, (vii) fund the initial Reserves, and (viii) pay any other costs or expenses necessary to achieve the Rent-Up Date.

“Development Deficiency” means, for the period beginning with the Closing Date and ending on the Rent-Up Date, the excess of the Development Costs over the Proceeds.

“Development Deficiency Guaranty Period” means the period commencing on the Closing Date and ending on the Rent-Up Date.

“Development Deficiency Payment” shall have the meaning set forth in Section 4.2(c).

“Development Fee” means the fee to be paid by the Partnership to the Developer pursuant to the Development Agreement, projected to be a total of \$2,800,380 or such larger amount as permitted by the Credit Agency. The Development Fee shall not be increased by any savings due to changes in the scope of the Project or reduction in the quality of the Project. The Development Fee may be increased only in accordance with any applicable Authority requirements and the prior written approval of the Investor Limited Partner.

“Disposition Fee” means the fee equal to \$50,000 plus the actual costs incurred by the Limited Partners and the Asset Manager with exiting the Partnership, including without limitation appraisals and legal fees, to be paid by the Partnership to the Asset Manager pursuant to Section 5.2.

“DRO Notice” shall have the meaning set forth in Section 6.3 hereof.

“DRO Notice Partner” shall have the meaning set forth in Section 6.3 hereof.

“Eligible Basis” means an amount equal to the “eligible basis” of the Project as defined in Section 42(d) of the Code, as determined by the Accountants in connection with the Cost Certification.

“Entity” means any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

“Environmental Costs” means all liabilities, sums paid in settlement of claims, obligations, charges, actions (formal or informal), claims (including, without limitation, claims for personal injury or for real or personal property damage related to an environmental condition), liens, taxes, administrative proceedings, losses, damages (including, without limitation, punitive damages), penalties, fines, court costs, administrative service fees, response and remediation costs, stabilization costs, encapsulation costs, treatment, storage or disposal costs, groundwater monitoring or environmental study, sampling or monitoring costs, other causes of action, and any other costs and reasonable expenses (including, without limitation, reasonable attorneys’, experts’, and consultants’ fees and disbursements and investigating, laboratory and data review fees) imposed upon or incurred by any Partner (whether or not indemnified against by any other party) as a result of any violation of Hazardous Substances Laws with respect to the Project.

“Environmental Reports” means the Phase I Environmental Site Assessment Report prepared by Partner Engineering and Science, Inc. and dated October 25, 2018, Project No. 18-214278.2.

“Event of Default” shall have the meaning set forth in Section 11.2.

“Excess Federal Adjuster” shall have the meaning set forth in Section 3.2.

“Exempt Partner” means a Partner of the Partnership whose ownership of an interest in the Partnership would cause property held by the Partnership to be tax-exempt use property for purposes of Code Section 168 but for the fact that this Agreement provides for Qualified Allocations.

“Extended Use Agreement” means the extended low-income housing commitment to be executed by the Partnership in accordance with the requirements of the Credit Agency and the provisions of Section 42(h)(6) of the Code for the Project.

“Extraordinary Cash Proceeds” means the gross cash receipts of the Partnership from any Extraordinary Transaction less Partnership Expenses related to such Extraordinary Transaction, including any mandatory payment on any Loans (other than Operating Deficit Loans) and additions to any Reserves.

“Extraordinary Transaction” means any refinancing, sale, transfer or disposition of all or substantially all of the Partnership’s Property, including but not limited to any disposition pursuant to the Purchase Option Agreement.

“Federal Housing Tax Credits” means the federal low-income housing credits allowable under Section 42 of the Code.

“Federal Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2(b)(i).

“Federal Housing Tax Credit Amount” means the actual Federal Housing Tax Credits per annum available to the Partnership during the Credit Period.

“Federal Payment” means any Federal Payment of the Capital Contributions of the Investor Limited Partner referred to in Section 3.1(c).

“Federal Recapture Amount” means an amount equal to, on an After-Tax Basis, the sum of: (a) the amount of the Federal Housing Tax Credits recaptured as a result of a Federal Recapture Event, and (b) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such Federal Recapture Event, to be paid within thirty (30) days after the Federal Recapture Event.

“Federal Recapture Event” means an Accountants’ Determination or Final Determination of an event resulting in the recapture of all or any portion of the Federal Housing Tax Credits pursuant to Section 42 of the Code.

Notwithstanding the foregoing, a Federal Recapture Event shall not include:

- (i) the inability of the Investor Limited Partner to utilize the Federal Housing Tax Credits allocated to it for any reason, including the lack of sufficient taxable income;
- (ii) a loss or reduction of the Federal Housing Tax Credits to the extent caused by (a) actions or inactions of the Investor Limited Partner or its agents, (b) a change in the tax status of the Investor Limited Partner, or (c) a Change in Tax Law; or
- (iii) any reduction of Federal Housing Tax Credits for which an adjustment to the Investor Limited Partner’s Capital Contribution, a payment by the Partnership of an Excess Federal Adjuster or a distribution by the Partnership of a Capital Adjuster Distribution has been made pursuant to Section 3.2 of this Agreement.

“Fifty Percent Test” means the satisfaction by the Partnership of the test set forth in Section 42(h)(4)(B) of the Code.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction or government agency regarding the Federal Housing Tax Credits and has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), or (ii) the date on which the IRS has entered into a binding agreement with the Partnership with respect to such issues or has reached a final administrative or judicial determination with respect to such issues which, whether by law or agreement, is not subject to appeal.

“First Adjusted Payment” means the Fourth Federal Payment.

“First Adjustment Date” means the Fourth Payment Date.

“First Year” means the year 2019, the first year in which Credits shall be allocated to the Investor Limited Partner as projected in the Initial Economic Projections.

“First Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the First Year.

“First Year Investor Housing Tax Credit Amount” means the First Year Federal Investor Housing Tax Credit Amount.

“Fiscal Year” means the calendar year, or such other fiscal year, which the Partnership maintains for federal income tax and accounting purposes in accordance with Section 8.4.

“Fixed Price Cost” means \$3,208,302.83 as increased by change orders, provided that the Co-General Partner has provided additional funds equal to the amount of such change orders.

“Force Majeure” means any strike, lockout, war, acts of terrorism, insurrection, riot, explosion, fire, flood, earthquake or other natural disaster and other events beyond the control of the party for whom performance is required.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America.

“Freddie Mac Commitment” means that certain Mortgage Loan Commitment issued by the Funding Lender dated on or about the Closing Date.

“Funding Lender” means Berkadia Commercial Mortgage LLC, a Delaware limited liability company.

“Future Downward Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Future Downward Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“General Partner” means the Co-General Partner and the Managing General Partner, and any Person who, at the time of reference, has been admitted as substitute or successor Co-General Partner or Managing General Partner.

“Government Permits” means all material building, zoning, health, safety, business and other applicable certificates, permits and licenses necessary to permit the rehabilitation, use, occupancy and operation of the Project.

“Gross Cash Receipts” means all cash receipts of the Partnership from whatever source derived including but not limited to all public subsidy payments due and payable at such time under the HAP Contract, other than from (i) Capital Contributions, (ii) Loans (other than an Operating Deficit Loan), (iii) Extraordinary Transactions, (iv) any casualty insurance funds or condemnation proceeds that will be used to repair or replace the Partnership’s Property, and (v)

rent prepayments, security deposits (not otherwise applied to defaulting tenant payment obligations), and interest thereon.

“Guarantors” means, collectively, the Developer and the Co-General Partner.

“Guaranty” means the Unconditional Guaranty of even date herewith, made by the Guarantors in favor of the Investor Limited Partner.

“HAP Contract” means, individually and collectively, (i) the Housing Assistance Payments Renewal Contract for Mark-Up-To-Market Project Number CA16L000058 by and among HUD, Los Angeles LOMOD Corporation, as the contract administrator, and the Partnership, effective as of the Closing Date, covering 20 units, which contract runs for a period of 20 years, (ii) the Housing Assistance Payments Renewal Contract for Mark-Up-To-Market Project Number CA16L000049 by and among HUD, Los Angeles LOMOD Corporation, as the contract administrator, and the Partnership, effective as of the Closing Date, covering 50 units, which contract runs for a period of 20 years, and (iii) the Housing Assistance Payments Renewal Contract for Mark-Up-To-Market Project Number CA16L000060 by and among HUD, Los Angeles LOMOD Corporation, as the contract administrator, and the Partnership, effective as of the Closing Date, covering 4 units, which contract runs for a period of 20 years.

“Hazardous Substances” means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutants,” “contaminants,” or “toxic substances,” under federal or state environmental and health and safety laws and regulations, including without limitation petroleum byproducts, flammable explosives, radioactive materials, asbestos, urea formaldehyde insulation, polychlorinated biphenyls (“PCBs”), urea formaldehyde insulation, radioactive materials, asbestos, *Stachybotrys chartarum* and other molds, lead-based paint, and any substance, material or waste now or in the future defined or listed in, or otherwise classified pursuant to or regulated by, any applicable laws or regulations as a regulated substance by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. Hazardous Substances do not include substances that are used or consumed in the normal course of developing, operating or occupying a housing project, to the extent and degree that such substances are stored, used and disposed of in the manner and in amounts that are consistent with normal practice and applicable Hazardous Substances Laws.

“Hazardous Substances Laws” means any and all applicable present or future federal, state and local statutes, regulations, ordinances, codes, rules, orders, guidelines and policies, now or hereafter in force as amended from time to time relating to: the environment; land use; health; safety; transportation; Hazardous Substances as defined herein; and the presence, use, generation, release, disposal, management, control, discharge, treatment, storage, containment, remediation or removal of substance(s) or material(s) that are or may become a threat to public health or the environment in any way and to any degree. Hazardous Substances Laws shall also include, but not be limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act, (42 U.S.C. § 9601 *et seq.*); (ii) any so-called “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*); (iv) the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*); (v) the Clean Air Act (42 U.S.C. § 7401 *et seq.*); (vi) the Federal Water Pollution Control Act, as amended by the Clean Water

Act (33 U.S.C. § 1251 *et seq.*); (vii) the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*); (viii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 *et seq.*); (ix) the Federal Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*); (x) the Federal Atomic Energy Act (42 U.S.C. § 2011 *et seq.*); (xi) the Federal Occupational Safety and Health Act of 1970 (19 U.S.C. § 651); and (xii) the Federal Oil Pollution Act of 1990 (33 U.S.C. § 2701 *et seq.*).

“Housing Tax Credits” means the Federal Housing Tax Credits.

“Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount.

“Housing Tax Credit Conditions” means, for the duration of the Compliance Period, any and all restrictions including, but not limited to, applicable federal, state and local laws, rules and regulations, which must be complied with in order for the Project to qualify for (and continue to receive) the Housing Tax Credits.

“Housing Tax Credit Percentage” means the “applicable percentage” within the meaning of Section 42(b)(2) of the Code.

“Immediate Family” means with respect to any Person who is an individual, such Person’s spouse, parents, descendants, brothers and sisters.

“Improvements” means the 78-unit rental housing development, plus central laundry, community onsite management, playgrounds, community gardens and recreation rooms to be rehabilitated on the Land.

“Incentive Lease-Up Fee” means a fee of up to \$200,000 in the aggregate, payable only during Fiscal Years up to and including the Fiscal Year during which Completion occurs, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.1 and/or from the release of the Lease-Up Reserve as provided in Section 8.7(c). The Incentive Lease-Up Fee shall not accrue or accumulate to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Incentive Management Fee” means the annual fee equal to 90% of Operating Cash Flow, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.1 commencing with the First Year and increasing at a rate of 3% per annum thereafter. In no event shall the Incentive Management Fee exceed twelve percent (12%) of Gross Cash Receipts from Operations. The Incentive Management Fee shall not accrue or accumulate to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Initial Economic Projections” means the economic projections for the Project as of the Closing Date prepared by the Investor Limited Partner, attached hereto as Exhibit B.

“Initial Rent-Up” means the Project has reached (i) ninety-five percent (95%) physical occupancy of all Units in the Project for the most recent three consecutive months, and (ii) not less than seventy four (74) units occupied at one time prior to the Initial Rent Up Date of the Rental Units in the Project by tenants qualifying such Rental Units as Low-Income Units.

“Initial Tenant Files” shall mean all leases, forms and supporting documentation, including but not limited to the signed income certifications, third party income and asset

certifications, and the initial lease of six months or longer, qualifying a Unit as a “low-income unit” within the meaning of Section 42(i)(3) of the Code.

“Interest” means any Partnership Interest or any interest in a corporation, partnership, limited liability company, or other entity that is a Partner.

“Interest Rate” means the per annum rate of interest announced by the Wall Street Journal as the “Prime Rate” plus two hundred basis points. The Interest Rate shall change on the date each change in the “Prime Rate” is announced by the Wall Street Journal. The Interest Rate shall not exceed the highest rate of interest that may be legally charged by the party collecting such interest.

“Investor Limited Partner” means Aegon LIHTC Fund 55, LLC, a Delaware limited liability company.

“Investor Partnership or LLC” means (a) a limited partnership composed of two or more partners, with an Affiliate of Aegon as the general partner (or with an Affiliate of Aegon having direct or indirect control of such general partner), (b) a limited liability company composed of one or more members with an Affiliate of Aegon as the managing member (or with an Affiliate of Aegon having direct or indirect control of such managing member) or (c) a limited liability company composed of one or more members with an Affiliate of Aegon as the non-member manager (or an Affiliate of Aegon having direct or indirect control of such non-member manager).

“IRS” means the Internal Revenue Service.

“Issuer” means the California Statewide Communities Development Authority, a public body corporate and politic, organized and existing under the laws of the State of California.

“Land” means the approximately 1.49 total acres of land on which the Project is to be rehabilitated, all of which are located in the City of Los Angeles, California and are more particularly described in Exhibit A hereto.

“Lease-Up Reserve” shall have the meaning set forth in Section 8.7(c).

“Lender(s)” means any/all lenders under any Loan together with its respective successors and assigns in such capacity.

“Limited Partner Loan” has the meaning set forth in Section 3.4.

“Limited Partners” means, collectively, the Investor Limited Partner and the Special Limited Partner; each a “**Limited Partner**”.

“Liquidating Partner” means the Co-General Partner, unless the Co-General Partner has been removed, in which case it shall mean the Special Limited Partner.

“Loan” means any or all of the Bond Loan, the Seller Loan, or any successor or additional loan, including Limited Partner Loans, Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans.

“Loan Conversion” means the date on which Freddie Mac purchases the Bonds from the Funding Lender pursuant to the Freddie Mac Commitment.

“Loan Documents” means any notes, mortgages and any other documents evidencing or securing the Loans.

“Low-Income Unit” has the meaning set forth in Section 42(i)(3) of the Code.

“Manager’s Unit” means each of the two (2) dwelling unit in the Project that will be occupied by either a resident manager or a resident maintenance person.

“Managing General Partner” means IH CDP Partnership LLC, a California limited liability company, or its successors or assigns as permitted by this Agreement.

“Managing General Partner Assignment, Pledge and Security Agreement” means the Managing General Partner Assignment, Pledge and Security Agreement dated as of even date herewith by the Managing General Partner in favor of the Investor Limited Partner and the Partnership.

“Minimum Debt Service Coverage Ratio” means an average Debt Service Coverage Ratio of 1.15 to 1.0 with respect to the Bond Loan.

“Net Income and Net Losses” mean, for each Fiscal Year of the Partnership, an amount equal to the Partnership’s taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes, shall be computed by reference to the Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Value;

(d) Depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss shall be excluded;

(e) Any selling commissions, underwriting fees and other expenses of the Partnership in syndicating the Partnership Interests not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(f) Notwithstanding any other provision of this Section, any items which are specially allocated under Sections 6.2 or 6.3(c) shall not be taken into account in computing Net Income or Net Losses; and

(g) If the Value of any Partnership asset is adjusted pursuant to clause (b) of the definition of Value hereunder, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing and allocating Net Income or Net Losses.

“Nonprofit Management Agreement” means the Nonprofit Management Agreement between the Partnership and the Managing General Partner dated as of the Closing Date.

“Nonprofit Management Fee” means the annual fee equal to \$2,500 to be paid by the Partnership to the Managing General Partner pursuant to Section 5.1, commencing with the First Year and increasing at a rate of 3% per annum thereafter. The Nonprofit Management Fee shall accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year during the term of the Partnership.

“Notice of Default” means a written Notice of an Event of Default by the Special Limited Partner to a General Partner pursuant to Section 11.3.

“Operating Cash Flow” means, for any fiscal period, Gross Cash Receipts plus amounts drawn from Reserves for such fiscal period, reduced by the sum of the following: (i) all Partnership Expenses and (ii) any amounts (not already included as a Partnership Expense) required to fund the Capital Replacement Reserve pursuant to Section 8.7(a). Operating Cash Flow shall be determined under cash basis accounting principles and no deductions shall be made from Operating Cash Flow for non-cash deductions such as depreciation or amortization.

“Operating Deficit” means, for any Fiscal Year, the amount (if any) by which (i) Partnership Expenses (excluding the Subordinated Partnership Expenses) for the Fiscal Year (or a portion of the Fiscal Year in the First Year) exceeds (ii) the sum of (A) the Gross Cash Receipts (excluding Operating Deficit Loans), plus (B) amounts drawn from any Reserves for such Fiscal Year or portion thereof.

“Operating Deficit Guaranty Period” means the period commencing on the Rent-Up Date and ending on the expiration of the Compliance Period.

“Operating Deficit Loan” means a loan by the Co-General Partner or the Guarantor to the Partnership, payable solely from Operating Cash Flow and Extraordinary Cash Proceeds, which bears interest at a rate of up to 5.0% per annum.

“Operating Reserve” shall have the meaning set forth in Section 8.7(b).

“Operating Reserve Minimum Balance” shall mean a minimum balance in the Operating Reserve of \$358,146.

“Original Agreement” has the meaning set forth in the Recitals.

“Outside Completion Date” shall have the meaning set forth in the definition of Completion Date.

“Partner(s)” means any/all of the Co-General Partner, the Managing General Partner, the Investor Limited Partner, the Special Limited Partner or any successors in interest at the time of the reference thereto.

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Sections 1.704-2(i)(2) and (3) of the Allocation Regulations.

“Partnership” means LA78, LP, a California limited partnership, the limited partnership continued by this Agreement.

“Partnership Expenses” means all cash costs and cash expenses paid by the Partnership of every kind and nature in connection with the Partnership’s management, business affairs and operations including, without limitation, Capital Expenditures, amounts allocated to the Reserves by the Co-General Partner, debt service on the Loans, including any Limited Partner Loans (but excluding any payments payable solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2), and payment of any fees (except any fees paid solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2 or are otherwise deferred or subordinated). Partnership Expenses shall not include amounts paid from the proceeds of any Loans (other than Operating Deficit Loans) and/or from Capital Contributions, including Development Costs. Any Partnership Expenses which relate to more than one period shall be allocated pro rata to the periods to which such Partnership Expenses relate.

“Partnership Interest” means a Partner’s entire ownership interest in the Partnership as of the time of determination, including any and all rights, powers and benefits accorded such Partner under this Agreement and the duties and obligations of such Partner thereunder.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(d) of the Allocation Regulations.

“Partnership Tax Return” means the United States Partnership Income Tax Return (Form 1065) for the Partnership, together with all Schedules K-1 included therein, and all state and local tax returns and other similar schedules required to be filed with respect to operations of the Partnership.

“Payment Date” means the relevant date on which all of the conditions set forth in Section 3.1 are satisfied for the applicable Federal Payment (and collectively referred to herein as the “Payment Dates”).

“Percentage Interest” means with respect to the Investor Limited Partner, 99.99%, with respect to the Special Limited Partner, 0.00%, with respect to the Co-General Partner, 0.0051% and with respect to the Managing General Partner, 0.0049% (collectively, the “**Percentage Interests**”).

“Permitted Encumbrances” means the list of permitted exceptions, liens and encumbrances referenced on Schedule B on that certain Policy of Title Insurance issued by Fidelity National Title Company, Order No. 25012313-002-JA.

“Person” means any individual, partnership, corporation, limited liability company, trust or other entity.

“Plans” means the plans and specifications for the Project as prepared by the Architect, as subsequently approved by the Lenders and the Investor Limited Partner and all amendments thereto approved by the Lenders and the Investor Limited Partner.

“Proceeds” means (i) the proceeds of all Loans, (ii) the interest income and net rental income, if any, generated by the Project which are permitted by the Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions made or to be made by the Partners, and (iv) any insurance proceeds arising out of casualties or condemnation occurring prior to Completion.

“Project” has the meaning set forth in the Recitals.

“Project Costs” means costs included in the Construction Budget attached as Exhibit C, as amended by change orders approved by the Special Limited Partner to the extent required hereunder.

“Project Documents” means any and all material agreements of the Partnership relating to the financing, development, rehabilitation, use or operation of the Project, including, but not limited to, all agreements set forth in Exhibit K, and as any such documents may be amended from time to time.

“Projected Acquired Personal Property Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Projected Acquired Site Improvement Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Projected Annual Investor Housing Tax Credit Amount” means the amount of Housing Tax Credits projected in the Initial Economic Projections to be allocable to the Investor Limited Partner during each Fiscal Year of the Credit Period. It is currently anticipated that the Partnership will allocate Housing Tax Credits to the Investor Limited Partner of \$740,525 with respect to each year from 2019 to 2028. If the amount of Housing Tax Credits allocable to the Investor Limited Partner during any Fiscal Year is determined to be greater or less than that reflected in the Initial Economic Projections, the term “**Projected Annual Investor Housing Tax Credit Amount**,” as used herein, shall mean such revised amount, provided that any

adjustments, payments, or distributions required under Section 3.2 of this Agreement have in fact been made.

“Projected Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Projected Federal Housing Tax Credit Amount” means the projected Federal Housing Tax Credits allocable to the Partnership per annum of \$740,599 during the Credit Period, for a total of \$7,405,990 of Federal Housing Tax Credits during the Credit Period.

“Projected First Year Federal Investor Housing Tax Credit Amount” means \$740,525 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the First Year.

“Projected Second Year Federal Investor Housing Tax Credit Amount” means \$740,525 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the Second Year.

“Property” means the fee interest in the Land and the Improvements and any other real or personal property acquired by the Partnership.

“Property Management Agreement” means the Management Agreement between the Partnership and the Property Manager entered into pursuant to Section 7.13 hereof, substantially in the form attached hereto as Exhibit J.

“Property Management Fee” means the annual property management fee payable to the Property Manager under the Property Management Agreement, which fee has initially been established at \$50 per unit per month.

“Property Manager” means FPI Management, Inc., or any subsequent Person selected to provide management services to the Project from time to time in accordance with Section 7.13.

“Property Tax Exemption” has the meaning set forth in Section 9.40

“Purchase Option Agreement” means the Purchase Option and Right of First Refusal Agreement dated as of even date herewith among the Partnership, the General Partners and the Limited Partners for the purchase of the Project or the Partnership Interests of the Limited Partners by the Co-General Partner or its Affiliate.

“Put Option Agreement” means the Put Option Agreement dated as of even date herewith between the Partnership, the Co-General Partner, the Limited Partners and consented to by the Managing General Partner regarding the option of the Investor Limited Partner and the Special Limited Partner to sell their Interests in the Partnership.

“Qualified Allocations” means an allocation of income, gain, loss, deduction and credit to an Exempt Partner that satisfies the requirements of Code Section 168(h)(6)(B) so that at no time will any portion of the property held by the Partnership be classified as tax-exempt use property for purposes of Code Section 47(c)(2)(B)(v).

“Qualified Housing Tax Credit Basis” means the qualified basis of each qualified low-income building in the Property, determined in accordance with the provisions of Section 42(c) of the Code.

“Qualified Tenants” means tenants with incomes that satisfy the requirements of Section 42(g)(1) of the Code who lease a Qualified Unit in the Project at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Qualified Unit” means a Unit leased to a household with an income that satisfies the requirements of Section 42(g)(1) of the Code at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Recapture Adjuster Distribution” shall have the meaning set forth in Section 3.2(d).

“Recapture Adjustment Year” shall have the meaning set forth in Section 3.2(d).

“Regulations” mean the final Treasury Regulations promulgated under the Code, as amended from time to time.

“Rental Unit” means each of the seventy-eight (78) dwelling units in the Project which are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code.

“Rent-Up Date” means the earliest date on which (a) there is Completion of the Project, (b) the Project has reached Initial Rent-Up, (c) the Project has achieved a Debt Service Coverage Ratio of 1.0 to 1.0 for a period of 90 days and (d) Loan Conversion has been achieved.

“Repurchase Option” has the meaning set forth in Section 4.4.

“Reserves” means the amount of cash the Co-General Partner is required to cause the Partnership to reserve by this Agreement, any Loan Agreements, and/or any Project Documents including but not limited to the Operating Reserve, the Capital Replacement Reserve, the Lease-Up Reserve, and such other amounts as the Co-General Partner from time to time determines to be reasonably necessary or advisable for the operation and/or maintenance of the Project of the Partnership.

“Second Adjusted Payment” means the Final Federal Payment.

“Second Adjustment Date” means the Final Payment Date.

“Second Year” means the year 2020, the second year in which Credits shall be allocated to the Investor Limited Partner.

“Second Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the Second Year.

“Second Year Investor Housing Tax Credit Amount” means the Second Year Federal Housing Tax Credit Amount.

“Security Agreement” means the Security Agreement dated as of even date herewith among the Partnership and the Limited Partners.

“Seller” means Is This Hand Shucked, LP, a California limited partnership.

“Seller Loan” means the permanent loan in the amount of \$795,995 made to the Partnership by Seller. The Seller Loan shall bear compounding interest at a rate of 3.22% per annum, shall be payable out of Operating Cash Flow beginning in 2033, and shall mature fifty-five (55) years from the Closing Date.

“Share of Partner Nonrecourse Debt Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partner nonrecourse debt minimum gain,” determined in accordance with the provisions of Section 1.704-2(i)(5) of the Allocation Regulations.

“Share of Partnership Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partnership minimum gain,” determined in accordance with the provisions of Section 1.704-2(g) of the Allocation Regulations.

“Sources and Uses Statement” means a master sources and uses statement identifying all Proceeds of the Partnership for the Project as of the applicable Payment Date, including the proceeds from the Loans and any Capital Contributions to the Partnership (including the Capital Contribution being made on such Payment Date) and how such funds will be utilized by the Partnership and a forecast of sources and uses on a monthly basis going forward through the Final Payment Date.

“Special Allocations” means the allocations as set forth in Section 6.2.

“Special Limited Partner” means Transamerica Affordable Housing, Inc., a California corporation, and its successors and assigns.

“State” means the State of California.

“State Tax Code” means the California Revenue and Taxation Code.

“Subordinated Partnership Expenses” means the Asset Management Fee, the Nonprofit Management Fee, the Incentive Lease-Up Fee and the Incentive Management Fee.

“Substituted Partner” means any Person admitted as a Partner to the Partnership pursuant to Section 10.3(b).

“Tax” or “Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax imposed by the IRS or any other taxing authority.

“Tax Benefits” means the sum of (a) the Limited Partners’ share of the Projected Federal Housing Tax Credit Amount or the Federal Housing Tax Credit Amount, as applicable, for the entire Compliance Period, and (b) the maximum federal corporate income tax rate, assumed to be

twenty-one percent (21%), times the taxable losses that are projected to be available to the Limited Partners.

“Tax Credits” means the Federal Housing Tax Credits permitted under the Code against federal income tax liability of any Partner as a result of activities or expenditures of the Partnership.

“Tax Credit Approvals” means, with respect to the Project, the written determinations and conditions required to be satisfied pursuant to the required provisions of Sections 42(h)(6)(C), 42(m)(1)(D), and 42(m)(2)(D) of the Code.

“Transfer” means, as a verb, to transfer, sell, assign, exchange, pledge, give, hypothecate or otherwise convey or encumber all or any portion of an Interest and, as a noun, any transfer, sale, assignment, exchange, charge, gift, hypothecation or other conveyance or encumbrance of all or any portion of an Interest.

“Upward Cap” shall have the meaning set forth in Section 3.2.

“Unit” means each of the seventy-eight (78) rental units comprising the Project.

“Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The Value of any asset contributed by or distributed to a Partner shall be the gross fair market value of such asset, as determined at the time of contribution or distribution by agreement between the contributing or distributing Partner and the other Partners;

(b) The Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by a unanimous decision of the Partners (or by Appraisal if the Partners cannot reach a unanimous decision) as of the following times: (x) the acquisition of an additional Partnership Interest by any new or existing Partner in exchange for a capital contribution not presently provided for under the Agreement; (y) the distribution by the Partnership to a Partner of Partnership Property other than money, unless all Partners receive simultaneous distributions of undivided interest in the distributed Property in proportion to their Partnership Interests; and (z) the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code or the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that clause (x) or (y) shall not apply to a contribution or distribution of property of a de minimis gross fair market value;

(c) If the Value of a Partnership asset has been determined or adjusted pursuant to clause (a) or (b), such Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses;

(d) The term “gross fair market value” means the amount which would be paid for a particular property by a willing buyer to a willing seller (neither under any compulsion to buy or sell) unreduced by any liabilities secured by the property or assumed by any party in connection therewith;

(e) The Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 732(d), Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 6.2(b) hereof; provided, however, that Values shall not be adjusted pursuant to this clause (e) to the extent that an adjustment pursuant to clause (b) hereof is made in connection with a transaction that would otherwise result in an adjustment pursuant to clause (e).

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjective forms “Withdrawing” and “Withdrawn”) means as to a General Partner, the occurrence of the Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including without limitation, any Transfer of its Interest and those situations when a General Partner may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

“Withdrawing Limited Partner” means LA78 GP, LLC, a California limited liability company.

ARTICLE 2 ORGANIZATION

2.1 Continuation.

Upon execution of this Agreement, each of the Investor Limited Partner and the Special Limited Partner is admitted to the Partnership and the Withdrawing Limited Partner withdraws from the Partnership and acknowledges that it has no further interest in the Partnership. The General Partners and the Limited Partners do hereby amend and restate the Original Agreement in its entirety and continue the Partnership as a limited partnership pursuant to the Act for the purposes and upon the terms and conditions set forth in the Agreement.

2.2 Name.

The name of the Partnership shall be “LA78, LP”. All business of the Partnership shall be conducted under such name.

2.3 Principal Place of Business.

The principal place of business and office of the Partnership shall be 215 S. Cienega Blvd., Suite 203, Beverly Hills, CA 90211. The Co-General Partner may change the principal place of business of the Partnership to any other place upon filing an amendment to the Certificate and giving thirty (30) days’ written notice to the Limited Partners.

2.4 Purposes.

The purpose of the Partnership shall be to acquire the Land and rehabilitate the Improvements, and maintain, own, operate, lease and otherwise deal with the Project as a low-income rental housing project in order to provide decent, safe, sanitary and affordable housing to low-income persons in accordance with the Project Documents and the provisions of this Agreement and in a manner not inconsistent with the charitable purposes of the Managing General Partner. Consistent with such purposes, the Partnership shall operate using sound business practices to generate a positive cash flow from operations to ensure the viability and success of the Project. The Partnership shall not engage in any other business or activity without the prior written approval of all the Partners.

2.5 Term.

The term of the Partnership shall continue until the Partnership is terminated pursuant to Article 12. This Agreement shall be effective as of the date first above written.

2.6 Partners.

Unless and until Substituted Partners are admitted pursuant to the terms of Article 10 and upon the withdrawal of the Withdrawing Limited Partner, the Co-General Partner and Managing General Partner shall be the sole general partners of the Partnership and the Limited Partners shall be the sole limited partners of the Partnership (within the meaning of the Act). Except as otherwise expressly provided herein, no Partner may be removed as a Partner of the Partnership without such Partner's prior written approval.

2.7 Filings

(a) Certificate of Limited Partnership; Amendments. The Co-General Partner shall timely cause amendments to the Certificate of Limited Partnership to be filed whenever required by the Act. The Co-General Partner shall timely take any and all other actions as may be necessary or appropriate (i) to comply with all laws that apply to the Partnership or the conduct of its business; (ii) to perfect and maintain the status of the Partnership as a limited partnership under the Act and the laws of the State and any other states or jurisdictions in which the Partnership engages in business; and (iii) to protect the limited liability of each of the Limited Partners.

(b) Agent for Service of Process. The agent for service of process of the Partnership in the State shall be National Registered Agents, Inc., or any successor individual or entity named by the Partnership.

(c) Fictitious Business Name Statement. The Co-General Partner shall cause appropriate fictitious business name and like statements to be filed and published for the Partnership if and as required by law.

(d) Taxpayer Identification Number. The federal taxpayer identification number for the Partnership is 82-2695743.

2.8 Outside Activities of Partners.

Except as otherwise provided herein, each of the Partners and any Affiliate may engage or possess interests in other business ventures of every kind and description for its own account, including, without limitation, the ownership or management of other real estate projects, developments or undertakings. Neither the Partnership nor the other Partners shall have any rights by virtue of this Agreement in such independent business ventures or to income or profits derived therefrom.

ARTICLE 3 CAPITALIZATION OF PARTNERSHIP; PARTNERSHIP INTERESTS

3.1 Capital Contributions.

(a) Co-General Partner. On or before the Closing Date, the Co-General Partner will each make a Capital Contribution to the Partnership in the amount of \$50 and its Capital Account balance as of the Closing Date shall be \$50. The Co-General Partner shall also be required to make additional Capital Contributions, as needed, in accordance with Section 3.2(c) of this Agreement. If the Deferred Development Fee is not paid in full on or before December 31st of the thirteenth (13th) year following the year in which Completion occurs, the Co-General Partner shall make a Capital Contribution of funds to the Partnership in an amount sufficient to pay the Deferred Development Fee in full. The deferred portion of the Development Fee is estimated to be \$300,382.

(b) Managing General Partner. On or before the Closing Date, the Managing General Partner will make a Capital Contribution to the Partnership in the amount of \$50 and its Capital Account balance as of the Closing Date shall be \$50.

(c) Investor Limited Partner. Subject to the adjustments of Section 3.2 and the satisfaction of the conditions precedent in this Section 3.1(c) and in Section 3.1(d), as applicable, the Investor Limited Partner shall make a total Capital Contribution to the Partnership in the amount of \$6,982,069 as follows:

(i) First Federal Payment. \$2,096,345 (the “**First Federal Payment**”), a portion of which in the amount of \$21,134 shall be applied on behalf of the Investor Limited Partner to payment of its legal fees and expenses in connection with the closing of the investment contemplated hereunder, shall be made upon the Closing Date.

(ii) Second Federal Payment. \$1,753,303 (the “**Second Federal Payment**”) shall be made upon the later to occur of (1) March 1, 2019, or (2) satisfaction of the conditions set forth in this 3.1(c)(ii) for the payment of the Second Federal Payment (the “**Second Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Construction of the Project is fifty percent complete, meaning (i) the Architect and the Construction Inspector have delivered the Architect's Certificate, substantially in the form of Exhibit F-1 and dated within ten (10) days

of the Second Payment Date (a copy of which shall be delivered to the Limited Partners no later than seven (7) Business Days prior to this Payment Date); (ii) a title search report conducted by the title insurer dated within five (5) Business Days of this Payment Date demonstrating that the Property is free of any mechanics' or materialmen's liens (except for liens which are bonded against or insured over in a manner as to preclude the holder thereof from having any recourse to the Property or the Partnership for payment of any debt secured thereby); and (iii) invoices documenting all soft costs to be paid for work to date have been received by the Limited Partners. Any representation of the Co-General Partner under this Agreement that the work is fifty percent complete shall be subject to confirmation by the Limited Partners or their representatives pursuant to a physical inspection of the Property. Such physical inspection shall be conducted within ten (10) Business Days after notice from the Co-General Partner to the Limited Partners stating that the work is fifty percent complete. If the inspection is not carried out within such time period (as the same may be extended by written agreement of the parties), the Limited Partners will be deemed to have waived their right of inspection. Any objections raised as a result of such physical inspection shall be noted in a document delivered to the Co-General Partner within ten (10) Business Days following the completion of the physical inspection, and, provided that the conditions in (i), (ii) and (iii) above have all in fact been satisfied, the failure by the Limited Partners to notify the Co-General Partner within the ten (10) Business Day period of any such objections shall be deemed to constitute an acknowledgement that the work is fifty percent complete. If any objections are noted, the Partnership shall have the right to correct or cure the same within a commercially reasonable period, which shall in no event exceed ninety (90) days.

(B) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(iii) Third Federal Payment. \$1,392,187 (the "**Third Federal Payment**") shall be made upon the later to occur of (1) June 1, 2019 or (2) satisfaction of the conditions set forth in this Section 3.1(c)(iii) for the payment of the Third Federal Payment (the "**Third Payment Date**"), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Completion has occurred.

(B) Intentionally Omitted.

(C) Delivery to the Limited Partners of the Architect's Certificate dated within ten (10) days of this Payment Date, substantially in the form of Exhibit E, that the Project is substantially complete with only minor outstanding punch list items.

(D) Delivery to the Limited Partners of a certificate of the General Partner dated as of this Payment Date, substantially in the form of Attachment A to Exhibit E.

(E) Delivery of copies of any additional Governmental Permits required to be issued for Completion of the Project, if applicable, and the readiness thereof for occupancy.

(F) Delivery of a pay-off letter from the Contractor dated within ten (10) days of this Payment Date, executed by an authorized officer of the Contractor, which states with respect to the Project (1) that all amounts payable to the Contractor for work done through Completion of the Project have been paid in full, excluding punch list items, retainage and amounts which are to be paid from this Federal Payment; (2) the amount to be paid to the Contractor from this Federal Payment; (3) the total unpaid amount due to the Contractor, including all amounts relating to punch list items and retainage; (4) that funds from payment of this Federal Payment shall be sufficient to satisfy all of the Partnership's obligations to the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project, other than such amounts relating to punch-list items and retainage, and upon receipt of such amounts from such Federal Payment, and the payment by the Partnership or the Contractor of amounts due to subcontractors, all liens or rights of lien which either the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project for all work done through Completion of the Project will be fully paid and discharged; and (5) that the Partnership is not in violation of any provision of the Construction Contract.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of this Payment Date reflecting no new title exceptions (except as previously approved by Limited Partners) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Limited Partners).

(H) Intentionally Omitted.

(I) Intentionally Omitted.

(J) An asbestos abatement closure report, in form and substance satisfactory to the Investor Limited Partner, from an abatement contractor or an independent qualified consultant (which is not an Affiliate of a General Partner), including a summary of abatement scope, affirmation that all applicable regulations were adhered to, copies of all pre-abatement regulatory filings and waste manifests.

(K) Evidence that all tenant leases contain notifications regarding lead-based paint required by the Environmental Protection Agency.

(L) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(iv) Fourth Federal Payment. \$1,665,234 (the “**Fourth Federal Payment**”) shall be made upon the later to occur of (1) October 1, 2019 or (2) satisfaction of the conditions set forth in this Section 3.1(c)(iv) for the payment of the Fourth Federal Payment (the “**Fourth Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Initial Rent-Up has been achieved, including, without limitation, delivery of a current rent roll and the most recent financial statements for the Partnership;

(B) Loan Conversion has occurred (the Asset Manager shall be provided at least ten (10) Business Days to review and approve the permanent Loan Documents, if any, before they are executed by the Partnership) or will occur simultaneously with the payment of this Federal Payment;

(C) The Project has achieved a Debt Service Coverage Ratio of 1.15 to 1.0 for each of the most recent three (3) consecutive months.

(D) A draft Cost Certification and draft Accountants’ Fifty Percent Test Certification for the Project prepared by the Accountant, which shall be acceptable to the Limited Partners, showing the Federal Housing Tax Credits available to the Project as of the date of the draft Cost Certification or Partnership Tax Return and delivered to the Investor Limited Partner during the First Year.

(E) The Asset Manager has received an electronic copy of Initial Tenant Files for not less than seventy four (74) units (which have incorporated all modifications requested by the Compliance Auditor) and a rent roll listing all tenants relied upon to fulfill the Initial Rent-Up requirement.

(F) The Asset Manager has received a copy of the Compliance Audit.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership’s owner’s title policy dated as of the Fourth Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner).

(H) The Accountants have delivered to the Co-General Partner and the Limited Partners the Accountants’ Certificate substantially in the form of Exhibit G, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Fourth Federal Payment in accordance with Section 3.2.

(I) The Operating Reserve and Capital Replacement Reserve have each been fully funded or will be fully funded with the funding of the Fourth Federal Payment.

(J) The Co-General Partner has given the Limited Partners at least thirty (30) days prior written notice of the Partnership's proposed date for payment.

(K) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(L) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(v) Final Federal Payment. \$75,000 (the "**Final Federal Payment**") shall be made upon the later to occur of (1) April 1, 2020 or (2) satisfaction of the conditions precedent to the Final Payment Date, all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Delivery of a copy of the Cost Certification for the Project, in a form accepted by the Credit Agency.

(B) Delivery of a copy of the Accountants' Fifty Percent Test Certification to the extent not included in the Cost Certification.

(C) Delivery of a copy of the Form 8609 issued with respect to each building in the Project.

(D) The Extended Use Agreement has been recorded in the land records where the Project is located and all Lenders have subordinated their mortgages of record to the Extended Use Agreement to the extent required by Section 42(h)(6) of the Code.

(E) The Accountants have delivered to the Co-General Partner and the Investor Limited Partner the Accountants' Certificate substantially in the form of Exhibit G, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Final Federal Payment in accordance with Section 3.2.

(F) In the event the footprint of the Project has changed from the Initial Closing, delivery of a current as-built ALTA Survey (or equivalent) of the Project acceptable to (i) the Limited Partners and (ii) the title insurance company issuing the Partnership's owner's policy.

(G) The Co-General Partner has given the Limited Partners at least thirty (30) days prior written notice of the Partnership's proposed date for payment.

(H) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(I) Evidence that the Partnership has received the Property Tax Exemption for all Qualified Units.

(J) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(d) Additional Conditions Precedent to Capital Contributions. The obligation of the Investor Limited Partner to make each Federal Payment (except as otherwise provided) is subject to each of the following conditions, each of which shall be satisfactory to the Investor Limited Partner:

(i) Prior Installment Conditions. All conditions for all previous installments of Capital Contributions shall have been satisfied and all of such prior installments shall have become due.

(ii) No Event of Default. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by a General Partner as of the applicable Payment Date.

(iii) Partnership Accounts. All accounts, including all Reserves, of the Partnership required to be maintained under the terms of the Project Documents are currently funded to levels required by this Agreement and any Lender or Authority.

(iv) Reporting Requirements. All reporting obligations of the Co-General Partner under Section 8.2 and 8.3 of this Agreement have been satisfied, to the extent then applicable.

(v) No Loans or Grants. Except for Operating Deficit Loans, Conversion Loans, Depreciation Adjuster Loans, or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections.

(vi) Initial Economic Projections. There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections.

(vii) Representations and Warranties. The Co-General Partner represents and warrants to the Partnership and the Limited Partners that as of each Payment Date:

1. All of the conditions precedent set forth in Section 3.1(c) with respect to the relevant Federal Payment are satisfied;

2. No Event of Default has occurred (including any default under any Project Document) and is continuing;

3. All of the representations and warranties of the Co-General Partner made as of the Closing Date and each prior Payment Date, as applicable, are true and correct in all material respects as of the relevant Payment Date;

4. The Partnership has not been notified by a federal, state or municipal agency that it is in material violation of any Hazardous Substances Laws and that such material violation is continuing, nor to the actual knowledge of the Co-General Partner does such a material violation exist. As used in this section, “material violation” means any violation of a Hazardous Substances Law (A) which jeopardized or could jeopardize the ability of the Partnership to develop, own, or operate the Project as housing eligible for the Housing Tax Credits, and (B) the correction of which will require the Partnership to spend funds beyond those likely to be available to the Partnership for such purposes in the ordinary course of events;

5. To the best knowledge of the Co-General Partner, nothing has occurred that would reduce the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that required adjustments thereof have been made pursuant to Section 3.2 of this Agreement;

6. There has been no material change in the representations made by the General Partners hereunder;

7. There has been no material change in the financial condition of the Co-General Partner; and

8. No financing commitment (or other document entered into by the Partnership relating to any Loan) has been terminated or materially modified.

(viii) Deliverables. Each and every one of the following documents, all in form and substance reasonably satisfactory to the Limited Partners, shall be executed by all necessary parties, be in final form and delivered to the Limited Partners no later than seven (7) Business Days prior to each Payment Date:

1. A certificate of the Co-General Partner dated as of the relevant Payment Date, substantially in the form of Exhibit E, certifying that all of the representations and warranties of the Co-General Partner in Section 3.1(d) are true and correct in all material respects as of the applicable Payment Date.

2. For each Federal Payment other than the First Federal Payment, an estoppel certificate from each Lender dated within ten (10) days of the relevant Payment Date, in form and substance reasonably satisfactory to the Limited Partners, stating the principal balance of each Loan then outstanding and that, to the best of its knowledge, there are no defaults or events which, with notice or the passage of time or both, would constitute a default under such Loan.

3. For each Federal Payment other than the First Federal Payment, an estoppel certificate from the Property Manager dated within ten (10) days of the relevant Payment Date, in form and substance satisfactory to the Limited Partners, stating that the Property Management Agreement is in full force and effect and that, to the best of its knowledge, no material breach or default has occurred hereunder.

4. Copies of any written notices or other written communications or documentation received from the Credit Agency with respect to the Project.

5. A Sources and Uses Statement.

6. If the Investor Limited Partner determines in good faith and using its reasonable discretion that there has been material change in the representations set forth in this Agreement affecting the Federal Housing Tax Credits upon which the opinion of the Investor Limited Partner's tax counsel delivered on the Closing Date was based, an opinion of the Investor Limited Partner's tax counsel in form and substance reasonably satisfactory to the Investor Limited Partner addressing the impact of such change at the Partnership's expense.

7. The (i) most recent year-end financial statements of each of the Guarantors, obtained at the expense of the Guarantors, which financial statements shall be reviewed by a certified public accountant reasonably acceptable to the Investor Limited Partner, (ii) the Guarantors' most recently filed tax returns prepared by an outside accountant showing no material adverse change in Guarantors' ability to satisfy the financial covenants set forth in the Guaranty and (iii) a certificate of each Guarantor that there has been no material adverse change.

3.2 Adjustment of Capital Contributions; Recapture.

If the actual Federal Housing Tax Credit Amount, the First Year Investor Housing Tax Credit Amount and/or the Second Year Investor Housing Tax Credit Amount varies from that set forth in the Initial Economic Projections, then adjustments will be made to the Investor Limited Partner's Capital Contributions as of the First Adjustment Date and Second Adjustment Date in accordance with this Section 3.2. Notwithstanding anything to the contrary in this Agreement, in no event shall the Investor Limited Partner's Capital Contribution be increased by an amount in excess of \$698,207 (the "**Upward Cap**"). If the Investor Limited Partner notifies the Co-General Partner that it is unable or unwilling to make an additional Capital Contribution in excess of the Upward Cap, then within thirty (30) days after receipt of such notice, the Co-General Partner shall have the right to have its Percentage Interest increased and the Investor Limited Partner shall have its Percentage Interest correspondingly reduced by a percentage equal to the additional Federal Housing Tax Credits for which the Investor Limited Partner does not increase its Capital Contribution divided by the revised Federal Housing Tax Credits to be received by the Partnership, such that the Investor Limited Partner's Percentage Interest shall not be reduced in a

manner that would cause the Investor Limited Partner to receive less than the Federal Housing Tax Credits for which Capital Contributions have been (or are anticipated to be) paid or diminish the economic benefits which were contemplated to be received by the Investor Limited Partner at the time of the execution of this Agreement or Notwithstanding the foregoing, in no event shall the Percentage Interest of the Investor Limited Partner be reduced to less than 90% of all outstanding Partnership Interests and in no event shall the Co-General Partner Transfer any additional Partnership Interest received pursuant to this Section 3.2 without the consent of the Investor Limited Partner. Additionally, the Co-General Partner shall indemnify the Investor Limited Partner for any reasonable accounting and attorneys' fees and costs incurred by them in connection with the allocation to the Co-General Partner and adjustment in Interests pursuant to this Section 3.2. To the extent that the Investor Limited Partner's Capital Contribution would be increased by an amount in excess of the Upward Cap solely as a result of a Change in Tax Law fixing the Housing Tax Credit Percentage at 4.00% (such excess Federal Housing Tax Credits, the "**Excess Housing Tax Credit Percentage Amount**"), the Investor Limited Partner shall have the option, in its sole discretion, to make a Capital Contribution to the Partnership for such Excess Housing Tax Credit Percentage Amount in an amount equal the product of (A) the Excess Housing Tax Credit Percentage Amount times (Z) \$0.88 (the "**Excess Housing Tax Credit Percentage Option**"). Notwithstanding anything to the contrary herein, in no event shall the Percentage Interest of the Investor Limited Partner be reduced if the Investor Limited does not exercise the Excess Housing Tax Credit Percentage Option.

(a) **Notice of Payment Date.** The Co-General Partner shall give the Limited Partners and the Accountants at least thirty (30) days' Notice of the First Adjustment Date and Second Adjustment Date. Notice of the First Adjustment Date and Second Adjustment Date shall not be given until the draft Cost Certification is final, as to the First Adjustment Date, and the Credit Agency has issued an IRS Form 8609 for each building included in the Project, as to the Second Adjustment Date. The Accountants shall immediately proceed to determine whether there has been any change in the Housing Tax Credit Amount(s) and/or an insufficient First Year Investor Housing Tax Credit Amount(s) and/or an insufficient Second Year Investor Housing Tax Credit Amount(s) in accordance with Section 3.2(b) below, and shall provide the Partnership and the Limited Partners the Accountants' Certificate contemplated on the First Adjustment Date and Second Adjustment Date showing any adjustments to the Limited Partners' Capital Contributions.

(b) **Accountants' Certificate.** For purposes of preparing the Accountants' Certificate as of the First Adjustment Date and Second Adjustment Date, the Accountants shall:

(i) Determine whether the Federal Housing Tax Credit Amount, as calculated below, is less than or greater than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections. As of the First Adjustment Date and Second Adjustment Date, the Accountants shall determine the Eligible Basis from the draft Cost Certification, as to the First Adjustment Date and the IRS Form 8609s for the Project, as to the Second Adjustment Date. Upon a determination that the Federal Housing Tax Credit Amount differs from the Projected Federal Housing Tax Credit Amount, the Accountants shall calculate the decrease or the increase ("**Federal Housing Tax Credit Adjustment Amount**"). The Federal Housing Tax Credit Adjustment Amount shall equal an amount such that the Investor Limited Partner's total Capital Contribution shall

equal the product of (V) the Qualified Housing Tax Credit Basis times (W) the Housing Tax Credit Percentage times (X) 10 times (Y) \$0.94 times (Z) 99.99%, provided that under no circumstances shall the product of (V) and (W) exceed the Federal Housing Tax Credit Amount allocated or allowable pursuant to Section 42 of the Code to the Partnership (subject to any further adjustment pursuant to this Section 3.2, all subject to the Upward Cap.

(ii) Determine whether the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such decrease is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the first taxable year following the expiration of the Credit Period (the “**Deferred First Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred First Year Federal Housing Tax Credits, which present value loss is hereby stipulated by the Partners to equal \$0.46 per dollar of Deferred First Year Federal Housing Tax Credit. Notwithstanding the foregoing, no adjustment with respect to Deferred First Year Federal Housing Tax Credits shall be required to the extent such deferral was a result of the Investor Limited Partner’s requested election to defer the first year of the Credit Period.

(iii) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent such decrease is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the second taxable year following the expiration of the Credit Period (the “**Deferred Second Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred Second Year Federal Housing Tax Credits, which present value loss is hereby stipulated by the Partners to equal \$0.46 per dollar of Deferred Second Year Federal Housing Tax Credit. Notwithstanding the foregoing, no adjustment with respect to Deferred Second Year Federal Housing Tax Credits shall be required to the extent such deferral was a result of the Investor Limited Partner’s requested election to defer the first year of the Credit Period.

(iv) Determine whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent already accounted for pursuant to Section 3.2(b)(i) (such difference being defined herein as the “**Additional First Year Federal Housing Tax Credits**”), then the Accountants shall determine the gain in present value of the Additional First Year Federal Housing Tax Credits, which present value gain is hereby stipulated by the Partners to be \$0.46 per dollar of Additional First Year Federal Housing

Tax Credit, provided, however, that any increase in the Investor Limited Partner's Capital Contribution pursuant to this Section 3.2(b)(iv) shall be subject to the Upward Cap.

(v) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent such increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent already accounted for pursuant to Section 3.2(b)(i) (such difference being defined herein as the "**Additional Second Year Federal Housing Tax Credits**"), then the Accountants shall determine the gain in present value of the Additional Second Year Federal Housing Tax Credits, which present value gain is hereby stipulated by the Partners to be \$0.46 per dollar of Additional Second Year Federal Housing Tax Credit, provided, however, that any increase in the Investor Limited Partner's Capital Contribution pursuant to this Section 3.2(b)(v) shall be subject to the Upward Cap.

(vi) Depreciation Adjusters.

(A) To the extent that the Accountants determine, as of the First Adjustment Date, that the actual basis eligible for depreciation under Section 168 of the Code with respect to acquired personal property ("**Actual Acquired Personal Property Basis**") is or is projected to be lower than \$2,188,617 ("**Projected Acquired Personal Property Basis**"), then the Capital Contributions of the Investor Limited Partner shall be immediately reduced by an amount equal to the product of (i) \$0.12 and (ii) the difference between Actual Acquired Personal Property Basis and Projected Acquired Personal Property Basis (such reduction amount to be referred to as an "**Acquired Personal Property Depreciation Adjuster**")

(B) To the extent that the Accountants determine, as of the First Adjustment Date, that the actual basis eligible for depreciation under Section 168 of the Code with respect to acquired site improvements ("**Actual Acquired Site Improvement Basis**") is or is projected to be lower than \$539,974 ("**Projected Acquired Site Improvement Basis**"), then the Capital Contributions of the Investor Limited Partner shall be immediately reduced by an amount equal to the product of (i) \$0.08 and (ii) the difference between Actual Acquired Site Improvement Basis and Projected Acquired Site Improvement Basis (such reduction amount to be referred to as an "**Acquired Site Improvement Depreciation Adjuster**" and collectively with the Acquired Personal Property Depreciation Adjuster, a "**Depreciation Adjuster**").

(C) If it has not previously been funded, the Depreciation Adjuster shall reduce unfunded Capital Contributions commencing with the next to occur, to the extent possible. If the Depreciation Adjuster exceeds the total of all unfunded Capital Contributions (as computed prior to the reduction provided in this provision), then within 30 days of receiving notice thereof from the Investor Limited Partner, the Co-General Partner shall either (a) make a non-interest bearing loan to the Partnership equal to the amount of such excess ("**Depreciation Adjuster Loan**") which is repayable from Operating Cash Flow, and the Partnership shall immediately distribute the amount of the Depreciation Adjuster Loan to the Investor Limited Partner as a return of its Capital Contribution, or (b) if the notice provided by the Investor Limited Partner states 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, pay directly to the Investor Limited Partner an amount which, on an After-Tax Basis, is equal to the Depreciation Adjuster. In addition to the foregoing, to the extent not reflected in a payment or reduced capital contribution pursuant to the foregoing, if any of the following applies, it shall be considered a "**Delayed Depreciation Adjustment Event**": (i) the filing of the Partnership's tax returns showing a shortfall ("**Basis Shortfall**") in the amount of the Actual Acquired Personal Property Basis and the Actual Acquired Site Improvement Basis ("**Actual Basis**") compared against the sum of the Projected Acquired Personal Property Basis and the Projected Acquired Site Improvement Basis ("**Projected Basis**") set forth in the Initial Economic Projections, (ii) an audit by the Internal Revenue Service which results in the assessment of a deficiency by the Internal Revenue Service against the Partnership or the Investor Limited Partner with respect to a denial of Depreciation deductions previously claimed, unless the Partnership shall timely file a protest with the Internal Revenue Service Appeals or a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such protest or petition, (iii) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Partnership or the Investor Limited Partner with respect to Depreciation deductions previously claimed, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (iv) the decision of a federal court of competent jurisdiction affirming such decision, or (v) the Partnership's failure to diligently pursue relief with the IRS or an appropriate court, in accordance with the foregoing, as reasonably determined by the Investor Limited Partner. In the case

of a Delayed Depreciation Adjustment Event, then within 30 days following a demand therefore from the Investor Limited Partner, the Co-General Partner shall pay directly to the Investor Limited Partner an amount which, on an After-Tax Basis, is equal to the Depreciation Adjuster (using the amount of the Basis Shortfall determined in connection with the Delayed Depreciation Adjustment Event, or as determined by the Investor Limited Partner's accountants, if provision (v) of the preceding sentence applies), plus interest and penalties, if any, imposed (or applicable) in connection therewith. If any payment to the Investor Limited Partner is not made at the time called for hereunder, interest shall accrue thereon at the Interest Rate.

(c) Adjustment(s) to Limited Partner Capital Contribution(s).

(i) Adjustment to Investor Limited Partner's Capital Contribution. Upon the Partners receiving the Accountants' Certificate showing any Federal Housing Tax Credit Adjustment Amount, Deferred First Year Federal Housing Tax Credits, Deferred Second Year Federal Housing Tax Credits, Additional First Year Federal Housing Tax Credits, and/or Additional Second Year Federal Housing Tax Credits, the total amount of the Investor Limited Partner's Capital Contribution shall be adjusted (A) upward or downward by the Federal Housing Tax Credit Adjustment Amount, and/or (B) downward by the loss in present value of the Deferred First Year Federal Housing Tax Credits (as such present downward adjustment is determined pursuant to Section 3.2(b)(ii)), and/or (C) downward by the loss in present value of the Deferred Second Year Federal Housing Tax Credits (as such present downward adjustment is determined pursuant to Section 3.2(b)(iii)), and/or (D) upward by the amount calculated pursuant to Section 3.2(b)(iv) or 3.2(b)(v) and/or (E) downward by the amounts calculated pursuant to Section 3.2(b)(vi). If on the First Adjustment Date and/or Second Adjustment Date the total of the adjustments contemplated by clauses (A), (B), (C) (D) and (E) of the preceding sentence is downward and exceeds the remaining Federal Payment (the "**Excess Federal Adjuster**"), then the Excess Federal Adjuster shall be repaid by the Partnership to the Investor Limited Partner as a return of capital, provided that if the Partnership does not have sufficient funds, the Co-General Partner shall promptly contribute sufficient funds to the Partnership to allow the Partnership to distribute the amount of the Excess Federal Adjuster.

If there is an Excess Federal Adjuster due pursuant to Section 3.2 of this Agreement as of the First Adjustment Date or Second Adjustment Date, and such Excess Federal Adjuster is due in whole or in part to a change in the Federal Housing Tax Credit Amount expected to be allocable to the Investor Limited Partner, a schedule of the adjusted Federal Housing Tax Credits shall be prepared for the remaining period during which Federal Housing Tax Credits are expected to be allocable to the Investor Limited Partner and shall serve as the baseline for calculating future adjustments in Federal Housing Tax Credits for purposes of this Partnership Agreement.

(d) Payment of Federal Recapture Amount. If, as a result of a Federal Recapture Event, the Investor Limited Partner is required to recapture all or any portion of the Federal Housing Tax Credits previously allocated to it by the Partnership, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Federal Recapture Amount. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Federal Recapture Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds ("**Recapture Adjuster Distribution**") arising in the Fiscal Year in which such adjustment is determined ("**Recapture Adjustment Year**") prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Federal Recapture Amount as described above during the Recapture Adjustment Year, the Co-General Partner shall, following the end of such Fiscal Year, promptly contribute funds to the Partnership equal to the unpaid balance of the Federal Recapture Amount and make an immediate Recapture Adjuster Distribution.

(e) Payment of Annual Housing Tax Credit Shortfall Amount. If there is an Annual Housing Tax Credit Shortfall, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Annual Housing Tax Credit Shortfall Amount as calculated by the Accountants within ten (10) days following the Accountants' Determination or Final Determination that an Annual Housing Tax Credit Shortfall exists. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Annual Housing Tax Credit Shortfall Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds ("**Annual Shortfall Adjuster Distribution**") arising in the Fiscal Year in which such adjustment is determined ("**Annual Shortfall Adjustment Year**") prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Annual Housing Tax Credit Shortfall Amount in the Annual Shortfall Adjustment Year, the Co-General Partner shall, following the end of such Fiscal Year, promptly contribute funds to the Partnership equal to the unpaid balance of the Annual Housing Tax Credit Shortfall Amount and make an Annual Shortfall Adjuster Distribution. Notwithstanding anything to the contrary in this Section 3.2(e), neither a reduction to the Investor Limited Partner's remaining Capital Contribution payments nor an Annual Shortfall Adjuster Distribution shall be required with respect to any Fiscal Year in the Credit Period to the extent such reduction in the Investor Limited Partner's remaining Capital Contribution payments or Annual Shortfall Adjuster Distribution would be duplicative of any adjustments or payments made pursuant to Sections 3.2(c) and 3.2(d) hereof.

(f) Payment of Future Downward Housing Tax Credit Adjustment Amount. If at any time after the Final Payment Date there is an Accountants' Determination or a Final Determination that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount (an "**Aggregate Housing Tax Credit Shortfall**", which, shall take into account the years remaining in the Credit Period after the expiration of the current Fiscal Year) due to a shortfall or reduction in the Eligible Basis, the Partnership shall distribute to the

Investor Limited Partner an amount (the “**Future Downward Housing Tax Credit Adjustment Amount**”) equal to the product of (1) the Aggregate Housing Tax Credit Shortfall times (2) \$0.94 times (3) 99.99% (the “**Future Downward Adjuster Distribution**”). Any such Future Downward Adjuster Distribution shall be made from Operating Cash Flow or Extraordinary Cash Proceeds arising in the Fiscal Year in which such adjustment is determined prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds in the applicable Fiscal Year to fully pay the Future Downward Housing Tax Credit Adjustment Amount, the Co-General Partner shall promptly contribute to the Partnership sufficient funds to allow the Partnership to make a Future Downward Adjuster Distribution equal to the unpaid balance of the Future Downward Housing Tax Credit Adjustment Amount. Amounts returned to the Investor Limited Partner pursuant to this Section 3.2(f) shall be in addition to, and shall not be offset or otherwise reduced by, but shall not be duplicative of, any amount paid pursuant to Section 3.2(e).

(g) Limitation on the Obligation to Pay Future Downward Housing Tax Credit Adjustment Amount. Notwithstanding anything to the contrary contained herein, in the event that there is an Aggregate Housing Tax Credit Shortfall for any reason other than a shortfall or reduction in the Eligible Basis (i.e. 15 of the Units in the Project are supposed to be Rental Units, but the Partnership rents 2 vacant units that previously were occupied by Qualified Tenants to market-rate tenants in violation of the next available unit rule, resulting in a reduction in the Qualified Housing Tax Credit Basis but not a shortfall or reduction in the Eligible Basis), the Co-General Partner shall not be required to contribute funds to the Partnership to make a Future Downward Adjuster Distribution, and the sole compensation due to the Investor Limited Partner with respect to such Aggregate Housing Tax Credit Shortfall shall be the Annual Housing Tax Credit Shortfall Amount payable on an annual basis in accordance with Section 3.2(e).

3.3 Liability of Limited Partners; No Other Contributions.

Each of the Limited Partners shall be liable only to make payments of its Capital Contributions as and when due under this Agreement. The Limited Partners shall not be liable for any debts, liabilities, contracts or obligations of the Partnership. Except as provided in Sections 3.2, Article 4 and the Guaranties contemplated thereunder and Section 12.3, no Partner shall be required to make Capital Contributions in excess of the amounts established pursuant to Section 3.1, as adjusted by Section 3.2, without the prior written consent of such Partner. Except as provided in Section 3.2, no Partner shall have the right to make voluntary Capital Contributions to the capital of the Partnership.

3.4 Limited Partner Loans.

Any Limited Partner may, in its sole discretion, make loans to the Partnership (a “**Limited Partner Loan**”) in the event that the Partnership is unable to make any required payments under applicable Loan Documents or pay other material expenses; provided that the Limited Partners may make such loans by making the payments directly on behalf of the Partnership. A Limited Partner Loan shall be payable out of Operating Cash Flow in accordance with Section 5.1 and shall bear interest at the rate per annum equal to the lesser of (a) the Interest Rate plus three percent (3%) or (b) the maximum rate permitted by law. If required by any Loan

Documents, the Co-General Partner shall provide notice to the applicable Lender upon the making of any Limited Partner Loan.

3.5 Capital Accounts.

(a) A separate Capital Account shall be maintained in respect of each Partner in accordance with the applicable requirements of Section 704(b) of the Code and the applicable provisions of the Regulations relating to the allocation of tax attributes to the Partners. Each Partner's Capital Account shall be credited with (i) the amount of such Partner's Capital Contributions as and when made by such Partner, (ii) such Partner's distributive share of any Net Income of the Partnership allocated to such Partner under Section 6.1, (iii) any imputed interest specially allocated to such Partner under Section 6.3, (iv) any amounts in the nature of income or gain specially allocated to such Partner under Section 6.2, and (v) the amount of any Partnership liability assumed by, or secured by property distributed to, such Partner. Each Partner's Capital Account shall be debited with (x) the amount of any money and the Value (determined as of the date of distribution) of any property other than money distributed by the Partnership to such Partner, (y) such Partner's share of any Net Losses and Depreciation of the Partnership allocated to such Partner under Section 6.1 or any amounts in the nature of losses or expenses specially allocated to such Partner under Section 6.2, and (z) the amount of any liabilities of such Partner assumed by, or secured by property contributed by such Partner to, the Partnership (determined in accordance with Code Section 752(a) and any other applicable provisions of the Code and Regulations).

(b) In the event any Partnership Interest is transferred in accordance with the terms of this Agreement, the Assignee or Substituted Partner shall succeed to the Capital Account of the transferor Partner to the extent it relates to the transferred Partnership Interest with adjustments to the Capital Account for a partial Fiscal Year to be determined on a daily basis, using any method permissible under Code Section 706 and the Regulations thereunder selected by the Co-General Partner.

(c) In the event that the Values of the assets of the Partnership are adjusted, the Capital Accounts of the Partners shall be adjusted for the hypothetical "book" gain or loss that would have been realized by the Partners if the Partnership had sold all the assets of the Partnership for their Values in a cash sale, with the net amount of any gain or loss being treated as actually recognized for purposes of Article 6 and shall be adjusted in accordance with Regulations § 1.704-1(b)(2)(iv)(g) for allocations of gain, loss or depreciation as computed for book purposes.

(d) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

3.6 No Interest on Capital; Capital Withdrawals and Returns

No interest shall be paid to any Partner on all or a portion of a Capital Contribution or on a balance in its Capital Account. No Partner shall have the right to withdraw or reduce its Capital Contributions to the capital of the Partnership except in accordance with this Agreement.

3.7 Withholding of Capital Contribution Upon Default

In the event that: (i) the Co-General Partner has not substantially complied with any material provisions of this Agreement; (ii) any financing commitment of the Lender(s), or any agreement entered into by the Partnership for financing related to the Project, has terminated prior to the closing of such financing; or (iii) foreclosure proceedings have been commenced against the Project, then the Investor Limited Partner, at its sole election, may withhold payment of any installment of Capital Contributions otherwise payable to the Partnership; provided however, if a payment of all or any portion of the then due installment of Capital Contribution will cure the event justifying the withholding, then the Investor Limited Partner shall pay such installment otherwise payable if it is applied to cure such event. At the sole election of the Investor Limited Partner, it may directly apply all or any part of any unpaid installment of Capital Contribution to cure the event justifying the withholding. Unless applied as set forth above, all amounts so withheld by the Investor Limited Partner under this Section shall be promptly released to the Partnership only after the Co-General Partner or the Partnership has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to Investor Limited Partner.

3.8 Investor Limited Partner Default

In addition to the rights and remedies otherwise granted to the Partnership and the General Partners, if the Investor Limited Partner fails to make any of its Capital Contributions as required by this Agreement (a "**Payment Default**"), the Partnership and the General Partners shall have the rights set forth in the Security Agreement.

ARTICLE 4 FINANCING AND GUARANTIES

4.1 Financing.

(a) The Co-General Partner shall cause the Partnership to obtain the financing for the Project as set forth in the Financing Summary attached hereto as Exhibit H in accordance with this Section 4.1, subject to the prior approval of the Limited Partners to any changes in the loan terms set forth in the Financing Summary and to any amendments to the Loan Documents.

(b) On or before the Closing Date, the Partnership shall enter into the Bond Loan and the Seller Loan.

(c) After Completion of the Project and not later than the required date for Loan Conversion under the Bond Loan Documents, the Co-General Partner shall cause the Partnership to take all action necessary to achieve Loan Conversion. In the event there are insufficient Proceeds to achieve Loan Conversion, the Co-General Partner shall advance to the Partnership all funds necessary to achieve Loan Conversion ("**Conversion Payments**"). Any such advances shall be made in fulfillment of the Co-General Partner's obligations to the Partnership hereunder, and shall be deemed a capital contribution of the Co-General Partner; provided, however such treatment as a capital contribution does not adversely impact the Investor Limited Partner.

Notwithstanding the foregoing, if the Co-General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Conversion Payments as a Loan of the Co-General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Conversion Payment will be treated as a Loan by the Co-General Partner to the Partnership (a “**Conversion Loan**”).

4.2 Completion and Development Deficiency Guaranty.

(a) The Co-General Partner hereby unconditionally and irrevocably guarantees to the Partnership and the Limited Partners that if for any reason or under any contingency, the Contractor shall (i) be in default under the Construction Contract after expiration of any notice and cure periods; (ii) abandon rehabilitation of the Project for a period of thirty (30) consecutive days before Completion; (iii) fail to complete rehabilitation of the Project in accordance with the Plans, the rehabilitation schedule approved by the Investor Limited Partner and the requirements of all loan commitments for all Loans; (iv) fail to pay all costs of rehabilitation so that the Project will be rehabilitated and Completed free and clear of mechanic’s and materialmen’s liens (except for liens which are bonded against or insured over in a manner to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby); or (v) fail to achieve Completion of the Project on or before the Outside Completion Date for an amount which is less than or equal to the Fixed Price Cost plus any Reserves required to be funded on or before such date to be used for construction, then, in any such event, the Co-General Partner will, within ten (10) Business Days after notice from the Partnership or the Limited Partners, assume all responsibility for Completion of the Project in accordance with the Construction Contract and the requirements of all Lenders in accordance with the Plans and, at the Co-General Partner’s own cost and expense, but only to the extent not payable from Proceeds provided that Proceeds shall not be used without the Consent of the Special Limited Partner for items not otherwise set forth in the current Construction Budget approved by the Special Limited Partner (subject to change orders to the extent permitted without the consent of a Limited Partner hereunder), cause the Project to reach Completion no later than ninety (90) days after the Outside Completion Date. The Co-General Partner shall pay from Proceeds all bills, expenses, charges, costs and fees relating in any manner to or otherwise in connection with such rehabilitation (provided, the Partnership shall reimburse the Co-General Partner for such costs, fees and expenses funded by the Co-General Partner pursuant to this Section in an amount not to exceed the Proceeds less all other amounts expended by the Partnership in connection with the rehabilitation of the Project).

(b) If the Co-General Partner does not assume responsibility for Completion of rehabilitation and commence to diligently prosecute rehabilitation within ten (10) Business Days after written notice, the Co-General Partner shall be in default under this Agreement and the Limited Partners shall have the rights given to them in Section 11.3 hereof. In the event the Limited Partners exercise any rights under Section 11.3, the Partnership, at the request of the Special Limited Partner may, at its option but without obligation to do so, take over rehabilitation of the Project and take such actions as the Partnership shall deem necessary or desirable to reach Completion of the Project. All expenditures made by the Partnership in excess of Proceeds shall be immediately due and payable from the Co-General Partner to the Partnership and shall bear interest from the date of expenditure, at the Interest Rate. No such

action by the Partnership shall release or limit the liability of the Co-General Partner hereunder or affect the rights and obligations of the parties under the Construction Contract.

(c) The Co-General Partner hereby covenants, agrees and promises to pay to the Partnership on the terms set forth below, the funds required to pay any Development Deficiency incurred by the Partnership during the Development Deficiency Guaranty Period (each, a “**Development Deficiency Payment**”). Such Development Deficiency Payments shall be made by payment to the Partnership of the amounts requested, within ten (10) Business Days of the Co-General Partner’s receipt of a written request from the Partnership. If the Co-General Partner shall fail to pay any Development Deficiency Payment as requested, the Development Deficiency Payment will bear interest at the Interest Rate from the date the Development Deficiency Payment is requested until it is paid in full. All such interest shall be due and payable by the Co-General Partner to the Partnership on demand. All Development Deficiency Payments shall be made in fulfillment of the Co-General Partner’s obligations to the Partnership hereunder, and the Co-General Partner shall have no right of repayment from the Partnership (except as provided in Section 4.2(a), above) or any Partner. In no event shall any Development Deficiency Payment by the Co-General Partner affect in any way whatsoever (i) the Percentage Interests of the Partners set forth herein, (ii) the distributions provided for in Article 5 hereof, (iii) the Capital Account of any Partner, or (iv) the allocations provided for in Article 6 hereof. Notwithstanding the foregoing, if the Co-General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Development Deficiency Payments as a Capital Contribution of the Co-General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Development Deficiency Payment will be treated as a Capital Contribution of the Co-General Partner.

(d) The Co-General Partner hereby agrees that its obligations under this Section 4.2 shall constitute a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Co-General Partner. The undertakings of the Co-General Partner set forth in this Article 4 are made for the benefit of the Partners and shall not inure to the benefit of any creditor of the Partnership other than a Partner, notwithstanding any pledge or assignment by the Partnership of this Agreement or any rights hereunder.

(e) The Co-General Partner shall deliver to the Special Limited Partner on reasonable request evidence sufficient to apprise the Special Limited Partner of the status of rehabilitation of the Project and enable the Special Limited Partner to determine whether rehabilitation is likely to be completed by the Outside Completion Date. In the event that the Special Limited Partner shall give notice to the Co-General Partner that the Special Limited Partner has reasonably determined that Completion is unlikely to occur by the Outside Completion Date, then on the forty-fifth (45th) day following the date on which such notice is given, the Co-General Partner shall be in default hereunder unless, within said 45 day period, the Co-General Partner shall have taken all steps necessary to assure, to the Special Limited Partner’s reasonable satisfaction, that Completion will in fact occur by the Outside Completion Date.

4.3 Operating Deficit Guaranty.

(a) In the event that an Operating Deficit arises prior to the Rent-Up Date, the Co-General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership to fund Operating Deficits. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall not be subject to any limitations and/or caps as outlined in Section 4.3(b) below, shall bear interest at a rate of up to 5.0% per annum and shall be repayable only out of (a) available Operating Cash Flow, or (b) Extraordinary Cash Proceeds.

(b) In the event that an Operating Deficit arises after the Rent-Up Date, the Co-General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership, on the terms set forth below, to fund Operating Deficits as they arise, after utilization of the Operating Reserve if, and only to the extent, such utilization is permitted pursuant to Section 8.7 hereof. Such Operating Deficit Loans shall be made by payment to the Partnership of the amounts requested, on a quarterly basis (or more often as is necessary to meet immediate operating deficit needs), within five (5) Business Days of the Co-General Partner's receipt of a written request from the Partnership or a Limited Partner. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall bear interest at a rate of up to 5.0% per annum and shall be repayable only from Operating Cash Flow or Extraordinary Cash Proceeds as provided in Article 5 of this Agreement. The obligations of the Co-General Partner under this Section 4.3 shall continue throughout the term of the Compliance Period. Notwithstanding anything to the contrary contained herein (except to the extent necessary to pay amounts owed because of a failure to attain, a termination of or a reduction in the Property Tax Exemption), the Co-General Partner shall not be obligated to make any additional Operating Deficit Loans when the total of all outstanding unpaid Operating Deficit Loans is \$955,055 or more. Operating Deficit Loans may be funded and subsequently repaid in whole or in part by the Partnership, and the Co-General Partner's obligations to make additional Operating Deficit Loans shall continue during the Operating Deficit Guaranty Period. This is a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Co-General Partner. The Partners acknowledge that no such amounts loaned by the Co-General Partner pursuant to this Section 4.3 shall be treated as contributions to the Partnership by the Co-General Partner, that no amounts paid to the Co-General Partner with respect to any Operating Deficit Loan shall be treated as a distribution to a partner, and the provision of such amounts shall not affect the Percentage Interests or the allocations provided for in Article 6 whatsoever.

4.4 Repurchase Option.

(a) The Limited Partners shall have the right to require the Co-General Partner to repurchase the Investor Limited Partner's Partnership Interest and the Special Limited Partner's Partnership Interest (the "**Repurchase Option**") upon the occurrence of any one of the following circumstances:

(i) the failure of the Project to meet the "placed in service" requirements of Section 42 of the Code by December 31, 2019, unless the Partnership, the Co-General

Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(iv) the failure of the Partnership to meet the Fifty Percent Test prior to the end of the First Year; or

(v) if at any time it becomes apparent that more than 30% of the Tax Credits projected in the Initial Economic Projections are not likely to be realized (such deficiency the “**Tax Credit Deficiency**”), unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to the existence of the Tax Credit Deficiency as provided for in Section 3.2; or

(vi) proceedings are commenced, filed or initiated to foreclose any loans prior to the Rent-Up Date 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; or

(vii) the failure of the Partnership to obtain and deliver to the Investor Limited Partner Forms 8609 for each building in the Project by the date required to enable the Investor Limited Partner to claim Tax Credits for the First Year, unless (A) the Investor Limited Partner determines in its reasonable discretion that the delay in receiving Forms 8609 is outside the control of the Co-General Partner (including, without limitation, failure of the Credit Agency to respond despite persistent efforts by the Co-General Partner to do so) and (B) the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(viii) there is not a valid Extended Use Agreement recorded against the Project prior to the end of the twelve month period following the placement in service of the final building in the Project to be placed in service, unless (A) the Co-General Partner has timely provided to the Credit Agency all information and documentation required by the Credit Agency to issue the Extended Use Agreement, and the Investor Limited Partner determines in its reasonable discretion that the actions or omissions of the Co-General Partner or its Affiliates are not a cause of the failure of the Credit Agency to issue the Extended Use Agreement, and (B) the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(ix) the construction schedule of the Project is delayed in excess of six months from the construction schedule agreed to as of Closing Date or Completion will not occur prior to the Completion Date; or

(x) if more than two of the Rental Units fail to be Qualified Units within twelve (12) months of the Completion Date unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits

or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(xi) the failure of the Partnership and/or the Project to satisfy the Housing Tax Credit Conditions necessary to enable the Investor Limited Partner to claim Tax Credits for the First Year unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(xii) a commitment for any Loan is terminated or materially altered without the Consent of the Investor Limited Partner and a substitute commitment acceptable to the Investor Limited Partner in its reasonable discretion is not obtained within sixty (60) days of such termination or alteration or such shorter time period as is reasonably necessary to insure Completion of the Project by the Outside Completion Date; or

(xiii) the Rent-Up Date does not occur on or before January 1, 2020; or

(xiv) prior to the Rent-Up Date, the occurrence of a casualty or condemnation of the Project and the insurance proceeds shall be insufficient to restore the Project within 24 months of the casualty and the Co-General Partner does not fully fund such shortfall in proceeds necessary to restore the Project within 24 months of the casualty; or

(xv) the occurrence of a material default under any of the Project Documents prior to the Rent-Up Date (subject to any applicable notice and cure period); and/or

(xvi) prior to the Rent-Up Date, a loss or reduction in any grant, tax exemption or abatement, or rental subsidy that is necessary to construct or operate the Project or that has been relied upon by the Investor Limited Partner in making its determination to invest in the Partnership, and such default or condition is not cured within the lesser of thirty (30) days or one-half of any applicable cure period set forth in the Loan Documents and/or the Project Documents (as the case may be) with respect to such default, provided, however, that that if the loss or reduction in any such grant, tax exemption or abatement or rental subsidy is not a result of a default by any General Partner or Guarantor, the cure period shall be thirty (30) days.

(b) The purchase price of the Limited Partners' Partnership Interests shall be the total of the following amounts less the net economic value of any Tax Benefits or cash distributions actually received by the Limited Partners to date and that are not subject to recapture as a result of the exercise and closing of the Repurchase Option:

(i) An amount equal to the Limited Partners' Capital Contributions paid to date, together with interest at the rate of eight percent (8.00%) per annum, compounded monthly, from the date of each contribution to the date of repayment; and

(ii) The actual out-of-pockets of the Limited Partners (including reasonable attorneys' fees, accounting fees and consulting expenses of the Limited Partners) incurred in connection with the Limited Partners' investment in the Partnership (to the extent not already reimbursed) or the exercise of the Repurchase Option.

(c) The Repurchase Option may be exercised by the Limited Partners by giving written notice of their intent to exercise the Repurchase Option (the “**Exercise Notice**”) to the Partnership and the Co-General Partner as set forth in Section 13.1, and complying with the contract and closing requirements as set forth in Section 4.4(d) hereof. Upon delivery of the Exercise Notice, the Limited Partners shall have no further obligations under this Agreement, including any obligation to make payment of the Limited Partners’ Capital Contributions, and the Co-General Partner shall indemnify and hold harmless the Limited Partners from and against any damage, cost, or liability arising from and after the date of such delivery with respect to any obligations under this Agreement. The Co-General Partner shall take all such actions and shall pay all costs necessary to enable the Limited Partners to receive and retain the purchase price set forth in Section 4.4(b) as against any creditor of the Co-General Partner or the Partnership. Notwithstanding the purchase by the Co-General Partner of the Limited Partners’ Partnership Interest, to the extent permitted under the applicable provisions of the Code, the Limited Partners shall be allocated any Net Income or Net Losses and Credits in respect of the Limited Partners’ Partnership Interest for the period prior to the date of the receipt by the Limited Partners of payment therefor. Anything herein to the contrary notwithstanding, title to the Limited Partners’ Partnership Interest shall not vest in the Co-General Partner until payment in full of the purchase price therefor. If at the time of such purchase, the payment of the purchase price to the Limited Partners constitutes a violation of the Act then the Co-General Partner shall (i) contribute or cause to be contributed sufficient additional capital to the Partnership to permit such repurchase without constituting such a violation, and (ii) indemnify and hold harmless the Limited Partners against any and all loss and damage by reason of such purchase being in violation of the Act.

(d) Within ten (10) Business Days of the Co-General Partner's receipt of the Exercise Notice, the Partnership, the Limited Partners and the General Partners shall enter into a written contract for the purchase and sale of the Limited Partners’ Partnership Interest 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 in which the Project is located, providing for a closing not later than thirty (30) days after the Co-General Partner’s receipt of the Exercise Notice. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Repurchase Option. The purchase and sale contemplated in this Section 4.4(d) shall be closed through an escrow with the title insurer for the Project or another mutually acceptable title company.

(e) The performance by the Co-General Partner of its obligations under this Section 4.4 shall be fully, unconditionally, and absolutely guaranteed by the Guarantors pursuant to the Guaranty.

4.5 Collateral.

The Co-General Partner and the Developer shall enter into the Co-General Partner Assignment, Pledge and Security Agreement to secure the obligations of the Guarantors under the Guaranty. In addition, the Managing General Partner shall enter into the Managing General Partner Assignment, Pledge and Security Agreement to secure its obligations under this Agreement.

4.6 Purchase Option Agreement.

Concurrent with the Closing Date, the General Partners, the Limited Partners, and the Partnership shall enter into the Purchase Option Agreement regarding certain rights of the Co-General Partner to purchase the Project and/or the Limited Partners' Partnership Interests.

4.7 Put Option Agreement

Concurrent with the Closing Date, the Co-General Partner and the Limited Partners shall enter into the Put Option Agreement regarding certain rights of the Investor Limited Partner and the Special Limited Partner to sell their Interests.

ARTICLE 5 DISTRIBUTIONS

5.1 Operations.

Except as otherwise provided in Article 12 and subject to any limitations imposed under any Loan Document or by any Authority and Sections 5.3 and 5.4 hereof, the Partnership's Operating Cash Flow for each Fiscal Year shall be disbursed in the following order of priority:

- (i) First to payment of any unpaid Excess Federal Adjuster and/or any Capital Adjuster Distribution and/or any Limited Partner Loans due to the Investor Limited Partner;
- (ii) Second, to payment of the current and accrued annual Asset Management Fee;
- (iii) Third, for Fiscal Years up to and including the Fiscal Year during which Completion occurs, to payment of the Incentive Lease-Up Fee;
- (iv) Fourth, to payment of the current and accrued annual Nonprofit Management Fee;
- (v) Fifth, to pay amounts due with respect to the Deferred Development Fee until such Deferred Development Fee is paid in full;
- (vi) Sixth, to any required repayment of the Seller Loan;
- (vii) Seventh, in the event the Operating Reserve is below the Operating Reserve Minimum Balance, to the replenishment of the Operating Reserve to the Operating Reserve Minimum Balance;
- (viii) Eighth, to repayment of any Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans;
- (ix) Ninth, to payment of the Incentive Management Fee; and
- (x) Tenth, 89.9951% to the Co-General Partner, 0.0049% to the Managing General Partner and 10% to the Investor Limited Partner.

Additionally, and notwithstanding anything to the contrary contained herein: (i) in no event shall the amount of all fees paid to the Co-General Partner or any Affiliate thereof (but excluding the Development Fee and the Incentive Lease-Up Fee) exceed, in the aggregate, twelve percent (12%) of Gross Cash Receipts, (ii) if the amount of the distribution to the Investor Limited Partner under Section 5.1(x) is less than 10% of the Operating Cash Flow of the Project (provided that for purposes of this provision only “Operating Cash Flow” shall exclude any payments made to any Limited Partner or Affiliate thereof pursuant to Sections 5.1(i), 5.1(ii) and 5.4 and shall exclude and funds applied to replenishment of the Operating Reserve, payments due with respect to the Seller Loan, the Deferred Development Fee and repayment of any Operating Deficit Loans and Depreciation Adjuster Loans) then the Investor Limited Partner shall receive a priority distribution before any distributions under 5.1(ix) and 5.1(x) in an amount such that, when added to the sum distributable to the Investor Limited Partner under Section 5.1(x) shall equal 10% of Operating Cash Flow.

5.2 Extraordinary Transactions.

Except as provided in Article 12 and subject to any limitation imposed under any Loan (except for Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans) or by any Authority, Extraordinary Cash Proceeds shall be applied as follows:

(i) First, to payment of any unpaid Excess Federal Adjuster, and/or any Capital Adjuster Distribution and/or any Limited Partner Loans due to the Investor Limited Partner;

(ii) Second, to the Investor Limited Partner an amount equal to, on an After-Tax Basis, the Taxes (if any) owed by it as a result of the Extraordinary Transaction pursuant to clause (i) of Section 6.1(c);

(iii) Third, to payment of the current and any accrued and unpaid annual Nonprofit Management Fee;

(iv) Fourth, to payment of the Deferred Development Fee until such Deferred Development Fee has been paid in full;

(v) Fifth, to repayment of the Seller Loan;

(vi) Sixth, to payment of the current and any accrued and unpaid annual Asset Management Fee.

(vii) Seventh, to repayment of any Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans;

(viii) Eighth, for any Extraordinary Transaction constituting a sale, transfer or disposition of all or substantially all of the Partnership’s Property, to payment of the Disposition Fee;

(ix) Ninth, for any Extraordinary Transaction constituting a sale, transfer or disposition of all or substantially all of the Partnership's Property, to payment of the Co-General Partner Disposition Fee; and

(x) Tenth, 89.9951% to the Co-General Partner, 0.0049% to the Managing General Partner and 10% to the Investor Limited Partner (after including as part of such 10%, the amount of any payment under Section 5.2(ii)).

5.3 Tax Credit Guaranty.

In the event that any amount is owed by the Co-General Partner to the Partnership pursuant to Section 3.2 to fund the payment by the Partnership of an Excess Federal Adjuster,] and/or a Capital Adjuster Distribution to the Investor Limited Partner, then any amounts payable to the Co-General Partner, Developer or their respective Affiliates pursuant to this Agreement shall be paid directly to the Investor Limited Partner by the Partnership as a return of capital (and shall be treated as a capital contribution by the Co-General Partner to the Partnership).

5.4 Payment of Limited Partners' Taxes.

Notwithstanding anything to the contrary contained in Sections 5.1 and/or 5.2 above, in any Fiscal Year in which the Partnership generates Net Income, Operating Cash Flow in an amount equal to the Taxes payable by the Investor Limited Partner or the Special Limited Partner on their shares of such Net Income (and, if applicable, on the distribution pursuant to this Section 5.4) shall first be distributed to the Investor Limited Partner and the Special Limited Partner before any other distributions or payments are made to the Developer or General Partners from Operating Cash Flow in such Fiscal Year. If there is insufficient Operating Cash Flow in any Fiscal Year to pay the amount specified in this Section 5.4, the Co-General Partner shall advance the amount of the deficiency to the Partnership as an Operating Deficit Loan.

5.5 Timing and Calculation.

The Co-General Partner shall cause the Partnership to make distributions of Operating Cash Flow in accordance with Section 5.1 within thirty (30) days of receipt of the audited financial statements described in Section 8.3(c), but in no event shall distributions of Operating Cash Flow be made later than one hundred eighty (180) days after the end of the Fiscal Year. The Co-General Partner shall cause the Partnership to make distributions of Extraordinary Cash Proceeds in accordance with Section 5.2 within sixty (60) days after the occurrence of the Extraordinary Transaction.

5.6 Liquidation.

Distributions shall be in cash except that upon liquidation of the Partnership pursuant to Article 12, the Liquidating Partner may, in its discretion if it deems it appropriate, cause the Partnership to distribute assets other than cash on the basis of the fair market value of such distributed assets on the date of distribution.

ARTICLE 6
ALLOCATIONS

6.1 General Allocations.

After giving effect to the Special Allocations, Net Income, Net Losses and Credits in respect of each Fiscal Year of the Partnership (and, in each case, each item of income, gain, loss, deduction and tax preference, required to be taken into account separately under Section 702(a) of the Code by the Partners, which are included in the computation of such Net Income or Net Losses for such Fiscal Year) shall be allocated to the Partners on the last day of such Fiscal Year as follows:

(a) Net Income shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Losses have been allocated to the Partners pursuant to Section 6.1(b) for any prior period, Net Income shall be allocated to offset any Net Losses allocated pursuant to Section 6.1(b)(ii) in proportion to their respective shares of Net Losses being offset; and

(ii) Second, any remaining Net Income shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) Net Losses shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Income has been allocated pursuant to Section 6.1(a)(ii) for any prior period, Net Losses shall be allocated to offset any Net Income allocated pursuant to Section 6.1(a)(ii) in proportion to their respective shares of Net Income being offset; and

(ii) Second, any remaining Net Losses shall be allocated 99.99% to the Investor Limited Partner, 0.0051% to the Co-General Partner and 0.0049% to the Managing General Partner.

(c) Notwithstanding the foregoing, Net Income from an Extraordinary Transaction shall be allocated as follows and in the following order of priority:

(i) First, in the event that any Partner has a negative Capital Account as of close of business on the day of the Extraordinary Transaction, after giving effect to all contributions, distributions and allocations as of such date, Net Income from such Extraordinary Transaction shall be allocated to the Partners with negative Capital Accounts at such time in proportion to the amounts by which they were negative until such Partners' Capital Account balances are increased to zero; and

(ii) Second, to the Investor Limited Partner until its Capital Account is, on an After-Tax Basis, equal to the Taxes owed by the Investor Limited Partner with respect to its share of Net Income allocated pursuant to clause (i) of this Section 6.1(c).

(iii) Third, any remaining Net Income from such Extraordinary Transaction shall be allocated to the Partners in amounts necessary to increase their respective Capital Account balances to the amounts distributable to them under Section 5.2(x).

(d) Notwithstanding Section 6.1(a), 6.1(b) and 6.1(c), Depreciation shall be allocated 99.99% to the Investor Limited Partner, 0.0051% to the Co-General Partner and 0.0049% to the Managing General Partner. Federal Housing Tax Credits shall be allocated to the Partners in the same manner as Depreciation. Any recapture of Federal Housing Tax Credits shall be allocated among the Partners in the same manner as the Federal Housing Tax Credits were originally allocated.

(e) Notwithstanding anything to the contrary in this Article 6, no allocation shall be made pursuant to this Article 6 to the extent it would cause the Partnership's acquisition of the Project to fail to meet the requirements of Section 42(d)(2)(B) of the Code.

6.2 Special Allocations.

It is the intention of the Partners that the allocation of tax attributes arising from the Partnership comply with the applicable provisions of Regulations Section 1.704-1(b) and 1.704-2. To conform further the allocation provisions of this Agreement to the Regulations, the Partners agree that the following Special Allocations shall apply; provided however, that in respect of any particular allocations the following rules shall supersede the rules otherwise applicable under this Article 6 only to the extent necessary to cause such allocation to be respected under the Regulations and the remaining portion of such allocation shall not be affected. In the event of any inconsistency between the Regulations and the provisions of the following Sections (a) through (h) of this Section 6.2, the Regulations shall govern.

(a) Loss Limitation Rule. If any allocation of Net Losses for any Fiscal Year otherwise provided in this Article 6 would (if made) cause or increase a deficit balance in the Capital Account of a Partner (determined for this purpose by taking into account such Partner's share of Operating Cash Flow in respect of such Fiscal Year and all other adjustments for such Fiscal Year otherwise required under this Agreement) that exceeds the amount such Partner is obligated to restore to the Partnership pursuant to Regulations Sections 1.704-1(b)(2)(ii)(c) or 1.704-1(b)(2)(ii)(d) or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) less the amount of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6), the amount of Net Losses otherwise allocable to such Partner shall be reduced by the minimum amount necessary to eliminate such deficit. Any amount of an allocation denied to a Partner under the first sentence of this Section 6.2(a) shall be reallocated to the Partners whose allocations of Net Losses for such year (determined under this Section 6.2) are not affected by this Section, such reallocation to be made pro rata in accordance with the ratio that each Partner's interest in profits and losses bears to the aggregate of the interests of all such Partners.

(b) Minimum Gain Chargeback. If during any Fiscal Year there is a net decrease in the partnership minimum gain (as determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1)), then items of income and gain of the Partnership shall be allocated to each Partner, for such Fiscal Year (and, if necessary, subsequent periods) in proportion to, and to the

extent of, an amount equal to each Partner's share of the net decrease in partnership minimum gain during such Fiscal Year in accordance with Regulations Section 1.704-2(g)(2). This Section (b) is intended to comply with the minimum gain chargeback requirement in such Regulations Sections and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If a Limited Partner unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) (modified, as appropriate, by Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5)) which causes or increases a negative balance in such Partner's Capital Account (determined for this purpose with the adjustments required under Section 6.2(a)), such Partner will, to the extent required by Regulations Section 1.704-1(b)(2)(ii)(d), be specially allocated an amount of gross income and/or gain (consisting of a pro rata portion of each item of Partnership income and gain for such Fiscal Year) sufficient to eliminate such negative balance as quickly as possible; provided, however, that an allocation pursuant to this Section 6.2(c) shall be made if and only to the extent that such Partner would have a deficit in its Capital Account (determined as aforesaid) after all other allocations provided for in Article 6 have been tentatively made as if this Section 6.2(c) were not in this Agreement.

(d) Nonrecourse Deductions. The "nonrecourse deductions" for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(b)(1)) shall be specially allocated to the Partners in proportion to their Percentage Interests and otherwise as provided in Regulations Section 1.704-2(e).

(e) Partner Nonrecourse Deductions. The "partner nonrecourse deductions" for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(i)(2) and 1.704-2(b)(4)) shall be specially allocated to the Partner that bears the economic risk of loss for such deductions within the meaning of Regulations Sections 1.704-2(i)(1) and 1.752-2 and otherwise as provided in Regulations Section 1.704-2(i).

(f) Partner Minimum Gain Chargeback. If during any Fiscal Year of the Partnership there is a net decrease in minimum gain attributable to Partner nonrecourse debt, within the meaning of Regulations Section 1.704-2(b)(4) and 1.704-2(i)(3), each Partner with a share of such Partner minimum gain shall be allocated items of partnership income and gain for such Fiscal Year (and if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner's share of the net decrease in the minimum gain attributable to partner nonrecourse debt determined in a manner consistent with the provisions of Regulations Section 1.704-2(i)(4). This Section 6.2(f) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of such Regulations Sections and shall be interpreted consistently therewith.

(g) 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 Regulations Section 1.752-3(a)(3), each Partner's interest in Partnership profits shall be such Partner's Percentage Interest.

(h) Section 732(d), 734(b) and 743(b) Adjustments. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 732(d), 734(b) or

743(b) is required under Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in adjusting Capital Accounts, the amount of such adjustment to the Capital Accounts shall 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 shall be allocated to the Partners in a manner that achieves the adjustments to their respective Capital Accounts that are required to be made pursuant to such Section of the Regulations.

(i) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any Fiscal Year in excess of the sum of (i) the amount that such Partner must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and § 1.704-2(i)(5), such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 6.2(i) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 6 have been tentatively made as if this Section 6.2(i) and Section 6.2(c) hereof were not in this Agreement.

(j) Change in Regulations. If any of the specific Regulations upon which the special allocations provided for in this Section 6.2 are based are hereafter changed or if new Regulations are promulgated that in the opinion of reputable tax counsel retained by the Investor Limited Partner or the Partnership make it necessary to revise the foregoing special allocation rules or provide further special allocation rules in order to avoid a significant risk that a material portion of any allocation of Net Income, Net Losses, Credits or other tax attributes otherwise provided for in Section 6.1 above would be altered as a result of a challenge thereto by the Internal Revenue Service, the Partners agree to make such reasonable amendments to this Agreement as, in the opinion of such counsel, are necessary or desirable, taking into account the interests of the Partners as a whole and all other relevant factors, to avoid or reduce significantly such risk to the extent possible without materially affecting the amounts distributable to any Partner pursuant to this Agreement.

(k) Curative Allocations. The allocations set forth in Sections (a) through (i) of Section 6.2 (the “**Special Allocations**”) are intended to comply with the requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Special Allocations shall be offset with other Special Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 6.2(k). Therefore, notwithstanding any other provision of Article 6 (other than the Special Allocations), the Co-General Partner shall make such offsetting allocations of Partnership income, gain, loss or deduction in whatever manner it reasonably determines is appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible, equal to the Capital Account balance which such Partner would have had if the Special Allocations were not part of this Agreement and all Partnership items were allocated pursuant to Article 6. In exercising its discretion under this Section 6.2(k), the Co-General Partner shall take into account future Special Allocations under Sections (b) and (f) that, although not yet made, are likely to offset other Special Allocations previously made under Sections 6.1(d) and 6.1(e). Notwithstanding the foregoing provisions of this Section 6.2(k), the Co-General Partner shall not, without the unanimous consent of all of the Partners, make any allocation under this

Section 6.2(k) unless the Co-General Partner obtains advice of counsel that such allocation is unlikely to cause any allocation made or to be made under this Agreement to fail to be respected under Code Section 704 or the Regulations thereunder.

6.3 Special Rules.

The allocations set forth in this Agreement shall be subject to the following special rules:

(a) Tax Allocations.

(i) For each Fiscal Year, the Partnership's items of income, loss, deduction, gain and other items governed by Section 702(a) of the Code and comparable provisions of state and local law shall be allocated among the Partners proportionately to the allocation of the Net Income and Net Losses to such Partners for such year; provided, however, that Credits shall be allocated among the Partners as provided in Section 6.1(d), and any income or loss attributable to an Operating Deficit Loan, which shall not include any Depreciation, shall be allocated solely to the Co-General Partner; and provided that appropriate adjustments shall be made in the event that an election under Section 754 of the Code is in effect; and provided further that any gain recognized from any disposition of an asset which is treated as ordinary income because it is attributable to the recapture of any depreciation or amortization shall be allocated among the Partners in the same ratio as the prior allocations of income or loss which included such depreciation or amortization (but, in each case, only to the extent such gain is otherwise allocable to a Partner).

(ii) Any taxable income of the Partnership resulting from debt forgiveness, debt exchange, debt modification, state credits, donations, contributions, grants or subsidies, including without limitation any such taxable income resulting from any sale or assignment of the Seller Loan, shall be allocated entirely to the Co-General Partner. In addition, notwithstanding any other provision of this Agreement, before any other allocation of gross income and gain is made under this Agreement, in the event that any unanticipated gross income arises from a subsequent recharacterization of a tax reporting position of the Partnership, it is the intent of the Partners that all such gross income shall be allocated to the Co-General Partner.

(iii) If the amount of Depreciation (as determined for federal income tax purposes) for any taxable year of the Partnership exceeds any increase in Partnership Minimum Gain in such taxable year, the losses allocable to the Investor Limited Partner for such taxable year pursuant to Section 6.1 and any other applicable provisions of this Article 6 shall first consist of Depreciation and then other losses or deductions that may properly be allocated to the Investor Limited Partner after the application of the provisions of Section 6.2(a) and any other applicable provisions of this Article 6.

(b) Changes in Interests. If the Percentage Interest of a Partner is adjusted during the period in question, the Partnership's books shall be closed as of the date immediately preceding the date of such adjustment. For the period ended on such date, the Net Income and Net Losses shall be allocated based on the Percentage Interest in effect prior to the date of such adjustment; provided, however, that any adjustments to the Value of a Partnership asset treated as gain or

loss shall be allocated only to those persons who were Partners immediately before the event giving rise to such adjustment. For the balance of such Fiscal Year the Net Income and Net Losses shall be allocated based on the Percentage Interest as so adjusted. For purposes of the foregoing, the expenses of the Partnership shall be allocated between the two periods based upon the date when accrued; provided that amortization, depreciation and other items attributable to specific items of property shall be deemed to accrue ratably over the period of time during which the Partnership holds the property to which such items relate.

(c) Imputed Interest. To the extent the Partnership has imputed interest income pursuant to any provision of the Code with respect to the obligation of a Partner to contribute capital:

(i) Such interest income shall be specially allocated to the Partner owing such obligation; and

(ii) The amount of such interest income shall be excluded from the Capital Contribution credited to such Partner's Capital Account in connection with payments of principal.

(d) Section 704(c). In accordance with Section 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Value. In the event the Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Accountants in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations pursuant to this Section 6.3(d) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses or other items or distributions pursuant to any provision of this Agreement.

(e) Fees. In the event that the deduction of all or a portion of any fee paid or incurred by the Partnership to a Partner or an Affiliate of a Partner is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Partnership, the Partnership shall then allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

(f) Minimum Allocation to General Partner. Notwithstanding anything to the contrary in this Article 6, subject to the Special Allocations, the Co-General Partner shall at all times have a minimum 0.0051% allocation of each material item of Partnership income, gain, loss, deduction and credit, and the Managing General Partner shall at all times have a minimum 0.0049% allocation of each material item of Partnership income, gain, loss, deduction and credit.

(g) Deficit Restoration Obligation. In the event that the Co-General Partner has a negative balance in its Capital Account following the liquidation of the Partnership, after taking

into account all Capital Account adjustments for the Partnership taxable year in which such liquidation occurs, the Co-General Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Deficit Capital Account restoration payments shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid, first, to recourse creditors of the Partnership and, thereafter, distributed to other Partners in accordance with the positive balances in their Capital Accounts. Liquidation distributions shall be made by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of liquidation or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations. Notwithstanding the foregoing, the obligation of the Co-General Partner to contribute any such deficit shall be limited to the amount of any deficit created by losses and deductions specially allocated to it under Section 6.3 (the "**Extraordinary DRO Amount**") and the amount by which the Co-General Partner's obligation with respect thereto shall be automatically and permanently reduced to the extent that, as of the end of any Fiscal Year after the Fiscal Year in which any Extraordinary DRO Amount arises, the amount of any deficit balance in the Co-General Partner's Capital Account, after reduction for the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6), is less than its remaining obligation (if any) to restore the deficit Capital Account. It is intended that the reduction in the Co-General Partner's obligation pursuant to the immediately preceding sentence will be made only to the extent such reduction will not affect prior allocations to it in accordance with Treas. Reg. Section 1.704-1(b)(2)(ii)(f) of the Regulations, and such sentence shall be interpreted and applied in a manner consistent with that intent.

(h) Optional DRO. Except as hereinafter specifically provided, a Limited Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to any deficit in its Capital Account, and such deficit shall not be considered to be a debt owed to the Partnership or to any other Person for any purpose whatsoever. Notwithstanding the foregoing, any Limited Partner or Co-General Partner may elect, by written notice to the Partnership (a "**DRO Notice**"), on or before the earlier of (i) the due date for the filing of the Partnership's tax return for any Fiscal Year or (ii) the last date on which such notice will create a valid Deficit Restoration Obligation for such Fiscal Year, to obligate itself to restore a negative balance in its Capital Account up to the amount specified in such DRO Notice. A Limited Partner or Co-General Partner who delivers a DRO Notice is referred to herein a "**DRO Notice Partner**." If, following the "liquidation" of the interest of a DRO Notice Partner in the Partnership (as defined in Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations) or the dissolution of the Partnership and the distribution or liquidation of its assets in accordance with the provisions of Section 12.3, such DRO Notice Partner has a negative balance in its Capital Account after adjusting such Capital Account to reflect the allocations and distributions required under Sections 5.1, 5.2 and 6.1 above (including, without limitation, the allocation to such DRO Notice Partner of his or its Share of Partnership Minimum Gain and/or Share of Partner Nonrecourse Debt Minimum Gain), the amount of such negative balance (which in the case of a DRO Notice Partner shall not exceed the maximum amount specified in the DRO Notice) shall be contributed by such DRO Notice Partner to the Partnership on the first to occur of (i) the date which is ten (10) days after the delivery to such DRO Notice Partner of a certificate of the Accountants, prepared in good faith and at the expense of the Partnership, setting forth the calculation of the negative Capital Account balance of the DRO Notice Partner, or (ii) the later of (A) the last day of the taxable year of the Partnership in which such liquidation occurs, or

(B) ninety (90) days after the date of the liquidation. Any such amount shall be distributed to those Partners having positive Capital Account balances in proportion to, and to the extent necessary to eliminate such positive balances, or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations.

(i) Qualified Allocations. Notwithstanding any other provision of this Agreement, including but not limited to Sections 6.1 through 6.3, each and every allocation made to the Managing General Partner shall be 0.0049% and shall be a Qualified Allocation.

(j) 2018 DRO. Notwithstanding any other provision herein to the contrary, the Investor Limited Partner hereby agrees, pursuant to this Section 6.3(j) that if there is a deficit balance in its Capital Account as of the last day of 2018, determined after taking into account all Capital Account adjustments for 2018, the Investor Limited Partner shall be unconditionally obligated to restore the amount of such deficit by contributing to the Partnership the dollar amount of up to \$560,000 of such deficit (a “Deficit Restoration Contribution”), as so determined, not later than the last day of the year in which the liquidation of the Partnership or the Investor Limited Partner’s Interest in the Partnership occurs (or, if later, within 90 days after the date of such liquidation) (the “2018 Deficit Restoration Obligation”). Any subsequent Capital Contributions of the Investor Limited Partner made in 2018 or thereafter shall reduce the 2018 Deficit Restoration Obligation on a dollar-for-dollar basis. If the dollar amount of such subsequent Capital Contributions equals or exceeds the 2018 Deficit Restoration Obligation, then the 2018 Deficit Restoration Obligation shall be deemed satisfied in full.

ARTICLE 7 MANAGEMENT

7.1 Management Vested in General Partners

Subject to the limitations expressly provided herein, including without limitations, any limitations contained in Section 7.18, the General Partners shall have full, exclusive and complete charge of the management and control of the affairs of the Partnership and shall have all of the rights, powers and authority consistent with accomplishing the Partnership’s purposes. Except as otherwise set forth in this Agreement, all decisions and consents of the General Partners shall be made by majority vote of the General Partners. For such purposes, each General Partner shall have a voting interest proportionate to its Interest in the Partnership provided, however, that the Co-General Partner is authorized to execute all of the Project Documents and any other agreements or instruments of any nature whatsoever individually and without the signature of the Managing General Partner. Neither General Partner shall assign, delegate or permit the assignment of its management rights, whether voluntary or involuntary, without the prior written consent of the Limited Partners, provided, however, that the Limited Partners hereby consent to the terms of the Property Management Agreement and the delegation of certain responsibilities between the General Partners as set forth in this Agreement. Without limiting the generality of the foregoing, but subject to the limitations specified in this Agreement, the General Partners shall have the power and duty to do all of the following on behalf of, and at the expense of, the Partnership:

(a) To acquire (by lease, purchase, or otherwise) the Land and the Improvements, to purchase, lease or otherwise acquire any other real or personal property necessary for the Project and to sell, convey, mortgage, assign and grant options with respect to such real or personal property;

(b) To rehabilitate the Project in accordance with the Plans, the Construction Budget and the Construction Contract approved by the Lenders and the applicable Authorities and to make changes to such Plans as the General Partner deems necessary and advisable, provided such changes do not conflict in any material respect with (i) the Project Documents and any provisions in this Agreement, (ii) all applicable statutes, rules and regulations with respect thereto, and (iii) the Housing Tax Credit Conditions;

(c) To execute, deliver and, where appropriate acknowledge, on the Partnership's behalf, all of the Project Documents, including, without limitation, all Project Documents required to obtain the Loans and all Project Documents necessary for the acquisition and rehabilitation of the Project; provided, however, that the Investor Limited Partner has received and approved such documents prior to their execution by the General Partners;

(d) To delegate duties to and employ from time to time, at the Partnership's expense, any Persons necessary or advisable for the management and operation of the Partnership's business, including, but not limited to, property managers, on-site personnel, insurance brokers, leasing agents, real estate consultants, attorneys, architects and engineers, on terms and for compensation as are reasonable and customary for similar services;

(e) To cause the Partnership to pay all Partnership Expenses and to fund the Reserves;

(f) To obtain and maintain insurance in accordance with Section 7.11 hereof;

(g) Subject to Section 7.13 hereof, to make all property management decisions, including, without limitation, hiring and firing of the Property Manager;

(h) To lease the Units in the Project and otherwise operate the Project to cause the Partnership to satisfy all requirements so that the Project initially qualifies and continues to comply with the Housing Tax Credit Conditions, and other restrictions set forth in the Project Documents such that it qualifies for, obtains and maintains the Housing Tax Credits in full throughout the Compliance Period;

(i) To satisfy all requirements necessary for occupancy of the Project, including the approval of any Authority required to permit occupancy of all the Units in the Project;

(j) To comply in all material respects with all provisions of the Project Documents;

(k) To exercise reasonable good faith in all activities relating to the conduct of business of the Partnership;

(l) To use reasonable best efforts to ensure that all assets and property (of any kind) owned by the Partnership will be free and clear of all security interests and encumbrances except for the Loans;

(m) To provide the Partnership with such information and sign such documents as are necessary for the Partnership and the Limited Partners to make timely, accurate and complete submissions of federal and state income tax returns;

(n) To execute on behalf of the Partnership all documents necessary to elect, pursuant to Section 734, 743 and 754 of the Code, to adjust the basis of the Partnership's Property within ten (10) Business Days after written notice from any Limited Partner to the Partnership;

(o) To cause the Land, the Project, and/or any other Partnership Property to be maintained and operated in accordance with all Hazardous Substances Laws and not allow the use of any Hazardous Substances on the Land, the Project, or any other Partnership Property except in strict compliance with Hazardous Substances Laws;

(p) To cause the Partnership to satisfy the Housing Tax Credit Conditions;

(q) To cause the Partnership to receive and maintain the Property Tax Exemption;

(r) To cause the Partnership to remain in good standing in the State;

(s) To cause the Partnership to maintain and satisfy all conditions attributable to the HAP Contract;

(t) To take any other reasonable action, including, without limitation, the negotiation, execution and delivery of any and all contracts, leases, assignments and other instruments, incidental to any of the foregoing actions set forth in this Agreement or to the purposes of the Partnership.

The Co-General Partner shall be entitled to take any or all of the foregoing actions acting alone, without obtaining the approval (whether written or oral) of the Managing General Partner.

7.2 Limitations on Authority of General Partners

Notwithstanding any other provision of this Agreement, neither General Partner shall have any authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and any Authority or any Lender. Neither General Partner shall enter into, or approve, any transaction on behalf of the Partnership which is not consistent with the purposes of the Partnership or any of the following actions without the prior written consent of the Investor Limited Partner:

(a) Do any act in contravention of this Agreement;

(b) Do any act in contravention of the Project Documents;

(c) Possess Partnership Property or assign rights in Partnership Property, in either case, other than for the Partnership's purposes;

- (d) File for Bankruptcy on behalf of the Partnership;
- (e) Confess a judgment against the Partnership in excess of \$25,000;
- (f) Act in any manner which such General Partner knows or should have known after due inquiry will (i) cause the termination of the Partnership for federal income tax purposes, or (ii) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;
- (g) Except with respect to Unit leases, sell, convey, lease or otherwise encumber all or any portion of the Project or other Property;
- (h) Modify, prepay or refinance any of the Loans, provided, however, that the Investor Limited Partner shall not unreasonably withhold its consent to a requested financing after the Compliance Period;
- (i) Withdraw, admit or substitute a General Partner to the Partnership;
- (j) Make a loan of Partnership funds to any Person, including a General Partner or any Affiliate thereof;
- (k) Borrow funds or incur any indebtedness in the name of the Partnership (except for the Loans on the terms contemplated herein and in the Loan Documents and except for trade payables in the normal course of business, and except for Operating Deficit Loans and Depreciation Adjuster Loans)
 - (l) Accept or receive any grant funds or any subsidies in the name of the Partnership;
 - (m) Dissolve the Partnership;
 - (n) Amend the Agreement;
 - (o) Make income tax elections;
 - (p) Acquire any items of real or personal property, tangible or intangible, in addition to the Project, the value of which property exceeds \$10,000 other than as may be contemplated in the current Annual Operating Budget;
 - (q) Except as specifically provided in the Project Documents (as in effect on the date hereof), become personally liable on, or to guarantee, the Loans or otherwise to assume the economic risk of loss for payment of the indebtedness secured thereby;
 - (r) Pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as provided in this Agreement or the Project Documents;
 - (s) Terminate the services of the Accountants, the Architect, the Developer, the Contractor or the Property Manager;

(t) Engage substitute Accountants, Architect, Developer, Contractor or Property Manager or approve the delegation of all or a substantial portion of their respective duties to a third party;

(u) Materially amend or terminate any Project Document, or grant any waiver or consent with respect to any material matter thereunder;

(v) Following Completion, to rehabilitate any new or replacement capital improvements on the Project, (i) which would substantially alter the use or character of the Project, (ii) which would adversely affect the availability of the Tax Benefits to the Investor Limited Partner or violate the Housing Tax Credit Conditions, or (iii) which would cost in excess of \$50,000, other than as contemplated in the current Annual Operating Budget;

(w) Cause the Partnership to redeem or repurchase all or any portion of the Partnership Interest of a Partner;

(x) Accept additional Capital Contributions other than those expressly provided for in this Agreement;

(y) Admit additional Limited Partners to the Partnership except in accordance with the express terms hereof or grant or pledge any rights to any limited partner interest in the Partnership;

(z) Cause the Partnership to convert the Project to cooperative or condominium ownership or have any employees;

(aa) Cause or permit the Partnership to be merged with any other entity;

(bb) Modify or make expenditures in variance with the Construction Budget for the rehabilitation of the Project except in accordance with Section 7.3, provided, however, that the use of contingency funds for cost overruns or the execution of change orders that result in no net increase in the overall Construction Budget shall not be a breach hereof, provided that such use of contingency funds shall be made in compliance with Section 7.3;

(cc) Modify or make expenditures at variance with the Annual Operating Budget for the operation of the Project which exceed five percent (5%) of the Annual Operating Budget in the aggregate or ten percent (10%) within any individual line item of the Annual Operating Budget; or

(dd) Take or omit to take any action which would cause a Federal Recapture Event, reduction (other than as a result of a rehabilitation or other cost savings) or disallowance of any Federal Housing Tax Credits such that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount; or

(ee) Take any action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership.

7.3 Construction Period Review.

(a) Prior to Completion of the Project and with each monthly construction loan draw, if any, the Co-General Partner shall promptly provide the Limited Partners for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, with copies of the summary and cover sheet for each disbursement request, if any, at the time of such request.

(b) The Limited Partners shall have the right to inspect periodically the ongoing rehabilitation of the Project, upon two (2) Business Days' prior notice, during normal business hours. The Limited Partners and the Construction Inspector shall be given notice of and the right to attend any meetings held by the Lenders and the Co-General Partner. The Limited Partners' failure to inspect the Project and/or notify the Co-General Partner of any concern shall not be deemed a waiver or consent by the Limited Partners to any deviation from the Plans.

(c) The General Partners shall promptly notify the Limited Partners of any periodic engineering inspections, reports updating the engineer's evaluation of the structure, and any change orders and shall obtain the prior written approval of the Limited Partners, which approval shall not be unreasonably withheld, conditioned or delayed, to any material change order except under conditions where the General Partners reasonably determine that an immediate material change order is critical for health and safety reasons. For purposes of the foregoing a material change order shall mean a change order which is (i) equal to or greater in amount than \$25,000 individually or, when aggregated with all other change orders to date, \$100,000, (ii) sufficient to cause the "contingency" line item to fall below four percent (4%) of the cost of the work remaining to be completed under the Construction Contract, (iii) greater in amount than the amount of any unused contingency, or (iv) greater in amount than the amount of any additional financing.

7.4 Annual Operating Budget

Attached hereto as Exhibit D is the pro forma Annual Operating Budget for the Project. By no later than November 1 of each year, the Co-General Partner shall prepare a proposed Annual Operating Budget for the next Fiscal Year and shall submit a copy to the Limited Partners. The Annual Operating Budget shall include a proposed plan for Capital Expenditures for the Fiscal Year. The Co-General Partner shall use its best efforts to ensure that the Annual Operating Budget will provide for rents to be established at a level sufficient to achieve the Minimum Debt Service Coverage Ratio, plus sufficient net operating income to satisfy the annual payments projected in the schedule entitled Cash Flow From Operations found in the Initial Economic Projections attached to this Agreement, subject to the Housing Tax Credit Conditions. The Limited Partners shall have the right to review and approve the Annual Operating Budget if the estimated operating expenses exceed the operating expenses in the current Annual Operating Budget by five percent (5%) or more. The Limited Partners shall have thirty (30) days to notify the Co-General Partner that they do not approve part or all of the proposed Annual Operating Budget and the reasons therefore, and in such event the Co-General Partner and the Limited Partners shall negotiate in good faith to reach agreement on a new Annual Operating Budget provided, that until such issues are resolved, the current year's Annual Operating Budget shall be used for the following year, increased by three percent (3%). Any

Annual Operating Budget submitted by the Partnership for approval by any Lender shall have been approved by the Limited Partners pursuant to this Section.

7.5 Devotion of Skill and Time; Fiduciary Duty.

(a) The General Partners shall manage the affairs of the Partnership to the best of their abilities and shall use their reasonable best efforts to carry out the purposes of the Partnership. The Co-General Partner shall cause the Partnership to promptly take all action which may be necessary or appropriate for the proper development, rehabilitation, maintenance, and operation of the Project in accordance with the provisions of this Agreement, the Project Documents and any applicable laws and regulations. The Co-General Partner shall provide office space, support staff and administrative services and shall cause its officers and employees diligently to pursue and apply their general skills to the Partnership's business and devote as much time as is reasonably necessary to manage and operate the Partnership and its business in the best interests of all of the Partners. The Co-General Partner shall not engage in any other activities unrelated to the Partnership without the consent of the Investor Limited Partner. The Managing General Partner and its Affiliates, the Co-General Partner and its Affiliates and of the officers and employees of the Co-General Partner or the Managing General Partner may engage in other business, including business identical or similar to the Partnership's business without notice and consent from, or payment to any other Partner.

(b) The Co-General Partner shall have a fiduciary responsibility to the Limited Partners for the safekeeping and use of all Partnership Property, whether or not in the Co-General Partner's immediate possession or control, and shall not employ Partnership Property in any manner except for the Partnership's exclusive benefit. The Co-General Partner shall not contract away its fiduciary duties under the common law of agency.

7.6 Environmental Matters.

(a) *Environmental Representations and Warranties.* The Co-General Partner represents that:

(i) Except for the Hazardous Substances identified in the Environmental Reports, to Co-General Partner's knowledge, the Property is not nor has it been contaminated with any Hazardous Substances (other than except for *Stachybotrys chartarum* and other molds that create a health hazard) and the use of the Property and business operations conducted thereon have been, are currently, and will continue to be in compliance with any and all Hazardous Material Laws;

(ii) Except for the Hazardous Substances identified in the Environmental Reports, the Co-General Partner has no knowledge of any Hazardous Substances on, in, under, released or discharged from or otherwise affecting the Property;

(iii) The Co-General Partner has no knowledge of and has not received any report or notice of violation of Hazardous Substances Laws or of any inquiry or investigation at the Property or that there have been actions commenced or threatened by any party for noncompliance which affects the Property;

(iv) Except for the Environmental Reports, the Co-General Partner has no knowledge after due inquiry, of the existence of any report, analysis, study or other document prepared by or for any person which identifies any Hazardous Substances as being located upon, in, or under or as being released or discharged from the Property provided however that no representation is made as to *Stachybotrys chartarum* and other molds that create a health hazard.

(b) *Environmental Covenants and Obligations.* The Co-General Partner hereby covenants as follows:

(i) The Co-General Partner shall keep the Property free of Hazardous Substances (provided that with respect to *Stachybotrys chartarum* and other molds that create a health hazard that may be present at the Property, the Co-General Partners shall cause the Partnership to diligently comply with the terms of that certain Mold -- Moisture Action & Prevention Plan dated February 21, 2018, prepared by Partner Engineering and Science, Inc., Project No. 18-208328.1). The business and operations conducted on the Property shall be in compliance with all Hazardous Substances Laws. The Co-General Partner shall remove or cause to be removed all Hazardous Substances which are now, or at any time in the future, in, on, under, released or discharged from or otherwise affecting the Property, irrespective of the source thereof. The Co-General Partner shall not suffer or permit the Property to be used to generate, manufacture, refine, transport, treat, dispose of, transfer, produce or process Hazardous Substances. Furthermore, the Co-General Partner shall not suffer or permit to be used at the Property any Hazardous Substances.

(ii) The Co-General Partner shall immediately, upon obtaining knowledge of the occurrence of any of the following, notify the Limited Partners, in writing:

(A) the release of any Hazardous Material on, under or otherwise affecting the Property in violation of any Hazardous Substances Laws;

(B) receipt by the Co-General Partner or any tenant, subtenant or other occupant of the Property of any notice concerning the Property regarding any violation of Hazardous Substances Laws or of any inquiry or investigation relating to any Hazardous Material on, under, from or affecting the Property in violation of Hazardous Substances Laws;

(C) any violation of any Hazardous Substances_Laws affecting the Property; and

(D) any claim made against the Co-General Partner relating to damage, contribution, cost of recovery, compensation, loss or injury resulting from any Hazardous Material affecting the Property or with respect to the off-site disposal of any Hazardous Substances from the Property.

(iii) The Co-General Partner hereby expressly covenants, for the benefit of the Limited Partners and the Partnership, to take all actions diligently, from and after the date hereof, as may be necessary or appropriate with regard to assessment, containment,

protection, treatment, disposal and/or removal of the Hazardous Substances on and cleanup of the Property and/or other property to which the Hazardous Substances have migrated, including taking all actions as are required by applicable law, including but not limited to the Hazardous Substances Laws, or any governmental agencies, all of which shall be undertaken and performed by the Co-General Partner at its sole cost and expense (to the extent the Partnership does not have sufficient cost savings or funds available to the Partnership for such purposes in the ordinary course of events), or with the funds provided for such expenditures by other parties, and in compliance with all applicable laws and regulations, including but not limited to the Hazardous Substances Laws. The Co-General Partner shall make all reasonable efforts to avoid any interruption of the use of the Property and, if such interruption is not so avoidable, shall make all reasonable efforts to minimize such interruption. The Co-General Partner shall provide each Limited Partner immediately with copies of all notices, orders, communications and the like that the Co-General Partner may receive from any regulatory agency involved in the regulation or control of Hazardous Substances on the Property and any responses to such notices by the Co-General Partner to such regulatory agencies, together with copies of all reports and filings which the Co-General Partner makes to any such agency.

(iv) The Limited Partners and their contractors, agents and representatives shall have the right at any time and from time to time on the Property during reasonable business hours and with prior written notice of at least two Business Days to take and remove soil or groundwater samples, to require the Co-General Partner to provide split samples of the Co-General Partner's soil or groundwater samples, and to conduct tests and/or site assessments or inspections on any part of the Property (collectively, "Site Assessments") for the purpose of determining whether there exists on the Property any condition that could result in any material (in the reasonable judgment of the Limited Partners) liability, cost or expense to the Limited Partners or any occupier or operator of the Property, if different, arising under any Hazardous Substances Law or to verify the Co-General Partner's compliance with each and every term, covenant and condition of this Section 7.6. The Limited Partners have no duty, however, to conduct any Site Assessment, and no Site Assessment shall impose any liability on any Limited Partner or affect their status as Limited Partners or otherwise with respect to any liability or obligation relating to any remediation or other work at the Property. In no event shall the completion by the Limited Partners of any Site Assessment be a representation that Hazardous Substances are or are not present in, on, under or around the Property, or that there has been or shall be compliance with any Hazardous Substances Law or any other law. The Limited Partners owe no duty of care to protect the Co-General Partner or any other party against, or to inform the Co-General Partner or any other party of any Hazardous Substances or any other adverse condition affecting the Property.

(v) The Limited Partners shall have the right to review all reports, logs, field notes, boring logs, laboratory results and any other documentation, including but not limited to, notices, orders and communications from any person or authority, wherever located related to any remediation regarding the Property.

(vi) The fact that the Limited Partners may have conducted a Site Assessment as set forth in Section 7.6(b)(iv) or reviewed any documentation referenced in

Section 7.6(b)(v) shall not relieve the Co-General Partner from the liability and indemnification obligations to the Limited Partners to which the Co-General Partner is subject pursuant to the provisions of this Agreement, and the Co-General Partner agrees that the Limited Partners shall not have any duty to the Co-General Partner with respect to the remediation work at the Property solely as a result of any such Site Assessment or review of any such documentation.

(vii) The performance by the Co-General Partner of its obligations under this Section 7.6 shall be fully, unconditionally and absolutely guaranteed by the Guarantors pursuant to the Guaranty.

7.7 General Partner or Affiliate Dealing With the Partnership.

A General Partner or any of its Affiliates shall have the right to contract or otherwise deal with the Partnership for the sale of goods or services to the Partnership in addition to those set forth in this Article 7 if (a) the fees, terms and conditions of the transactions are at least as favorable to the Partnership as would be obtainable in an arm's-length transaction, (b) any necessary Authority consent is obtained, (c) such General Partner has furnished, in advance of their effective dates, copies of the contracts or other arrangements for furnishing goods or services to the Limited Partners, and (d) if the contract or arrangement would result in projected payments by the Partnership to such General Partner or Affiliate of \$15,000 or more in any 12-month period, the Limited Partners have consented to such contract or arrangement. The Limited Partners shall be deemed to have consented to (i) the Development Agreement and the payment of the Development Fee, (ii) the Property Management Agreement and the payment of the fees set forth in the Property Management Agreement to the Property Manager, (iii) the payment of the Incentive Lease-Up Fee to the Co-General Partner, (iv) the payment of the Incentive Management Fee to the Co-General Partner and (v) the payment of the Nonprofit Management Fee to the Managing General Partner. Any payment made to a General Partner or any Affiliate for the goods and services shall be fully disclosed to the Limited Partners in the reports required under Article 8. Any contract or arrangement described above with a General Partner or any of its Affiliates shall contain a provision that allows any Limited Partner to cancel the contract or arrangement with such General Partner or its Affiliate if such General Partner is removed from the Partnership.

7.8 Indemnification of Partners.

(a) The Co-General Partner shall indemnify and hold harmless each of the Investor Limited Partner, the Special Limited Partner, and all directors, officers, employees, agents, and Affiliates thereof (collectively, the "**Indemnified Limited Partners**") from and against any and all actual out-of-pocket costs, expenses (including, without limitation, reasonable attorney's fees), damages or liabilities incurred by such Indemnified Limited Partners, (i) which may arise out of or relate to any untrue statement of a material fact, or omission to state a material fact necessary to make any such statement in light of the circumstances under which it was made not misleading, by a General Partner or any of its agents set forth in any document delivered by a General Partner or its agents in connection with the Project, the investment by each Indemnified Limited Partner in the Partnership and the execution of the Partnership Agreement and (ii) in

connection with the gross negligence, breach of fiduciary duty, willful misconduct, or malfeasance of a General Partner or any Affiliate of a General Partner.

(b) The Co-General Partner shall indemnify, hold harmless, and defend (including prior to, at trial and at appellate levels and otherwise and with attorneys and consultants acceptable to Indemnitees) the Indemnified Limited Partners and the Partnership (collectively, the “**Indemnified Parties**”) from and against any and all Environmental Costs or other actions, suits, proceedings, claims, liabilities, damages or expenses, of any kind, including without limitation attorneys’ and other professional expenses and fees, suffered or incurred by, or asserted against the Indemnified Parties, which arise from or relate to in whole or in part any Hazardous Substances affecting the Property, including Hazardous Substances from, on, in, under, released, discharged from, or about the Property or a General Partner’s failure to perform under this Agreement. The Co-General Partner agrees that the Indemnified Parties shall not suffer any costs or losses of any nature whatsoever, including any diminution of cash distributions to which the Indemnified Parties would otherwise be entitled from the Partnership, or have any liability, by contribution or otherwise, in whole or in part on account of any violation of any Hazardous Substances Law in connection with the Property. Without limiting the generality of the foregoing, the Co-General Partner’s obligation under this Agreement to indemnify, defend and hold the Indemnified Parties harmless shall extend to any cost or damage to the Property or to any other property or resource and public and private water sources and supplies as a result of any Hazardous Substances. Notwithstanding the foregoing, nothing herein shall be construed otherwise to alter the Co-General Partner’s obligations set forth herein with respect to assessment, containment, protection, treatment, disposal, transport and/or removal of any Hazardous Substances and remediation of the Property.

(c) The Partnership shall indemnify the Partners, and the employees, officers, and directors, partners, agents and Affiliates of such Persons, and shall hold them harmless on an After-Tax Basis, from any claim, demand, judgment, cost or expense arising out of or related to any act or omission by the Partnership, the Partners or the agents, employees and contractors, and Affiliates of the Partnership or the Partners, arising after the date hereof except (i) for any act or omission which is performed or omitted to be performed in bad faith or which constitutes gross negligence, willful misconduct or breach of fiduciary duty of a Partner (or the employees, officers, directors, partners, agents and Affiliates of such Person), or (ii) for which liability arises under the provisions of any other agreement by and between or among any Partners (or the agents, employees, contractors and Affiliates of the Partners) and the Partnership. Any indemnification hereunder shall be satisfied solely out of the assets of the Partnership, including without limitation any insurance proceeds available to the Partnership. The Partners shall not be subject to personal liability by reason of this indemnification provision. Unless a Partner’s right to indemnification under this Section 7.8(c) is being contested by any other Partner, expenses incurred by the indemnified person in defending any claim, demand, action, suit or proceeding subject to this Section shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the indemnified person to repay such amount unless and until a court of competent jurisdiction determines that such person is entitled to be indemnified as authorized in this Section.

(d) Except as otherwise provided in this Agreement, no General Partner nor any Affiliate thereof shall have any liability to the Partnership or any Partner as a result of any action or inaction by such General Partner which such General Partner reasonably believes in good faith to be within the scope of the authority conferred upon it under this Agreement and such action (or failure to act) does not constitute fraud, willful misconduct, a material breach of such General Partner's fiduciary duty or duty as Partnership Representative, gross negligence or a violation of state or federal securities laws.

(e) The obligations of each General Partner under this Section 7.8 shall survive the removal of a General Partner or the transfer, sale or assignment of such General Partner's Partnership Interest, any judicial foreclosure, transfer by power of sale, deed in lieu of foreclosure, transfer of the Property, and sale or other transfer by a General Partner of its Partnership Interest; provided, however, after a General Partner no longer has any interest in the Partnership, such General Partner shall have no obligation for any conditions that are caused by the actions of the successor general partner of the Partnership.

7.9 Partnership Audits.

(a) Defined Terms. The defined terms used in this Section 7.9 shall have the meanings specified below:

“**Administrative Adjustment Request**” means an administrative adjustment request under Code Section 6227.

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

“**Adjustment Year Partner**” means any Person who held an interest in the Partnership at any time during an Adjustment Year.

“**Applicable Guidance**” means any Regulations, revenue ruling, revenue procedure, notice, forms, instructions, or other written guidance promulgated by the IRS at any time or from time to time relating to the interpretation, scope or application of the Revised Partnership Audit Rules.

“**Partnership Adjustment**” means any adjustment to a partnership-related item as described in Section 6241(2) of the Code and any applicable Regulations or other guidance prescribed by the IRS.

“**Eligible Person**” means any Person who is an individual, C corporation, eligible foreign entity, S corporation, or estate of a deceased Partner.

“**Former Partner**” means any Person who was a Reviewed Year Partner but is not an Adjustment Year Partner.

“**Imputed Underpayment**” has the meaning set forth in Section 6225 of the Code.

“**Indirect Partner**” means any Person who has an interest in the Partnership through its interest in one or more Pass-Through Partners.

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

“**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 Rules**” means Subchapter 63C of the Code (as amended by the Bipartisan Budget Act of 2015, P.L. 114-74, the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, and the Consolidated Appropriations Act of 2018, P.L. 155-141), and the Regulations promulgated thereunder, as amended from time to time.

(b) Partnership Representative

(i) Appointment and Designation. The Partners hereby authorize the Partnership to appoint the Co-General Partner as the initial partnership representative of the Partnership pursuant to Section 6223(a) of the Code (the “**Partnership Representative**”). The Co-General Partner shall be appointed by the Partnership Representative for each taxable year of the Partnership, provided that no event or circumstance has occurred which, with the giving of notice or the passage of time, would constitute an Event of Default hereunder, unless otherwise directed by the Investor Limited Partner. The Partnership Representative shall designate an individual who has a reasonable level of knowledge of the accounting and financial matters of the Partnership to serve as the sole individual through whom the Partnership Representative will act for purposes of the Revised Partnership Audit Rules (the “**Designated Individual**”). The Consent of the Investor Limited Partner shall be required prior to the designation of a Designated Individual. The Designated Individual must agree in writing to be bound by

the same obligations and restrictions imposed on the Partnership Representative under this Section 7.9 prior to and as condition of such designation.

(ii) Resignation; Revocation. The Co-General Partner (and any successor Partnership Representative) may resign as the Partnership Representative by written notice to the Partnership, the Partners and the IRS. Notice of such resignation shall be given to the IRS in the time and manner prescribed by the IRS. The resigning Partnership Representative shall designate a successor Partnership Representative only as directed by or with the Consent of the Investor Limited Partner. If the Co-General Partner is removed pursuant to the provisions of Article 11, voluntarily retires in violation of this Agreement, or involuntarily retires, the Partnership shall revoke the designation of the Co-General Partner as the Partnership Representative for all taxable years during which such designation was in effect by written notice to the Partnership Representative and the IRS. Notice of such revocation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of another Person selected by the Investor Limited Partner as the successor Partnership Representative for the Partnership taxable year for which the designation was in effect. The Designated Individual shall automatically terminate on the effective date of the resignation or revocation of the applicable Entity as Partnership Representative. In furtherance hereof, the Co-General Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of carrying out fully the provisions of this Section 7.9(b)(ii) and take any action which the Special Limited Partner may deem necessary or appropriate in connection therewith. 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 Co-General Partner as the Partnership Representative.

(iii) Successor Partnership Representative. Any successor Partnership Representative must have a substantial presence in the United States, receive the Consent of the Investor Limited Partner, and otherwise satisfy all statutory and regulatory requirements imposed by the Revised Partnership Audit Rules. The Person so designated must agree in writing to be bound by the terms of this Section 7.9 and shall not take any action in its capacity as Partnership Representative until the resignation and/or revocation of the prior Partnership Representative becomes effective under the Code or Regulations.

(iv) Notice of Communications. The Partnership Representative shall give the Partners prompt notice of any inquiry, notice, or other communication received from the IRS or other applicable tax authority regarding the tax treatment of the Partnership or the Partners, and shall, to the extent possible, give the Partners prior notice of and a reasonable opportunity to review and comment upon any written communication the Partnership Representative intends to make to any such taxing authority in connection with any examination, audit or other inquiry involving the Partnership. Without limiting the generality of the foregoing, the Partnership Representative shall send to all of the Partners copies of any notice of a proposed or final partnership adjustment received by the Partnership and/or the Partnership Representative from the IRS within five (5) days following receipt thereof.

(v) Duties and Limitations on Authority. The Partnership Representative and any Designated Individual shall have all power and authority of a partnership representative and designated individual, respectively, as set forth in Section 6223 of the Code, and shall represent the Partnership and its Partners in all dealings with the IRS and state and local taxing authorities, provided, however, that, except as specifically provided in Section 7.9(c) below, the Partnership Representative shall not, without the Consent of the Investor Limited Partner, have any power or authority to do any or all of the following:

- (A) make an election to opt-out of the Revised Partnership Audit Rules;
- (B) make a Push-Out Election (as such term is defined in Section 7.9(c)(v));
- (C) file an Administrative Adjustment Request;
- (D) select any judicial forum for the litigation of any Partnership tax dispute; or
- (E) take any other action (or fail to take any action) that might reasonably be expected to require the payment of any material Taxes by the Partnership or the Investor Limited Partner, or otherwise have a material adverse impact on the tax or economic position of the Partnership or the Investor Limited Partner; or
- (F) extend the statute of limitations.

(vi) Fiduciary Relationship. The relationship of the Partnership Representative to the Investor 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 Investor Limited Partner.

(vii) Indemnification. The Partnership shall indemnify the Partnership Representative against judgments, fines, amounts paid in settlement and expenses (including attorneys' fees) reasonably incurred by the Partnership Representative in its capacity as the Partnership Representative, and not its capacity as a Partner or a Former Partner, in connection with any audit or administrative or judicial proceeding in which the Partnership Representative is involved solely by reason of being the Partnership Representative of the Partnership, provided that the same were not the result of negligence, misconduct, fraud, breach of fiduciary duty or breach of this Agreement on the part of the Partnership Representative and were the result of a course of conduct which the Partnership Representative, in good faith, reasonably believed to be in the best interests of the Partnership and the Investor Limited Partner and within the scope of its authority under this Section 7.9.

(c) Modifications and Partnership Elections

(i) Modifications to Imputed Underpayment. If the Partnership and/or Partnership Representative receives notice of a proposed partnership adjustment from the IRS, the Partnership Representative shall so notify the Partners in accordance with the provisions of Section 7.9(b)(iv) above and, if requested to do so by the Investor Limited Partner, shall request modification of the Imputed Underpayment, as described in Code Section 6225(c), proposed in such notice in accordance with any applicable Regulations, forms, instructions, and other guidance prescribed by the IRS. Any such request by the Investor Limited Partner shall describe the modifications or adjustment factors that the Investor Limited Partner believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification. Unless an extension of time is granted by the IRS, all information required to support a requested modification shall be submitted by the Investor Limited Partner to the Partnership Representative no later than one hundred eighty (180) days after the Investor Limited Partner receives notice of the proposed partnership adjustment from the Partnership Representative, and the Partnership Representative shall submit such information to the IRS no later than two hundred seventy (270) days after the date notice of the proposed partnership adjustment was mailed by the IRS under Code Section 6231.

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

(iii) Pull-In Procedure. In lieu of filing an amended return in accordance with Section 7.9(c)(ii) above, any Reviewed Year Partner may elect to comply with the “pull-in” procedure described in Section 6225(c)(2)(B) of the Code. In such event, such Reviewed Year Partner shall (i) pay all amounts due under Section 6225(c)(2)(A)(iii) of the Code, (ii) take into account, in the form and manner set forth in any Applicable Guidance, the adjustments to the tax attributes of such Reviewed Year Partner, and (iii) provide, in the form and manner specified by the IRS (including, if so specified, in the same form as on an amended return), such information as the IRS may require to carry out the terms and intent of the pull-in procedure described in Section 6225(c)(2)(B) of the Code. Copies of all notices and filings made pursuant to this Section 7.9(c)(iii) shall be provided by the Reviewed Year Partner to the Partnership Representative.

(iv) Reallocation Adjustment. In the case of a Partnership Adjustment that reallocates the distributive share of any tax item from one Partner to another, the Partnership Representative shall be required to submit the modification request to the IRS under this Section 7.9(c) only if all Partners (or Indirect Partners) affected by such adjustment (“**Affected Partners**”) provide the affidavit(s) described in clause (ii) above

or the Partnership Representative is notified by the IRS that one or more Affected Partners have taken (or will take) into account their allocable share of the adjustment through other modifications approved by the IRS (such as, but not limited to, a closing agreement).

(v) Push-Out Election. If the Partnership receives notice of a final Partnership Adjustment from the IRS, the Partnership Representative shall so notify the Partners and any Former Partners in accordance with the provisions of Section 7.9(b)(iv) above and, if requested to do so by the Investor Limited Partner, shall make an election (a “**Push-Out Election**”) under Section 6226 of the Code with respect to one or more Imputed Underpayments set forth in the final partnership adjustment notice. Except as hereinafter provided, if a Push-Out Election is made, each Reviewed Year Partner shall take into account its allocable share of the Partnership Adjustments that relate to the specified Imputed Underpayment and shall be liable for any Taxes as described in Section 6226 of the Code and any applicable Regulations or other guidance prescribed by the IRS. Notwithstanding the foregoing, to the extent permitted by law, any Reviewed Year Partner that is a partnership or S corporation may, at its option and in accordance with any applicable Regulations or other guidance prescribed by the IRS, elect (in lieu of paying its allocable share of such Partnership Adjustments) to push out the liability for Taxes attributable to such Partnership Adjustments to its Partners (including Indirect Partners). Any Push-Out Election shall be filed within forty-five (45) days of the date the notice of final Partnership Adjustment is mailed by the IRS and shall be in such form, and shall contain such information, as required by any applicable Regulations, forms, instructions and other guidance prescribed by the IRS. If a Push-Out Election is made, the Partnership Representative shall furnish to each Reviewed Year Partner and the IRS, for each Reviewed Year within sixty (60) days after the date all of the Partnership Adjustments to which the statement relates are finally determined, a statement that includes all items and information required under any applicable Regulations, forms, instructions, and other guidance prescribed by the IRS.

(vi) Reimbursement of Allocable Share of Imputed Underpayment. If the Partnership becomes obligated to make an Imputed Underpayment under Code Section 6225, each of the Partners (including any Former Partners) to whom such liability relates shall be obligated, within thirty (30) days after written notice from the Co-General Partner, to pay an amount that, on an After-Tax Basis, is equal to its allocable share of such amount to the Partnership. The allocable share of a Partner or Former Partner is generally equally to that Person’s proportionate share of the liability based on the Partnership Adjustments that would have been allocated to such Person or would have been such Person’s distributive share of such adjustments (computed at the tax rate used to compute the Partnership’s liability) had the Partnership’s tax return for the taxable year reflected the Partnership Adjustments. The liability shall include any penalties, additions to tax, and interest. Any amount not paid by a Partner (or Former Partner) within such 30-day period shall accrue interest at Prime Rate plus 2% until paid. Any such payments made by any Partner or Former Partner shall be treated as indemnity payments and not as Capital Contributions.

(vii) Withholding. Notwithstanding anything to the contrary contained herein, the Co-General Partner shall cause the Partnership to withhold from any distribution or payment due to any Partner (or Former Partner) under this Agreement any amount due to the Partnership under clause (vi) above. Any amount(s) so withheld shall be applied by the Partnership to discharge the obligation in respect of which such amount was withheld. All amounts withheld pursuant to the provisions of this Section 7.9(c)(vii) with respect to a Partner (or Former Partner) shall be treated as if such amounts were distributed or paid, as applicable, to such Partner (or Former Partner).

(viii) Continuing Obligations. Whether the liability is assessed to the Partnership or the Partners (or Former Partners), the parties hereto acknowledge and agree that nothing in this Section 7.9(c) is intended, nor shall it be construed, to modify or waive any obligations of the Co-General Partner under this Agreement including, without limitation, the obligation to make a payment pursuant to the provisions of Section 3.2 of this Agreement.

(d) Consistent Tax Treatment. Except as hereinafter provided, each Partner agrees that its treatment on its own federal income tax return of each item of income, gain, loss, deduction, or credit attributable to the Partnership shall be consistent with the treatment of such items on the Partnership return, including the amount, timing, and characterization of such items. Notwithstanding the foregoing general requirement, any Partner may file a statement identifying certain items that are inconsistent (or that may be inconsistent) in accordance with any applicable Regulations, forms, instructions, or other guidance provided by the IRS. Any such statement shall be attached to the Partner's tax return on which the item is treated inconsistently.

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

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

(g) Amendments. Upon the promulgation of Regulations implementing the Revised Partnership Audit Rules or upon further amendment of the Revised Partnership Audit Rules, the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility and authority described in this Section 7.9, while conforming with the applicable provisions of the Revised Partnership Audit Rules. The Partners agree to work together in good faith to make elections and amend this Agreement (if any party determines that an amendment is required) to maintain the intent of the parties with respect to the obligations and limitations of the Partnership Representative.

(h) State and Local Income Tax Matters. The provisions of this Section 7.9 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.

7.10 Reports to Lenders and Authorities.

The Co-General Partner shall furnish or cause to be furnished the information regarding the Project (a) to any Lender or Authority as reasonably requested from time to time, or (b) to any Authority or other Person as required to satisfy the Housing Tax Credit Conditions. In accordance with Section 8.3(a), the Co-General Partner shall furnish the other Partners with copies of any such reports.

7.11 Insurance.

The Co-General Partner shall obtain and maintain throughout the term of the Partnership, or shall cause to be obtained, maintained and evidenced by others, as applicable, insurance on the Project satisfactory to the Lenders and the Limited Partners and at least the types and amounts of insurance on the Project as set forth on Exhibit I hereto, no later than the Closing Date.

7.12 Housing Tax Credit Conditions.

The Co-General Partner acknowledges the importance to the Limited Partners' Tax Benefits of achieving and maintaining the appropriate low-income set aside requirement and the Co-General Partner agrees that it shall use commercially reasonable best efforts to avoid any failure to achieve and maintain such levels, including but not limited to the following:

(a) The Co-General Partner shall cause to be kept all records (including the tenant qualification documents for each tenant throughout the Compliance Period), and cause to be made all elections and certifications required to satisfy the Housing Tax Credit Conditions and qualify for and maintain the full Housing Tax Credit Amount and the Tax Benefits.

(b) The Co-General Partner shall elect for each building the appropriate minimum low-income set-aside requirement within twelve (12) months after placement in service of such building or such other time period as may hereafter be required by the Code or Regulations for the Housing Tax Credits; provided, however, that in the event it becomes reasonably certain that such set-aside will not be met, the Co-General Partner shall promptly so notify the other Partners in writing and shall proceed to elect such other minimum set-aside requirement as will best protect or enhance the Tax Benefits to the Limited Partners under the circumstances. Notwithstanding the foregoing, the Co-General Partner acknowledges that 100% of the Units in the Project are intended to be used for low-income housing.

(c) The Co-General Partner shall certify compliance with the elected set-aside requirement and report the dollar amount of Qualified Housing Tax Credit Basis, maximum applicable percentage, date of placement in service, and any other information required for the Housing Tax Credits in a timely manner but in no event later than December 31st of the first year in which any building in the Project is placed in service and for each Fiscal Year thereafter during the Compliance Period for such Housing Tax Credits, or such other time periods as may hereafter be required by the Housing Tax Credit Conditions.

(d) In the event at any time the Co-General Partner makes the good faith determination in its reasonable view that the Tax Benefits projected in the Initial Economic Projections, as modified for any adjustments to the Capital Contributions made in accordance with Section 3.2 which are approved by the Investor Limited Partner, are not likely to be substantially realized, the Co-General Partner shall promptly notify the Investor Limited Partner of the circumstances.

(e) The Co-General Partner shall cause the Partnership to meet the Fifty Percent Test within the time period necessary to permit the Partnership to satisfy the requirements of Section 42(h)(4)(B) of the Code.

7.13 Project Management.

(a) The Co-General Partner, on behalf of the Partnership, shall enter into the Property Management Agreement with the Property Manager. The Co-General Partner shall cause the Partnership to diligently enforce all of the obligations of the Property Manager thereunder, and to perform all of the Partnership's obligations as owner thereunder. The Property Manager shall be entitled to receive the Property Management Fee pursuant to the terms of the Property Management Agreement.

(b) The Co-General Partner may not remove a Property Manager, or select a new Property Manager without the consent of the Investor Limited Partner (and the Credit Agency and any Lender, if applicable); provided that as long as the Property Management Agreement is in the form attached hereto as Exhibit J, the Investor Limited Partner's approval is not required for the renewal of the Property Management Agreement with the Property Manager. Furthermore, at the request of the Special Limited Partner, the Co-General Partner shall terminate the Property Management Agreement. Furthermore, if at any time the Co-General Partner is removed or otherwise ceases to be general partner for any reason, then the Investor Limited Partner can require the removal of the Property Manager.

(c) Any Property Management Agreement shall contain specific provisions requiring the Property Manager to satisfy all Housing Tax Credit Conditions necessary for the Partnership to be entitled to claim Housing Tax Credits in the full Housing Tax Credit Amount.

7.14 Casualty or Condemnation.

(a) In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any portion thereof, the Co-General Partner shall promptly give the other Partners written notice thereof. To the extent casualty insurance and condemnation award proceeds are available for rebuilding, net of expenses reasonably incurred in obtaining such proceeds and subject to the rights of the Lenders and any other sources of financing available to the Co-General Partner and the Partnership, the Co-General Partner shall use reasonable efforts to rebuild the Project in such manner as will as fully as possible implement the Initial Economic Projections and achieve the financial forecast of Tax Benefits contained therein. Any casualty insurance or condemnation award proceeds that are not fully expended in such rebuilding shall constitute proceeds of an Extraordinary Transaction. In connection with any such rebuilding, the Co-General Partner shall seek legal, tax, and accounting

counsel and take all necessary or advisable steps to preserve as fully as possible the Initial Economic Projections and Housing Tax Credit Amount.

(b) Notwithstanding Section 7.14(a) above, in the event the nature of the casualty or condemnation, or any lack of sufficient casualty insurance or condemnation award proceeds and other financing sources for rebuilding, or the effect of tax laws then applicable makes it impossible or unlikely that rebuilding of the Project or portion thereof can be accomplished or that the projected Tax Benefits in combination with any other projected economic benefits to the Investor Limited Partner would not be substantially as much from rebuilding the Project or such portion thereof as they would be without rebuilding, then the Co-General Partner shall, at its election, (i) obtain the consent of the Investor Limited Partner to an alternative proposal or (ii) refrain from rebuilding and proceed to utilize as proceeds of an Extraordinary Transaction any casualty insurance or condemnation award proceeds allocable to the Project or such portion thereof.

(c) Except under circumstances in which portions of the Project are unaffected by the casualty or condemnation or are rebuilt as contemplated hereunder, the Co-General Partner shall, unless the Limited Partners consent to any alternative proposal, proceed to terminate and liquidate the Partnership, selling Partnership assets, repaying indebtedness, and distributing net proceeds of Extraordinary Transactions to the Partners as provided in Article 12 hereof. In the event of rebuilding, the Co-General Partner shall have no obligation to enter into construction or rehabilitation contracts at a price exceeding the amount of casualty insurance or condemnation award proceeds available for rebuilding. In such event, all fees to the Co-General Partner and Affiliates shall remain as set forth in the Project Documents and the Co-General Partner shall not pay additional amounts to third parties to perform their obligations hereunder, unless otherwise agreed in writing by the Co-General Partner and by the Limited Partners, provided that the consent of the Limited Partners shall not be required if and to the extent there are sufficient casualty insurance or condemnation award proceeds to pay additional and reasonable fees to the Co-General Partner and Affiliates or third parties without adversely affecting the rebuilding of the Project.

(d) Nothing contained herein shall be construed to affect the Co-General Partner's liability for any failure to provide insurance to the full extent required under Section 7.11 hereof.

7.15 Development Agreement and Development Fee.

Concurrent with the execution of this Agreement, the Partnership and the Developer shall enter into the Development Agreement. Pursuant to the Development Agreement, the Developer shall be paid the Development Fee in accordance with the terms of the Development Agreement.

7.16 Asset Management Fee; Asset Manager

The Partners hereby appoint Aegon as the initial Asset Manager. The Partnership shall pay annually to the Asset Manager the Asset Management Fee from Operating Cash Flow in the priority set forth in Section 5.1 and/or from Extraordinary Cash Proceeds in the priority set forth in Section 5.2. The Investor Limited Partner may, from time to time, appoint a third party to act as the Asset Manager for its investment in the Project in lieu of Aegon. The General Partners shall use reasonable efforts to cooperate with any Asset Manager appointed by the Investor

Limited Partner. The Asset Manager shall have the right to conduct on-site visits to inspect the Project during normal business hours with prior written notice of at least two (2) Business Days. On-site visits shall include the right to inspect all residential, community and commercial areas of the Project, including, but not limited to management and leasing offices and vacant units (if no vacant units are available, then at least one occupied unit of each unit type in the Project).

7.17 Signage and Groundbreaking Events.

No General Partner shall have the right to use the name or any trademarks of Aegon or any Limited Partner in any publicity regarding the Project, including any press releases, signs, etc., without the prior written approval of Aegon and/or the applicable Limited Partner. Aegon and the Limited Partners shall have the right, in their sole discretion, to participate in any publicity or signs placed on the Project by the Co-General Partner or the Partnership or to place a sign or signs on the Project announcing their participation in the Project. During rehabilitation of the Project, if requested by the Special Limited Partner, the Co-General Partner shall cause the Partnership to provide, erect and maintain, at the expense of the Partnership, at the site of the Project, a sign approved by the Special Limited Partner, which sign shall include language and a logo provided by the Special Limited Partner stating that the Limited Partners, any affiliate thereof, and/or, if directed to by the Special Limited Partner, any investor in a Limited Partner, that has assisted in the financing of the Project. The Co-General Partner shall invite the Limited Partners to attend any groundbreaking, ribbon-cutting or other public relations ceremony or special event with respect to the Project. The Co-General Partner shall provide reasonable advance notice to the Limited Partners of any such event so the representatives of the Limited Partner and their affiliates may attend.

7.18 Managing General Partner Provisions.

(a) At all times during this Agreement, the following shall be true: (i) the Managing General Partner materially participates in the management and day-to-day operations of the Partnership; (ii) the Managing General Partner is and shall be a non-profit organization exempt from taxation under Code Section 501(c)(3) or a limited liability company meeting the requirements of BOE Property Tax Rule 136; (iii) the articles of incorporation of the Managing General Partner or its sole member shall at all times satisfy the requirements of Rule 143 as adopted by the BOE; and (iv) the Managing General Partner shall obtain and maintain the Property Tax Exemption for the Project under Section 214(g) of the State Tax Code. Under Rule 140.2 of the BOE Property Tax Rules, as amended, a limited partnership in which the managing general partner is an eligible tax-exempt corporation or eligible limited liability company meeting the requirements of proposed Rule 140.1 of the BOE Property Tax Rules, as amended, that owns low income property for which it intends to claim the Property Tax Exemption under the State Tax Code Section 236 and 214(g) must file with the BOE an application for Supplemental Clearance Certificate (the “**BOE Supplemental Certificate**”) for each low income housing project. The BOE Supplemental Certificate will only be granted if the managing general partner has already been granted an organizational clearance certificate by the BOE as required under Revenue and Taxation Code Section 254.6. The Managing General Partner hereby represents and warrants to the Partners that it will obtain an organizational clearance certificate for itself. The

application for the BOE Supplemental Certificate is filed prior to the initial welfare exemption filing and shall be filed by the Managing General Partner thereafter as required by the BOE. In addition, in lieu of submitting the Partnership's limited partnership agreement annually to the BOE for review, the Managing General Partner hereby agrees to annually file any certificate required by the BOE at that time. In the event that the Managing General Partner fails to timely (i) obtain an organizational clearance certificate, (ii) file for the BOE Supplemental Certificate, (iii) obtain the Property Tax Exemption, or (iv) maintain the Property Tax Exemption in each year of the Credit Period, the Managing General Partner may be removed by the Partners in accordance with Article 11. The savings resulting from any Property Tax Exemption are used to maintain the affordability of the units in the Project as provided in, and subject to the terms of, this Agreement and the BOE Property Tax Rules because such savings are necessary in order for the Partnership to meet its debt underwriting and financing requirements and assumptions while still maintaining affordable rents to tenants. The Partners undertake that they would not undertake to develop and operate the Project and provide the affordable housing created by the Project unless the Property Tax Savings were available to assist in the underwriting of the Project's operating expenses and debt service payments. If the Managing General Partner withdraws or is removed as a General Partner or for any other reason ceases to meet the requirements of this Section, then the remaining Partners shall immediately satisfy such requirements by substitution of another qualified non-profit organization or limited liability company which satisfies all of the foregoing requirements.

(b) The Managing General Partner shall directly or indirectly manage the Partnership and shall devote such time and provide such services to the Partnership as shall be necessary to discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall exercise such power and authority as is necessary to adequately discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall be the "managing general partner" of the Partnership, as such term is used in Section 214(g) of the California Revenue and Taxation Code and as further defined in BOE Property Tax Rules. The Managing General Partner shall have all rights and powers generally conferred by law or necessary, advisable or consistent in connection therewith, or in connection with accomplishing the purposes of the Partnership as set forth in this Agreement, within the authority granted to it under this Agreement, shall materially participate in the control, management and direction of and shall control the Partnership's affairs to the best of its ability. In discharging its responsibilities hereunder, the Managing General Partner (except where otherwise provided herein) shall use its best efforts to carry out the purposes, business and objectives of the Partnership and shall devote to Partnership business such time and effort as shall be reasonably required for the Partnership's welfare and success. The Managing General Partner shall have the following specified duties and obligations with respect to the management of the business of the Partnership:

(i) Rent, maintain and repair the Property, any such duty is delegated to a property management agent, participating in the hiring and overseeing the work of such agent;

- (ii) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership;
- (iii) Execute and enforce all contracts executed by the Partnership;
- (iv) Execute and deliver all Partnership documents on behalf of the Partnership; and
- (v) Monitor compliance with all government regulations and files or supervise the filing of all required documents with government agencies.

In accordance with the BOE Regulations, the Managing General Partner may delegate all or any of its powers, rights and obligations under Section 7.18(b)(i)-(v) to the Co-General Partner (but may not otherwise delegate its powers, rights and obligations), and may appoint, employ, contract or otherwise deal with the other Partners for the transaction of the business of the Partnership. The other Partners may, under supervision of the Managing General Partner, perform any acts or services for the Partnership which may be delegated as described in the preceding sentence as the Managing General Partner may approve; provided, however, such delegation does not excuse the Managing General Partner from overseeing and supervising on an ongoing basis the activities delegated. The Managing General Partner may not delegate any of its powers, rights and obligations hereunder to a party other than the Co-General Partner without the prior written consent of the Investor Limited Partner. If the Managing General Partner elects to delegate one or more of its duties under this Section 7.18, the Managing General Partner shall retain such records as are reasonably required to demonstrate that it is actually supervising the performance of the delegated duties.

(c) The Managing General Partner will maintain records and documents evidencing the duties performed by the Managing General Partner (the “**Management Documents**”). Such records and documents may include, but are not limited to, the following Partnership documents: (i) accounting books and records; (ii) tax returns; (iii) budgets and financial reports; (iv) reports required by lenders; (v) documents related to the rehabilitation of the Project; (vi) legal documents such as contracts, deeds, notes, leases, and deeds of trust; (vii) documents related to complying with government regulations and filings; (viii) documents related to Project inspections; (ix) documents related to charitable services or benefits provided or the information provided regarding such services or benefits; (x) reports prepared for the Partners; (xi) bank account records; (xii) audited annual financial statements of the Partnership; and (xiii) the Property Management Agreement.

(d) The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that it is meeting all the requirements of the BOE and the Property Tax Rules for the Property Tax Exemption.

(e) The Managing General Partner shall submit on an annual basis a certification to the county assessor for the county in which the Project is located,

certifying that the Project meets all of the requirements set forth in the Property Tax Rules applicable to the Property Tax Exemption.

(f) The BOE has issued a directive regarding Welfare Exemption Claim Supplemental Affidavits, Housing for Lower Income Households (FORMS BOE-267-L1 and L2) and the filing requirements for low income rental housing properties eligible for the Property Tax Exemption. Under the filing requirements, the Managing General Partner may certify that this Agreement provides sufficient management authority and duties to qualify it as the managing general partner of the Partnership, as required for the exemption. If this certification (the “**BOE Certification**”) as set forth in Forms BOE-267-L1 or BOE-267-L2, is filed, the Partnership is not required to submit its limited partnership agreement and amendments to the BOE staff for review at the time an exemption claim is filed. The Partners have determined that in order to obtain Property Tax Exemption in the most timely and efficient manner, it is in the best interest of the Partnership to file the BOE Certification in connection with its annual claim for the Property Tax Exemption. The Managing General Partner hereby agrees to file the BOE Certification and related documentation with the BOE in compliance with applicable procedures. In the event that the Agreement is amended in such a way as to cause the Managing General Partner to be unable to make the representations necessary to execute the BOE Certification under penalty of perjury, the Managing General Partner will not be required to execute the BOE Certification. In such an instance the Property Tax Exemption claim filed by the Managing General Partner will include this Agreement and amendments to date.

(g) The Managing General Partner will consult with and advise the Co-General Partner in all respects relating in the management of the Partnership and the Project as set forth in this Section 7.18.

(h) In the event this Agreement provides for an action that requires a vote of the majority-in-interest of the General Partners, the General Partners shall each vote on such matter in accordance with their voting interests, which shall be two votes for the Co-General Partner and one vote for the Managing General Partner.

(i) The Partners acknowledge and agree that in the course of exercising its duties, the Managing General Partner will act independently of any other Partner, the Managing General Partner is not, and shall not be, under the control of any other Partner, and no other Partner or Affiliate of a Partner has or shall have a controlling vote or a majority interest in the Managing General Partner.

7.19 Related Party Indebtedness.

If the Investor Limited Partner should reasonably determine at any time during the Compliance Period that (i) its share of minimum gain is insufficient to result in losses being allocated to the Investor Limited Partner such that it will be allocated less than 99.99% of the partnership’s Tax Credits, and (ii) such insufficiency is due to any fee (including without limitation any Deferred Development Fee and the Seller Loan) or loan owed to a General Partner or an affiliate of a General Partner that is considered a “related person” (as such term is defined

in Treasury Regulation 1.752-4(b), taking into account the rule provided for “tiered partnerships” in Treasury Regulation 1.752-4(a) (the “**Tiered Partnership Rule**” and collectively, the “**Disaffiliation Regulations**”) not being includible in the computation of the Investor Limited Partner’s share of minimum gain, then such General Partner shall promptly take appropriate action (a “**Disaffiliation**”) to either (a) cause such General Partner and the person who is owed such fee or loan to be “unrelated” in accordance with the Disaffiliation Regulations or (b) cause such General Partner to be treated as a corporation for federal income tax purposes or transfer the ownership or right to payment of such fee or loan to a person who is not more than 20% related to the General Partner. If such General Partner is the Person owed such loan or fee, then such General Partner shall, in addition to the requirements set forth in the foregoing clauses (a) or (b), transfer the loan or fee to another Person as part of the Disaffiliation. Interpretation and application of this section and each of the Disaffiliation Regulations shall be in the sole discretion of the Investor Limited Partner and the General Partners agree to provide such documentation as the Investor Limited Partner may require to determine that a Disaffiliation has occurred in accordance with the Disaffiliation Regulations.

The Partners hereby agree that Disaffiliation shall be the process by which to address the inability to allocate at least 99.99% of the Tax Credits to the Investor Limited Partner under Code Section 704(b) because of a loan or fee as described in this Section. Nothing in this Section shall be construed to require the Investor Limited Partner to undertake a Deficit Restoration Obligation, to require the Partnership to undertake any special allocation of depreciation deductions to the Investor Limited Partner, or for any Partner or the Partnership to take other steps that might also result in an increase in the Tax Credits allocable to the Investor Limited Partner.

ARTICLE 8

BOOKS AND RECORDS; REPORTS; RESERVES

8.1 Maintenance.

(a) The Co-General Partner shall cause to be kept, at the principal place of business of the Partnership, full and proper ledgers and other books of account of all receipts and disbursements and other financial activities of the Partnership, including the following documents of the Partnership:

(i) A current list of the full name and last known business or residence address of each Partner set forth in alphabetical order together with the contribution and share in profit and losses of each Partner;

(ii) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(iii) Copies of the Partnership’s federal, state and local income tax or information returns and reports, if any, for the six (6) most recent Fiscal Years of the Partnership;

- (iv) Copies of the original Partnership Agreement and all amendments thereto;
- (v) Financial statements, including a balance sheet and statements of income (or loss), of the Partnership for each of the six (6) most recent Fiscal Years, including quarterly and monthly internal financial statements of the Partnership; and
- (vi) The Partnership's books and records for at least the current and past three (3) Fiscal Years.

(b) Any Partner of the Partnership shall have the additional right, upon reasonable notice and at its own expense, directly or through a representative, including the Asset Manager, to inspect and copy during normal business hours any of the records of the Partnership required to be maintained by Section 8.1(a).

(c) The Partnership's books of account shall be maintained, and Capital Accounts and profits, losses and other items described in Article 6 shall be determined, in accordance with federal income tax accounting principles utilizing the accrual method of accounting, subject to confirmation by the Accountants. Annual, audited Partnership financial statements shall be prepared and maintained at the Partnership's expense in accordance with generally accepted accounting principles for the type of business of the Partnership.

8.2 Tax Returns and Tax Elections.

(a) The Co-General Partner shall instruct the Accountants for the Partnership to prepare and file all required federal, state and local income tax returns for the Partnership. The Co-General Partner shall cause to be sent to the Partners of the Partnership as part of the Annual Report specified in Section 8.3(c) all necessary tax reporting information regarding the Partnership required by the Partners for preparation of their respective federal, state and local income or franchise tax or information returns and a copy of the Partnership's federal, state and local income tax or information returns for the Fiscal Year.

(b) The Co-General Partner has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits, that the Special Limited Partner reasonably determines are in the Limited Partners' best interest. In particular, the Co-General Partner shall cause the Partnership to elect to depreciate 100% of its site improvements and personal property improvements in the year in which such assets are placed in service in accordance with Section 168(k) of the Code (the "**Bonus Depreciation**"). The Co-General Partner will not make an election under Section 168(k)(7) of the Code to elect out of such Bonus Depreciation unless instructed to do so, in writing, by the Investor Limited Partner. The Partners shall agree on all other applicable elections, determinations and other decisions under the Code and under applicable state and local tax law, including the tax treatment of the construction period interest and the other positions to be taken on the Partnership's federal, state and local information returns, provided that the most rapid permissible method of depreciation of the Partnership's assets shall be used, including without limitation, Bonus Depreciation. Notwithstanding the foregoing, upon the request of the Limited Partners, the Co-General Partner shall (i) timely file an election under Section 754 of the Code and the Regulations on behalf of the Partnership to adjust the basis of the Partnership's assets under Sections 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law,

provided that the Co-General Partner's obligation to file such Section 754 election shall be subject to applicable law and (ii) timely file an election on behalf of the Partnership to be treated as an "electing real property trade or business" under new Section 168(g)(1)(F) of the Code (as added by Section 13204 of the Tax Cuts and Jobs Act), and (iii) timely file an election on behalf of the Partnership under new Section 168(g)(1)(F) of the Code (as added by Section 13204 of the Tax Cuts and Jobs Act) to use the alternative depreciation system to depreciate the Project over 30 years.

8.3 Reports.

The Co-General Partner shall cause to be prepared and delivered to the other Partners:

(a) Copies of Certain Documents. The Co-General Partner shall deliver to the Limited Partners the following:

(i) concurrent with their filing, copies of any reports filed with any Authority regarding the Project pursuant to Section 7.10, including but not limited to a copy of the annual owner's certification submitted to the Credit Agency;

(ii) within ten (10) days of receipt, copies of any material reports or material written notices received by the Partnership from (a) any Lender or (b) the Credit Agency or any other Authority regarding the Project's compliance with any income and rent restrictions, including but not limited to any state audit performed regarding the Project's compliance with the Housing Tax Credit Conditions, Form 8823's, and any written notice regarding noncompliance affecting the Tax Benefits; and

(iii) all documents required to be prepared and filed by the Managing General Partner pursuant to Section 7.18; provided, however, that this obligation applies solely to the Managing General Partner and not to the Co-General Partner.

(b) Quarterly Reports. Within thirty (30) days after the end of each quarter of each Fiscal Year, including the fourth quarter, the Co-General Partner shall prepare and deliver to the other Partners a quarterly report setting forth and containing the following:

(i) unaudited financial statements for the previous quarter including balance sheet, income statement and statement of cash sources and applications;

(ii) an unaudited comparison of the actual results of the operations of the Partnership during the applicable quarter with the projections for such quarter as set forth in the Annual Operating Budget, including physical and Housing Tax Credit qualified occupancy levels, any deposits to, or withdrawals from, any Reserves and a written explanation of any variance greater than ten percent (10%) to any category in the Annual Operating Budget;

(iii) a statement indicating if there are any Development Deficiencies and/or Operating Deficits or anticipated Development Deficiencies and/or Operating Deficits, and if so, the manner in which it is anticipated such Development Deficiencies and/or Operating Deficits will be funded;

(iv) a management report on the Project containing such material information as is reasonably necessary to advise the Limited Partners about their investment in the Partnership and the development and/or operation of the Project;

(v) a report of aged payables and receivables;

(vi) evidence of payment of property taxes and insurance as required hereunder for the applicable period; and

(vii) any other information regarding the Partnership and its operations during the prior fiscal quarter reasonably deemed by the Co-General Partner to be material to the Limited Partners, for example, any lawsuits involving the Partnership or its Property.

(c) Annual Reports. Within forty-five (45) days after the end of each Fiscal Year (beginning with the Fiscal Year containing the Closing Date) for each item, the Co-General Partner shall prepare and deliver to the other Partners an annual report setting forth the following:

(i) audited financial statements of the Partnership prepared in accordance with generally accepted accounting principles as applied in the United States for the previous Fiscal Year, including balance sheet, income statement and statement of cash sources and applications, and a record of the Capital Replacement Reserve, Lease-Up Reserve and Operating Reserve identifying all payments made to and from such Reserves; a detailed operating statement, which shall include in addition to what is customary, a vacancy number and the line items making up the operating expense categories; an income and cash flow statement; an analysis of the Capital Accounts of each Partner; an analysis of the disbursement of Operating Cash Flow, as set forth in Article 5 of this Agreement; a loss schedule, which need not be audited, for the remainder of the Compliance Period; an adjusted trial balance; and detailed notes which shall include an analysis of the Reserves, identifying all payments made to and from such Reserves and a profile of all debt (including payment priority and amounts paid and accrued) and a comparison of actual results from budgeted results;

(ii) adjusted trial balance prepared by the Accountants;

(iii) an annual projection of Net Income and Net Losses through the end of the Compliance Period;

(iv) a calculation of all distributions during the previous Fiscal Year under the terms of this Agreement;

(v) the federal and state tax returns for the Partnership for the prior Fiscal Year;

(vi) the K-1's for the Limited Partners, which shall be delivered electronically in accordance with Exhibit L;

(vii) a completed Housing Tax Credit monitoring form for the prior Fiscal Year, using the form submitted to the Credit Agency, which shall include a report of the household income restrictions and permitted rental rates for such Fiscal Year and the rent roll for each month during such Fiscal Year of the Project;

(viii) for so long as the Guaranty is outstanding, the annual financial statements of the Guarantors, reviewed by an independent accountant;

(ix) proof of payment of property taxes, if any, and insurance as required hereunder for the Fiscal Year, to the extent not previously provided;

(x) the Compliance Audit required pursuant to Section 8.3(d);

(xi) a copy of the HUD REAC Score, to the extent not previously provided;

(xii) Reconciliation of the Partnership's audited financial statement to federal income tax accounting principles.

(d) Tax Credit Compliance Reports. The Asset Manager shall (i) within six (6) months after the Rent-Up Date, or by the Final Payment Date if earlier, cause to be prepared a full Housing Tax Credit compliance audit (the "**Compliance Audit**") for all Low-Income Units at the expense of the Partnership conducted by the Compliance Auditor approved by and delivered to the Limited Partners in an electronic format, and (ii) for each Fiscal Year thereafter, cause to be prepared a limited tax credit Compliance Audit of a random twenty percent (20%) of Units in the Project, provided that if such Compliance Audit indicates a material compliance problem, then at the request of any Limited Partner after the first Fiscal Year, a full Housing Tax Credit Compliance Audit shall be prepared at the expense of the Partnership. In the event that any Compliance Audit indicates any compliance problems, the Co-General Partner shall take all action as is reasonably necessary to resolve such compliance problems.

(e) Failure to File Timely Reports. If the Co-General Partner does not cause the Partnership to fulfill its obligations pursuant to this Section 8.3, the Limited Partners may assess the Co-General Partner damages in the sum of \$300 per day. The Co-General Partner shall pay Aegon such damages within ten (10) days of notice from a Limited Partner, and failure to do so shall be deemed a material breach of this Agreement. The Co-General Partner shall not be entitled to any distributions or fees payable under any Project Document until the reports are filed and such damages are paid. The Limited Partners may elect to waive any damages due hereunder in their sole discretion. Notwithstanding the foregoing, the Managing General Partner, and not the Co-General Partner, shall be solely responsible for all documentation required to be prepared and filed under Section 8.3(a)(iii). The Managing General Partner shall not be entitled to any distributions or fees payable under any Project Document until copies of the documentation required to be prepared and filed under Section 8.3(a)(iii) are received by the Investor Limited Partner.

(f) Electronic Reporting. The Co-General Partner shall submit the quarterly reports referenced in Section 8.3(b) and the annual reports referenced in Sections 8.3(c)(i) and 8.3(c)(v) electronically to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager). Furthermore, the Co-General Partner shall submit such electronic reports to

Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager) on a monthly basis if reasonably requested by the Asset Manager, which such electronic reports shall contain, but not be limited to, a trial balance sheet (in Excel), an aged accounts payable report (in Excel), and a current rent roll (in Excel or PDF). The Co-General Partner shall submit the Schedule K-1's referenced in Section 8.3(c) electronically to the Asset Manager at lihtreporting@aegonusa.com, and the Limited Partners' consent to electronic transmissions of Schedules K-1 is attached hereto as Exhibit L.

8.4 Fiscal Year.

The Fiscal Year for the Partnership shall be the same as the Investor Limited Partner's fiscal year, which is currently a calendar year.

8.5 Bank Accounts.

All funds of the Partnership shall be invested in the name of the Partnership, under such terms and conditions as the Co-General Partner shall approve, provided that such investments shall be limited to (a) financial institutions whose deposits are insured by an agency of the U.S. Government (such as the Federal Deposit Insurance Corporation) and where the instrument's or account's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (c) such other investments approved by the Limited Partners and which are acceptable to the Co-General Partner. Furthermore, all Partnership funds, including but not limited to, operating funds, tenant deposits, capital replacement reserves, operating reserves, and any other reserves and/or funds shall be held in separate bank accounts and shall not be co-mingled.

8.6 The Accountants.

The Co-General Partner shall employ an accounting firm acceptable to the Limited Partners as the Accountants for the Partnership, and may thereafter replace the same with another accounting firm only upon the consent of the Limited Partners. The fees and expenses of the Accountants shall be a Partnership expense; notwithstanding the foregoing, to the extent such costs are attributable to special computations required by reason of any transactions engaged in, or special tax elections (except for any election under Section 754 of the Code pursuant to Section 8.2) made by or for the benefit of a Partner or any person having an interest in a Partner, such costs shall be borne by that Partner.

8.7 Reserves.

The Co-General Partner shall cause the Partnership to establish and maintain such Reserves as the Co-General Partner reasonably determines is necessary for the Partnership, including anticipated capital needs, and contingency needs of the Partnership, and requirements of the Lenders, and shall establish and maintain at a minimum the following Reserves:

(a) Capital Replacement Reserve. The Partnership shall establish and maintain a capital replacement reserve, which may be held by the Issuer or the Funding Lender, the

proceeds of which reserve shall be used for Capital Expenditures, subject to Section 7.2 of this Agreement (the “**Capital Replacement Reserve**”). The Partnership shall commence funding the Capital Replacement Reserve no later than the month in which the first Unit is occupied, and shall initially be funded from monthly operating income in an amount equal to at least \$29.17 per Unit per month, and prior to Initial Rent-Up the Capital Replacement Reserve shall be funded on a pro rata basis as each Unit in the Project is initially occupied. Beginning on January 1st of the Fiscal Year following the initial funding of the Capital Replacement Reserve on such Unit, and on January 1st of each Fiscal Year thereafter, the Partnership shall fund the Capital Replacement Reserve with no less than an additional \$350 per such Unit that was initially occupied (notwithstanding if it remains occupied) each Fiscal Year increased annually by a factor of not less than 3%. The Capital Replacement Reserve shall be available for the Co-General Partner to make necessary repairs and improvements upon notice to the Limited Partners and prior written consent of the Limited Partners for any expenditures in excess of \$20,000, or any expenditures that would reduce the balance of the Capital Replacement Reserve below \$27,300.

(b) Operating Reserve. The Co-General Partner shall cause the Partnership to establish an operating reserve (the “**Operating Reserve**”) in the minimum amount of \$477,528, which reserve amount shall be funded not later than the Investor Limited Partner’s Fourth Federal Payment. The Operating Reserve shall be used to fund Operating Deficits at any time after the Rent-Up Date (provided, however, that all amounts withdrawn prior to the end of the first full year of Property operations must be restored prior to the end of the first full year of Property operations from Operating Cash Flow or from proceeds of a Co-General Partner advance). Any withdrawals from the Operating Reserve to fund Operating Deficits must be consented to by the Investor Limited Partner, which consent shall not be unreasonably withheld, provided, however that if no response is provided by the Investor Limited Partner within fifteen (15) Business Days of receipt of notice from the Co-General Partner, then written consent shall be deemed to have been given by the Investor Limited Partner. Following the end of the Compliance Period, any amounts remaining in the Operating Reserve shall be released, subject to Lender requirements, and provided that no Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by the Co-General Partner, and such released amounts shall be applied to repayment of the Deferred Development Fee, and, to the extent there are any amounts remaining in the Operating Reserve after repayment in full of the Deferred Development Fee, such remaining amounts shall be released to the Co-General Partner. To the extent the balance in the Operating Reserve falls below the Operating Reserve Minimum Balance, the Operating Reserve shall be replenished from Operating Cash Flow until the Operating Reserve Minimum Balance has been restored. The use and establishment of the Operating Reserve shall be consistent with all requirements of the Credit Agency.

(c) Lease-Up Reserve. The Co-General Partner shall establish and maintain a lease-up reserve in the amount of \$93,958 (the “**Lease-Up Reserve**”), which reserve amount shall be set aside not later than the Third Federal Payment. The Lease-Up Reserve shall be used to fund deficits occurring prior to the Rent-Up Date. Any amounts remaining in the Lease-Up Reserve on the Rent-Up Date shall be released and applied first to payment of Development Costs, and thereafter any amounts remaining shall be applied first to pay amounts due with respect to the Deferred Development Fee until the Deferred Development Fee has been paid in full, and thereafter shall be paid to the Co-General Partner as Incentive Lease-Up Fee.

Reserves shall be maintained in such accounts, as may be required by the Lenders and shall comply with all Lender requirements in addition to the requirements set forth herein.

ARTICLE 9
REPRESENTATIONS, WARRANTIES AND COVENANTS OF GENERAL PARTNER

As of the Closing Date, the Co-General Partner as to each of the following other than Sections 9.2, 9.8, 9.40, 9.41 and 9.42, and the Managing General Partner with respect to Sections 9.2, 9.8, 9.40, 9.41, 9.42 9.45 and, solely regarding itself, with respect to Sections 9.6, 9.10, 9.11, 9.13, 9.37, 9.38 and 9.46 hereby represent, warrant and covenant to and with the Partnership and the Limited Partners that as of the date of this Agreement, each Payment Date and throughout the term of this Agreement through the date on which the last Limited Partner withdraws from the Partnership(provided however that, with respect to any of the following representations and warranties that pertain to both General Partners (and/or their respective affiliates and agents), each General Partner makes such representation and warranty solely with respect to itself and its respective affiliates and agents):

9.1 Co-General Partner Organization.

The Co-General Partner is a duly organized limited liability company validly existing under the laws of the State of California as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement.

9.2 Managing General Partner Organization.

The Managing General Partner is a duly organized limited liability company validly existing under the laws of the State of California as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement. The sole member of the Managing General Partner is a duly organized nonprofit public benefit corporation validly existing under the laws of the State of California as a nonprofit public benefit corporation.,

9.3 Partnership Organization.

The Partnership is a limited partnership duly constituted and existing under the Act and has full power and authority to perform its obligations under the Project Documents.

9.4 Title to Property.

As of the Closing Date, the Partnership shall have a fee interest in the Land and good and clear record and marketable title to the other Partnership Property free and clear of any liens, charges or encumbrances other than the Permitted Encumbrances. As of the Closing Date and as of each Payment Date, all real estate taxes, assessments, water and sewer charges and other municipal charges with respect to the Land to the extent due and owing, have been paid in full.

9.5 Obligations.

As of the Closing Date and as of each Payment Date, the Co-General Partner certifies that the Partnership has no indebtedness, obligations, commitments or liabilities accrued, absolute, contingent or otherwise which are not reflected in the Project Documents.

9.6 Material Contracts.

As of the Closing Date and as of each Payment Date, there are no material contracts or agreements, written or oral, affecting the ownership or operation of the Project except the Project Documents. As of the Closing Date and as of each Payment Date, neither the General Partners nor the Partnership nor, to the best knowledge of the Co-General Partner or the Managing General Partner, as applicable, any other party to any of the Project Documents, is (or, with notice or the passage of time, or both, would be) in default under the Project Documents.

9.7 Due Authorization of Co-General Partner.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the Co-General Partner have been or will be duly authorized by all requisite actions and proceedings, and each Project Document to which the Co-General Partner is a party constitutes the legal, valid and binding obligation of the Co-General Partner, enforceable against it in accordance with its terms and the consummation of any such transactions with or on behalf of the Co-General Partner will not constitute a breach or violation of, or a default under, the organizational documents of the Co-General Partner.

9.8 Due Authorization of Managing General Partner.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the Managing General Partner have been or will be duly authorized by all requisite actions and proceedings, and each Project Document to which the Managing General Partner is a party constitutes the legal, valid and binding obligation of the Managing General Partner, enforceable against it in accordance with its terms and the consummation of any such transactions with or on behalf of the Managing General Partner will not constitute a breach or violation of, or a default under, the organizational documents of the Managing General Partner.

9.9 Due Authorization of Partnership.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Project by the Partnership has been or will be duly authorized by all requisite partnership action and proceedings and constitutes the legal, valid and binding obligation of the Partnership enforceable against it in accordance with their respective terms.

9.10 No Default.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner or the Managing General Partner, as applicable, General Partner, neither General Partner nor the Partnership is in material default with respect to any law, administrative rule,

regulation, judgment, decision, order, writ, injunction, decree or demand of any court or any Authority, and the consummation of the transactions contemplated herein will not materially conflict with, or constitute a material breach of or material default under, any of the foregoing or any agreement or instrument applicable to the Partnership, the General Partners, or the Project.

9.11 No Litigation.

As of the Closing Date and as of each Payment Date, there is no litigation or claim pending or, to the best knowledge of the Co-General Partner or the Managing General Partner, as applicable, threatened against or involving the Land, the Improvements, the Project, either General Partner, the Guarantors or the Partnership or assets of either General Partner or the Partnership (to the extent that any such litigation would materially adversely affect the Property, the Partnership or a General Partner's interest in the Partnership, or would have a material adverse effect on a General Partner's net worth), and, to the best knowledge of the General Partners, there are no facts or circumstances which could give rise to any such claim or litigation. As of the Closing Date and as of each Payment Date, neither the Partnership nor a General Partner has any material liabilities that would be disclosed in a balance sheet that are not disclosed. As of the Closing Date and as of each Payment Date, the Partnership has received no written notice of taking, condemnation, betterment or assessment, actual or proposed, with respect to the Land, the Improvements or the Project.

9.12 Insurance.

The Partnership has obtained the insurance required by Section 7.11 of this Agreement.

9.13 No Prior Syndication.

None of the Partnership, the Co-General Partner or the Managing General Partner, as applicable, nor the Project is subject to any outstanding agreement with any third party pursuant to which any such party has or may acquire any interest in the Project (other than the Loan Documents, the Purchase Option Agreement and tenant leases).

9.14 Compliance with Laws.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner and except as disclosed in the Environmental Reports, the Project complies in all material respects with all applicable laws, rules, restrictions, orders and regulations of all Authorities. As of the Closing Date and as of each Payment Date, neither General Partner nor, to the actual knowledge of the Co-General Partner and except as disclosed in the Environmental Reports any third party, has used, generated, manufactured, stored or disposed of on, under or about the Land or the Project or transported to or from the Land or the Project any Hazardous Substances other than was needed for the normal operation and maintenance of the Project and any Hazardous Substances used were stored and disposed of in accordance with all applicable Hazardous Substances Laws.

9.15 Construction Budget.

As of the Closing Date, the Construction Budget annexed as Exhibit C is a true, correct and complete copy of the estimated budget for the rehabilitation and development of the Project.

9.16 Utility Services.

All utility services necessary for the operation of the Project as anticipated in the Project Documents are available, or will be available prior to Completion.

9.17 Roads.

All roads necessary for the Project have been or will be completed and are, or will be upon Completion, sufficient for the full utilization of the Project.

9.18 Intentionally Omitted.

9.19 Tax Returns.

As of the Closing Date and as of each Payment Date, all federal, state and local tax returns required to be prepared by the Partnership and the Co-General Partner with respect to the Partnership, the Project and the Co-General Partner, respectively, have been timely, duly and accurately completed and filed, and all federal, state and local taxes arising in connection with the Partnership and the ownership and operation of the Project have been paid in full.

9.20 Nonrecourse Debt.

With the exception of the Seller Loan, there shall be no direct or indirect personal liability or economic risk of loss with respect to any of the Partners or any Affiliates thereof for the repayment of the principal of or payment of interest on the Loans.

9.21 Tax-Exempt Obligations.

The Project is being financed by a \$16,500,000 issue of tax-exempt obligations that (i) will fund fifty percent (50%) or more of the aggregate basis of each of the buildings and the land attributable thereto (including for this purpose any investment proceeds earned with respect to the bonds), (ii) will be financed with an obligation the interest on which is exempt from tax under Section 103 of the Code, (iii) is within the State's volume cap as provided in Section 146 of the Code, (iv) is not subject to the provisions of Section 146(i)(1) of the Code (i.e. is not refunding existing bonds), and (v) requires principal payments which will be applied within a reasonable period to redeem such obligations.

9.22 Qualified Census Tract/Difficult Development Area.

As of the Closing Date, the portions of the Project located at 4131 West Normal Avenue, 4215 Burns Avenue, 1951 West 22nd Street, and 825 Forest Avenue (the "QCT Sites") are all located in a "qualified census tract" within the meaning of Code Section 42(d)(5)(B). Accordingly, the rehabilitation expenditures attributable to Project buildings located at the QCT Sites will be entitled to the 130% increase in basis permitted by Section 42 of the Code.

9.23 Eligible Basis and Housing Tax Credit Percentage.

As of the Closing Date, the Eligible Basis at Completion is anticipated to be no less than \$21,369,167. The Partnership has made a valid election to lock-in the Housing Tax Credit Percentage at 3.31% for costs related to acquisition and 3.31% for costs related to new rehabilitation, the applicable percentages in effect in November, 2018.

9.24 Projected Housing Tax Credits.

As of the Closing Date, the projected Federal Housing Tax Credits to the Project are \$740,599 per year for each of the years 2019-2028.

9.25 Housing Tax Credit Conditions.

To the best knowledge of the Co-General Partner, the Project is designed to comply and during the Compliance Period will continue to comply with the Housing Tax Credit Conditions.

9.26 Development Fee.

As of the Closing Date and as of each Payment Date, the amount of the Development Fee and other compensation paid to the Developer and the Co-General Partner and projected to be included in the Eligible Basis of the Project does not exceed the amount permitted by the Credit Agency. As of the Closing Date, the portion of the Development Fee projected to be included in Eligible Basis relates to both the acquisition and the rehabilitation of the Project. The Development Fee shall be apportioned among the Low-Income Units, and as so apportioned shall be fully earned and unconditionally payable with respect to each Low-Income Unit no later than the completion of such Low-Income Unit.

9.27 Accounting Method.

The Partnership has used the accrual method of accounting since its formation and will continue to do so. Each of the General Partners has used the cash method of accounting since its formation and will continue to do so.

9.28 Federal Funds.

The Partnership has not, and will not, be financed directly or indirectly with any federally funded grants (as described pursuant to Section 42(d)(5) of the Code) which would require a reduction in Eligible Basis.

9.29 Credit Occupancy.

Not later than the close of the First Year and continuing throughout the Compliance Period, not less than seventy four (74) of the Rental Units in the Project will be occupied by persons having sixty percent (60%) or less of area median income, as adjusted for family size and subject to future increases of a qualified occupant's income up to one hundred forty percent (140%) of the otherwise applicable limitation; provided that should an occupant's income increase to more than one hundred forty percent (140%) of the otherwise applicable limitation, the next available unit will be rented to a tenant whose income is at or below such limitation. In addition, not later than the close of the First Year of the Credit Period and continuing throughout

the Compliance Period, each Manager's Unit shall be occupied by either a resident manager or a resident maintenance person, and such resident manager or resident maintenance person will be on call to provide and will provide maintenance services to the tenants of the Project. In the event that a Manager's Unit is not needed for a resident manager or resident maintenance person, such Manager's Unit may be used as a Low-Income Unit, with the consent of the Limited Partners.

9.30 Rents.

Gross rents (as defined in Section 42(g)(2)(B) of the Code) for the Rental Units with respect to the Project charged to low-income occupants and to occupants who initially qualify as low-income occupants but whose income increases above the applicable limitation, will not exceed thirty percent (30%) of sixty percent (60%) of area median income, as determined under Section 42(g)(1) of the Code.

9.31 Occupancy of Units.

The Rental Units will be rented on other than a transient basis in a manner consistent with housing policy governing nondiscrimination, as evidenced by rules and regulations established by HUD, including HUD Handbook 4350.3 (or its successor). No such Rental Unit will be part of a hospital, nursing home, sanitarium, lifecare facility, trailer park or intermediate care facility for the mentally and/or physically handicapped. The tenant facilities of the Project will be available to all tenants on a comparable basis without separate mandatory fees.

9.32 Extended Use Agreement.

An Extended Use Agreement will be in effect with respect to the Project as of the end of each taxable year in which a Housing Tax Credit is allowed.

9.33 Residential Rental Property.

Eighty percent (80%) or more of the gross rental income from the Property for each taxable year of the Partnership shall be rental income from dwelling units.

9.34 Intentionally Omitted.

9.35 Material Facts.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner, all material facts and transactions related to the Project have been disclosed to the Limited Partners and all materials furnished by the Co-General Partner or its Affiliates to the Limited Partners with respect to the Project or the Limited Partners' investment in the Partnership are true and complete in all material respects. As of the Closing Date and as of each Payment Date, without limiting the generality of the foregoing, the investment assumptions set forth in the Initial Economic Projections are reasonable in all material respects, subject only to such changes as shall have been disclosed in writing to, and approved in writing by, the Limited Partners.

9.36 Construction Monitoring Fee.

The Co-General Partner shall cause the Partnership to pay the Construction Monitoring Fee.

9.37 Patriot Act.

(a) Each General Partner and each Guarantor (i) is in compliance with all applicable anti-money laundering laws, including, without limitations, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("**OFAC**"), including without limitations, Executive Order 13224, (ii) is not, nor is any affiliate of a General Partner, on the Specially Designated Nationals and Blocked Persons List maintained by OFAC, and (iii) is not otherwise identified by a governmental entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, "U.S. Person" shall mean any United States Citizen, any permanent resident, alien, any entity organized under the laws of the United States (including foreign branches) or any person in the United States.

(b) Each General Partner hereby represents that none of the Co-General Partner, the Managing General Partner, the Guarantor, the Developer or any Affiliates thereof or any beneficial owner thereof, nor any person or entity that is affiliated with the foregoing and is a party to any financing document being entered into in connection with the Project (i) is listed on the Specially Designated Nationals and Blocked Persons List ("**SCN List**") administered by the OFAC; (ii) is owned or controlled by the government of, is a national of, or is incorporated in, Burma (Myanmar), Cuba, Iran, or Sudan; (iii) is currently targeted by any economic sanctions issued under the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, all as amended, or any enabling legislation, regulations, or executive orders relating thereto (including but not limited to the foreign assets control regulations at 31 C.F.R. Subtitle B, Chapter V); or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity that falls under any of (i)-(iii) above.

9.38 Project Loan Documents.

The General Partners shall not cause the Partnership to enter into any Loan Documents including any amendments or modifications thereto, unless such documents are in form and substance satisfactory to the Investor Limited Partner. The Asset Manager shall be provided at least ten (10) Business Days to review and approve any such Loan Documents, amendments or modifications before they are executed by the Partnership.

9.39 Bond, Surety Ratings Trigger.

In connection with the development of the Project, the Co-General Partner will cause to be obtained by the Contractor at or before the Closing Date, one hundred percent (100%) payment and performance bonds issued by a surety acceptable to Investor Limited Partner and the Lenders ("**Bonding Company**"), in forms and amounts acceptable to the Lenders and the Investor Limited Partner. If at any point prior to lien-free completion and the expiration of all statutory lien periods, the credit rating, as determined by A.M. Best Company, Inc., for the

Bonding Company is reduced below “B+”, (such credit rating, a “**Floor Rating**”) the Co-General Partner will cause the Contractor to obtain substitute payment and performance bonds (1) from a Bonding Company with a credit rating at or above the Floor Rating, (2) having such form and substance as consented to by the Investor Limited Partner and Lenders, and (3) provided within such reasonable time as requested by the Investor Limited Partner. The Co-General Partner will cause such language as is necessary to comply with the provisions of this paragraph to be added to the Construction Contract, by such amendment and/or language change order as consented to by the Investor Limited Partner and Lenders.

9.40 Property Tax Exemption.

The Partners acknowledge that the savings contemplated by the welfare exemption provided by Section 214(g) of the State Tax Code (the “**Property Tax Exemption**”), and as further defined in the rules and regulations of the BOE (the “**BOE Property Tax Rules**”), are necessary in order for the Partnership to meet its debt underwriting and financing assumptions and therefore to maintain the Project’s affordability to low-income tenants. The Partners further acknowledge that they would not undertake to develop the Project and provide the affordable housing created by the Project unless the Property Tax Exemption was available to help underwrite the Loans. The Managing General Partner shall use best efforts to obtain and maintain the Property Tax Exemption for the Project during the life of the Partnership. Any savings to the Partnership and the Project attributable to the Property Tax Exemption shall be used in accordance with Section 214 of the State Tax Code and this Agreement.

9.41 Charitable Purposes of Managing General Partner; Nonprofit Status.

The current and intended duties and responsibilities of the Managing General Partner hereunder are in conformance with the tax exempt purposes of the sole member of the Managing General Partner. The sole member of the Managing General Partner, has received a determination letter from the IRS that it is a qualified organization under Section 501(c)(3) of the Code, and has conducted, and will conduct, its business and affairs at all times in a manner consistent with such tax exempt classification. The sole member of the Managing General Partner has not received notice or other correspondence from the IRS pertaining to a challenge or potential challenge to its tax exempt status, is not aware of any reason why its tax exempt status (now or with the passage of time) should not continue in full force and effect, and will take all actions necessary to maintain its tax-exempt status.

9.42 Tax-Exempt Use Property.

Commencing with the tax year in which the Project is placed in service and continuing thereafter, the Managing General Partner will not act in a fashion to cause any portion of the Project to be treated as “tax-exempt use property” within the meaning of Section 168(h) of the Code.

9.43 Commercial Space

The Project does not contain any commercial space.

9.44 Fair Market Value

As of the Closing Date and as of each Payment Date, the Co-General Partner anticipates that the fair market value of the Project at Completion will exceed the total amount of indebtedness, including accrued interest thereon, encumbering the Project and is expected to do so throughout the term of such indebtedness after Completion.

9.45 HAP Contract

The Partners acknowledge that the revenues to be received pursuant to the HAP Contract are necessary for the financial viability of the Project. The Partners further acknowledge that the development of the Project as currently contemplated would not be possible in the absence of the HAP Contract. The General Partners shall undertake best efforts to maintain the HAP Contract for the term thereof.

9.46 General Partner Fees

The General Partners believe that all fees paid to any General Partner or any Affiliate thereof in connection with the Partnership, including without limitation the Incentive Management Fee, the Incentive Lease-Up Fee, the Nonprofit Management Fee and the Co-General Partner Disposition Fee will be reasonable in amount for services actually performed; provided, however, there can be no assurance that the IRS will not successfully challenge the reasonableness of such fees and the General Partners and their Affiliates shall have no liability therefor by virtue of this Section.

9.47 Achievement of Fifty Percent Test.

No portion of the principal amount of the Bond Loan will be repaid unless and until the Accountants' Fifty Percent Test Certification concludes that fifty percent (50%) or more of the aggregate basis of the building and the land attributable thereto (including for this purpose any investment proceeds earned with respect to such obligations) have been financed with tax-exempt obligation(s) based on the Partnership's actual sources and uses during rehabilitation, which certification shall be subject to the reasonable review and approval of the Investor Limited Partner.

9.48 Related-Party Representations

No building constituting part of the Project was previously placed in service by the Partnership or by any "related" person with respect to the Partnership within the meaning of Section 42(d)(2)(B)(iii) of the Code. No person or group of persons which has on the Closing Date a direct or indirect ownership interest of more than 50% in the Partnership also has or ever had in the past a direct or indirect ownership interest of more than 50% in the Seller. The term "ownership interest" as used in the preceding sentence shall mean an interest in any of profits, losses or cash distributions (including fees based on available cash from operations or sale or refinancing other than fees paid to the Developer).

9.49 Transfer Taxes

Transfers of limited partnership interests in the Partnership are governed by California Revenue and Taxation Code Section 64 and 11902 et. seq., and Los Angeles Municipal Code Section 21.9.1 et. seq.

ARTICLE 10 TRANSFER OF PARTNERSHIP INTERESTS

10.1 Generally.

Except as otherwise specifically provided herein, no Partner may transfer all or any portion of its Partnership Interest. Any Transfer of any interest in violation of this Article 10 shall be null and void and of no force whatsoever. No Partner, without the prior written consent of the other Partner, shall withdraw from the Partnership. No additional Partners may be admitted to the Partnership without the Consent of the other Partners or as otherwise specifically permitted herein.

10.2 General Partner.

(a) Assignment. No General Partner may Transfer its Partnership Interest nor shall any interest in the General Partner be Transferred without the prior written consent of each Limited Partner in its sole and absolute discretion, provided, however, that the Limited Partners shall provide their written consent for Transfers of Partnership Interests in the Co-General Partner and the Managing General Partner among the holders of such Partnership Interests so long as there is no change in the management or control of such General Partner and so long as the Investor Limited Partner, in consultation with tax counsel, determines that such Transfer will not result in the disallowance or recapture of any Housing Tax Credits generated by the acquisition of the Project. In addition, no interest in a General Partner may be Transferred to an Entity that would cause such General Partner (or, if such General Partner is classified as a partnership for federal income tax purposes, any partner or member of such General Partner) to be a “tax-exempt controlled entity” as such term is defined in Section 168(h)(6)(F) of the Code. The Limited Partners hereby consent to the Transfer of the General Partners’ Partnership Interests in connection with the pledges of such Interests under the Loan Documents.

(b) Pledge. Except in connection with the financing of the Project, no General Partner may pledge or encumber its Partnership Interest or its right to any distributions or payments under this Agreement without the prior written consent of the Limited Partners.

10.3 Limited Partners.

(a) Assignment. Notwithstanding Section 10.1, each Limited Partner may (i) with the consent of the Co-General Partner, such consent not to be unreasonably withheld, Transfer all or any portion of its Partnership Interest to any Person, and (ii) in its sole discretion and without the consent of a General Partner, Transfer all or any portion of (A) its Partnership Interest to an Affiliate of such Limited Partner or an entity controlled by an Affiliate of such Limited Partner,

including an Investor Partnership or LLC, and (B) its Partnership Interest to Aegon, an Affiliate of Aegon or an Aegon Affiliated Insurance Company. The General Partners shall cooperate with the Limited Partners in facilitating such Transfer by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Project, the General Partners and the Affiliates of the General Partners and any other matters reasonably necessary in the judgment of the Limited Partners to facilitate and effect such Assignment at the sole expense of the assigning Limited Partner. Each Assignee of an Interest transferred in accordance with this Section 10.3 shall be admitted to the Partnership as a Substituted Partner only upon satisfaction of the conditions for substitution set forth in Section 10.3(b). Furthermore, all or any portion of the limited partnership interests or membership interests in each Limited Partner (or successor or Assignee thereto) shall be transferable to any Person with the consent of the Co-General Partner; provided, however, that the consent of the Co-General Partner shall not be required and such interests shall be transferable in the sole discretion of such limited partner or member so long as the transfer of such limited partnership interests or membership interests is to (A) an Affiliate of such limited partner or member in such Limited Partner or an entity controlled by an Affiliate of such limited partner or member in such Limited Partner, including an Investor Partnership or LLC, (B) to Aegon, an Affiliate of Aegon or an Aegon Affiliated Insurance Company or (C) to any other Person provided that such Limited Partner remains an Investor Partnership or LLC or an Affiliate of Aegon or an Aegon Affiliated Insurance Company.

(b) Conditions to Substitution. An Assignee shall not become a Limited Partner hereunder and shall be considered only an Assignee and shall not have any other rights of a Partner other than its right to Net Income, Net Losses, Credits and distributions, unless and until the General Partners admit the Assignee as a Substituted Partner pursuant to this Section 10.3(b). An Assignee shall not become a Substituted Partner until (i) except for an Assignee that is described in Section 10.3(a)(ii) above, as to which no General Partner's consent to substitution shall be required, the Co-General Partner consents to the substitution in its sole and absolute discretion, and (ii) the Assignee (A) pays all reasonable legal expenses and transfer taxes of the Partnership and the General Partners incurred in connection with its substitution; (B) submits a duly executed instrument of assignment, in a form satisfactory to the Co-General Partner, (1) specifying the Partnership Interest assigned to it, and (2) setting forth such Limited Partner's intention that the Assignee succeed to such Limited Partner's Partnership Interest; and (C) executes a copy of this Agreement at the election of the Co-General Partner. In the event that the Co-General Partner's consent is not required for substitution (as to any Assignee that is described in Section 10.3(a)(ii) above), each General Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such General Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 10.3(b). The admission of a Substituted Partner shall be effective as of the close of the day on which all of the applicable conditions to the substitution have been satisfied.

(c) Right to Withdraw. Each Limited Partners shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to withdraw as a partner from the Partnership, whereupon such Limited Partners shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners.

10.4 No Release or Waiver.

Neither the provisions of, nor consummation of the transactions contemplated by, this Article 10 shall constitute a release or waiver of any claims or rights to which the Partnership or any Partner may have against the Partnership or any of the Partners as a consequence of a breach of this Agreement.

ARTICLE 11 REMOVAL OF GENERAL PARTNERS

11.1 Default.

If an Event of Default shall occur with respect to the Co-General Partner or the Managing General Partner (such defaulting General Partner, the “**Defaulting General Partner**”), the Limited Partners shall have the rights set forth in Section 11.3 in addition to any rights and remedies at law or in equity.

11.2 Event of Default.

(a) Co-General Partner. An Event of Default shall occur with respect to the Co-General Partner upon the happening of any of the following events:

(i) The Bankruptcy of the Co-General Partner, the Developer, the Guarantors, or any Affiliate of the Co-General Partner; provided that a Bankruptcy of such Guarantor shall not trigger the rights set forth in Section 11.3 if: (1) a replacement guarantor is identified within 15 days of the Bankruptcy, (2) such replacement Guarantor meets the net worth and liquidity requirements applicable to the Guarantor pursuant to this Agreement and the Unconditional Guaranty, (3) such replacement Guarantor is acceptable to the Investor Limited Partner in its sole discretion, and (4) such replacement Guarantor signs the Unconditional Guaranty or such successive document as requested and approved by the Investor Limited Partner;

(ii) A material breach by the Co-General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of the Co-General Partner to cure such default within thirty (30) days after written notice from a Limited Partner; provided, however, that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the Co-General Partner to cure such default within sixty (60) days, provided that the Co-General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the Co-General Partner is diligently pursuing a cure;

(iii) A breach by the Guarantor of any obligation under the Guaranty which the Guarantor fails to cure within any cure period applicable under the Guaranty;

(iv) The failure of the Co-General Partner to have taken all steps necessary to assure Completion on or before the Outside Completion Date within 45 days of written notice of the determination by the Special Limited Partner that Completion is unlikely to occur by the Outside Completion Date;

(v) A default by the Partnership or the Co-General Partner under any Project Document which has or may have a material adverse impact on the Limited Partners, the Partnership or the Project, which the Co-General Partner fails to cure or cause to be waived within any cure period applicable under the relevant Project Documents;

(vi) A default under the Loan Documents, which the Co-General Partner fails to cure or cause to be waived by the Lender within any cure period applicable under the relevant Loan Documents;

(vii) The violation by the Co-General Partner of any law, regulation or order of any Authority applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; provided, however, that if such violation is of the type that can be cured, then the failure to cure such violation within thirty (30) days after receipt of written notice thereof from a Limited Partner; or

(viii) Fraud, misrepresentation or willful misconduct by the Co-General Partner or the material breach by the Co-General Partner of its fiduciary duties as a General Partner of the Partnership.

(b) Managing General Partner. An Event of Default shall occur with respect to the Managing General Partner upon the happening of any of the following events:

(i) The Bankruptcy of the Managing General Partner or any Affiliate of the Managing General Partner;

(ii) A material breach by the Managing General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of the Managing General Partner to cure such default within thirty (30) days after receipt by Managing General Partner of written notice from a Limited Partner; provided, however, that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the Managing General Partner to cure such default within sixty (60) days, provided that the Managing General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the Managing General Partner is diligently pursuing a cure;

(iii) A default by the Managing General Partner under any Project Document which has or may have a material adverse impact on the Limited Partners, the Partnership or the Project, which the Managing General Partner fails to cure or cause to be waived after receipt of all applicable written notices and the expiration of all applicable cure periods under the relevant Project Documents;

(iv) The violation by the Managing General Partner of any law, regulation or order applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; provided, however, that if such violation is of the type that can be cured, the failure to cure such violation within thirty (30) days after receipt of written notice thereof from a Limited Partner; or

(v) Fraud, misrepresentation or willful misconduct by the Managing General Partner or the material violation by the Managing General Partner of its fiduciary duties as a General Partner of the Partnership.

11.3 Remedies.

(a) For as long as any Event of Default shall be continuing beyond the applicable cure period, the Special Limited Partner shall have the right, but not the obligation, to remove the Defaulting General Partner and appoint itself or its affiliated designee as substitute Co-General Partner or Managing General Partner, as applicable, and acquire in consideration of a cash payment of \$100 the Partnership Interest of the Defaulting General Partner exercisable by written Notice of Default to the Defaulting General Partner of the Event of Default, stating in such notice the effective date of its removal. Notwithstanding anything to the contrary contained herein, a Defaulting General Partner may be removed prior to the expiration of any applicable cure period in the event the Special Limited Partner reasonably determines it is necessary to protect the interests of the Partnership or the Investor Limited Partner from immediate harm or loss. Upon its removal, the Co-General Partner shall forfeit its Partnership Interest and the Co-General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Co-General Partner provided in this Agreement. Upon its removal, the Managing General Partner shall forfeit its Partnership Interest and the Managing General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Managing General Partner provided in this Agreement. Notwithstanding the foregoing, in the event that the Defaulting General Partner is the Managing General Partner, the Co-General Partner shall have ninety (90) days to identify a replacement Managing General Partner satisfactory to the Special Limited Partner in its sole discretion. If the Co-General Partner fails to select a replacement Managing General Partner within such 90-day period, the Special Limited Partner shall have the right to appoint a replacement Managing General Partner that is a qualified non-profit organization or limited liability company which satisfies all of the requirements set forth in Section 7.18(a).

(b) Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to evidence the removal of any Defaulting General Partner and the admission of a replacement General Partner after an Event of Default.

(c) The removal of the Defaulting General Partner shall not affect any of the rights of the Defaulting General Partner or its Affiliates to (i) receive distributions or fees with respect to the period prior to the removal of such Defaulting General Partner; (ii) receive fees earned (even if the payment of such fees has been deferred) or repayment of loans; nor (iii) affect the rights of the Developer to receive the Development Fee (including the Deferred Development Fee) or payments pursuant to this Agreement; provided that such payments shall be subject to set-off by the Partnership and the Limited Partners for any monies owed under the Guaranty, or hereunder and shall be further subject to set-off for Special Limited Partner's costs, including attorneys' fees, incurred in a contested removal action of the Defaulting General Partner. Neither the Defaulting General Partner nor any of its Affiliates shall have any right to receive any

distributions, payments or fees of any kind with respect to the period after the removal of such Defaulting General Partner. The Partnership may offset against any payments to the Defaulting General Partner removed, or an Affiliate of the removed Defaulting General Partner, under this Section (including without limitation the Development Fee) any damages suffered by the Partnership as a result of any event which caused the removal or any breach of such Defaulting General Partner hereunder. The Defaulting General Partner shall not be liable for any obligations or liabilities incurred by the Partnership from and after the time of its removal, nor shall any Guarantor be liable under the Guaranty for any liabilities incurred by the Partnership with respect to the removed Defaulting General Partner if the removed Defaulting General Partner is the Co-General Partner, from and after the time of the Co-General Partner's removal from the Partnership. Notwithstanding anything to the contrary contained herein, if the Defaulting General Partner is the Co-General Partner and if the Deferred Development Fee is outstanding at the time of such removal, such Deferred Development Fee shall become immediately due and payable in full and shall be paid not pursuant to Article 5 but only by the Defaulting Co-General Partner in the manner set forth in Section 3.1(a). Upon removal, the Co-General Partner or the Managing General Partner, as applicable, shall cease to have any managerial rights whatsoever under this Agreement and shall forthwith surrender and make available to the Special Limited Partner or its designee all Partnership records, books of account and accounts held by banks or other financial institutions on behalf of the Partnership.

(d) Notwithstanding the foregoing, for as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner or any Entity which is an affiliated designee of the Special Limited Partner (an "**SLP Affiliate**"), may elect to become an additional Co-General Partner or Managing General Partner, as applicable, with all the rights and privileges of an Co-General Partner or Managing General Partner, as applicable. Upon such election by the Special Limited Partner or such SLP Affiliate and such consent, the Special Limited Partner or such SLP Affiliate shall automatically become and shall be deemed an Co-General Partner or Managing General Partner, as applicable, and each Partner hereby irrevocably appoints the Special Limited Partner or such SLP Affiliate (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 11.3(d). If the Special Limited Partner or such SLP Affiliate shall become an additional Co-General Partner or Managing General Partner, as applicable, as herein stated, its Interest shall not be increased thereby (except that the Special Limited Partner may assign its Interest to such SLP Affiliate). In the event of the admission of the Special Limited Partner or such SLP Affiliate as a Co-General Partner or Managing General Partner, as applicable, pursuant to this Section 11.3(d), and if there are then any other Co-General Partners or Managing General Partners, as applicable, the Special Limited Partner or such SLP Affiliate shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the Co-General Partners or Managing General Partners, as applicable, and the rights and authority of the remaining Co-General Partners or Managing General Partners, as applicable, shall be deemed equally divided among them; provided, however, that unless the Managing General Partner is being removed, the foregoing shall not in any way affect the Substantial Management Duties of the Managing General Partner under Section 7.18 of this Agreement. At the election of the Special Limited Partner or such SLP Affiliate, the Interest of any of the remaining Co-General Partners or Managing General Partners, as applicable, shall either (i) remain as Co-General Partners or

Managing General Partners, as applicable, with an aggregate authority and voting rights of 49%; or (ii) be converted to a special limited partner interest.

(e) Co-General Partner Right to Remove Managing General Partner upon Default. Notwithstanding any other provisions in this Agreement, the Co-General Partner, subject to the Investor Limited Partner's consent, may remove the Managing General Partner for any of the following reasons upon prior written notice to the Managing General Partner of the Co-General Partner's election to remove the Managing General Partner pursuant to this section and a reasonable opportunity to cure (not to exceed thirty (30) days). Concurrently with the removal of the Managing General Partner, the Co-General Partner shall be permitted to locate a replacement partner qualified as a "managing general partner," as such term is used in Section 214(g) of the CRT, and as further defined in the BOE property tax rules, which replacement managing general partner shall be subject to the approval of the Special Limited Partner, which approval shall not be unreasonably conditioned or delayed:

(i) for any intentional misconduct or failure to exercise reasonable care by the Managing General Partner with respect to any material matter in the discharge of its duties and obligations as Managing General Partner (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Property or assets of the Partnership);

(ii) the Managing General Partner shall have violated any material provisions of any agreements binding on or applicable to the Property or the Partnership or any applicable laws;

(iii) the Managing General Partner shall have conducted its own affairs or the affairs of the Partnership in such manner as would be likely, in the opinion of counsel to the Partnership to: (i) cause the termination of the Partnership for federal income tax purposes; or (ii) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation; or (ii) an event of Bankruptcy has occurred with respect to such Managing General Partner;

(iv) the Managing General Partner has ceased to qualify as a "managing general partner," as such term is used in Section 214(g) of the CRT, and as further defined in the BOE property tax rules or the Managing General Partner shall fail to procure the Property Tax Exemption for any year;

(v) The Managing General Partner fails to execute the certification required by Section 214(g) of the CRT;

(vi) There is a change of control of the management of the Managing General Partner; or

(vii) The Managing General Partner shall act in a manner so as to cause the Guarantor to have any liability under any guaranties executed by the Guarantor in connection with the Project.

Upon such removal, the interest of the Managing General Partner shall be purchased by the Partnership, or, at the election of the Co-General Partner, be purchased by the Co-General Partner or its designee, including any such replacement managing general partner described above. The purchase price of the Managing General Partner's interest shall be \$100. Upon the purchase of its Interest pursuant to this section, and without further action, the Managing General Partner shall cease to have any rights or obligations under this Partnership Agreement.

(f) The rights and remedies set forth in this Section 11.3 are non-exclusive and are in addition to any other rights and remedies the Limited Partners may have under this Agreement or at law or in equity. Specifically, notwithstanding the foregoing, the Limited Partners may seek the judicial appointment of a receiver for the Partnership.

ARTICLE 12
DISSOLUTION, LIQUIDATION AND TERMINATION OF PARTNERSHIP

12.1 Limitations.

The Partnership may be dissolved, liquidated and terminated pursuant to and only pursuant to the provisions of this Article 12, and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Partnership or a sale or partition of the Partnership and/or any or all of its assets. The parties hereto do hereby covenant and agree that, except as otherwise provided in this Article 12, neither the dissolution nor the Withdrawal from the Partnership for any other reason of any of the parties hereto nor the admission to the Partnership of a Substituted Partner pursuant to the provisions of Article 10 shall cause the Partnership to be dissolved, liquidated or terminated.

12.2 Exclusive Causes.

The following and only the following events shall cause the Partnership to be dissolved liquidated and terminated:

- (a) The Partnership shall exist in perpetuity and shall have no specific term;
- (b) The sale, condemnation or other disposition of all or substantially all of the Partnership's Property as a whole; provided, however, that if all or substantially all of the Property is sold in a sale with a portion of the purchase price payable in installments, the Partnership shall not be dissolved, liquidated or terminated until all payments thereunder have been received by the Partnership and all claims in connection therewith have been resolved;
- (c) The agreement of all of the Partners;
- (d) Entry of a decree of judicial dissolution under the Act; or
- (e) The happening of any of the events set forth in the Act that affects any then sole remaining General Partner and thereby results in the dissolution of the Partnership by operation of law unless (i) at the time there is at least one General Partner who is hereby authorized to continue the business of the Partnership and, in part, does so, or (ii) each of the remaining Partners elects in writing within ninety (90) days to continue the Partnership and elect a new General Partner.

12.3 Liquidation.

In all cases of dissolution of the Partnership, the business of the Partnership shall be continued to the extent necessary to allow an orderly winding up of its affairs, including the liquidation and termination of the Partnership pursuant to the provisions of this Section and Sections 12.4 and 12.5, as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Partner shall cause to be prepared a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, a copy of which statement shall be furnished to the other Partners.

(b) The property and assets of the Partnership shall be liquidated by the Liquidating Partner as promptly as possible, but in an orderly and businesslike manner. In the event that the Partnership elects to sell assets to third parties, the Limited Partners shall have the right of first refusal to purchase any or all of the assets of the Partnership for their fair market value (at the price determined in Section 13.13). In all other cases, the Liquidating Partner may, in the exercise of its business judgment, determine not to sell all or any portion of the property and assets of the Partnership, in which event such property and assets shall be distributed in kind pursuant to Section 12.3(d).

(c) Any gain or loss realized by the Partnership upon the sale of its property and assets shall be deemed recognized and allocated to the Partners in the manner set forth in Article 6. To the extent that an asset is to be distributed in kind, such asset shall be deemed to have been sold at its fair market value on the date of distribution, the gain or loss deemed recognized upon such deemed sale shall be allocated in accordance with Article 6 and the amount of the distribution shall be considered to be such fair market value of the asset. If the Partners cannot agree upon such fair market value, the same shall be determined by appraisal as provided in Section 13.13.

(d) The proceeds of sale and all other assets of the Partnership, including Operating Cash Flow and Extraordinary Cash Proceeds of the Partnership, shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of the debts and liabilities of the Partnership and the expenses of liquidation;

(ii) To the setting up of any reserves which the Liquidating Partner shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Partnership or the Partners arising out of or in connection with the Partnership. Such reserves shall be held for such period as the Liquidating Partner shall deem advisable, and upon the expiration of such period, any remaining balance shall be distributed as provided in clause (iii) of this Section; and

(iii) To the Partners in accordance with their positive Capital Account balances (after taking into account the allocations made pursuant to Section 6.1) in compliance with Regulations § 1.704-1(b)(2)(ii)(b)(2).

(e) Distributions in liquidation shall be made by the end of the Fiscal Year in which liquidation occurs or, if later, within ninety (90) days of the liquidation event and shall otherwise comply with Regulations Section 1.704-1(b).

12.4 Liquidating Partner.

The Liquidating Partner shall, upon the final dissolution of the Partnership, file an appropriate certificate to such effect in the proper governmental office or offices under the Act as then in effect. Notwithstanding the foregoing, each Partner, upon the request of the Liquidating Partner, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Partner shall reasonably request to effectuate the proper dissolution, liquidation and termination of the Partnership, including the winding up of the business of the Partnership.

12.5 Termination of Partnership.

The Partnership shall be terminated upon (a) completion of any dissolution and liquidation thereof pursuant to the provisions of this Article 12, and (b) preparation, execution, acknowledgment, filing, recordation, publication, delivery and/or cancellation of any instruments, documents or statements if and as required by the Act, the Code or any other applicable laws.

ARTICLE 13
MISCELLANEOUS

13.1 Notices.

Notices shall be in writing and shall be either (a) given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by electronic copy, promptly confirmed in writing (which confirmation writing may be via e-mail from the party so noticed), or (c) sent by personal delivery by a nationally recognized courier service (e.g., Federal Express) for next day delivery. The current addresses of the Partners are as follows:

If to the Co-General Partner:

LA78 GP, LLC

c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211
Attn: Robert Budman
Email: rob@blvdcrei.com

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

With a copy to:

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
Attention: Ofer Elitzur, Esq.
Telephone: (415) 262-5165
Email: oelitzur@coxcastle.com

If to the Managing General Partner

IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

With a copy to (which shall not constitute notice):

Chernove & Associates, Inc.
16027 Ventura Blvd, Suite 660
Encino, CA 91436
Attn: Sheldon B. Chernove, Esq.
Tel: (818) 377-8102
Email: schernove@chernovelaw.com

If to the Investor Limited Partner:

Aegon LIHTC Fund 55, LLC
c/o AEGON USA Realty Advisors, LLC
6300 C Street SW, MS 3B-CR
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
E-mail: lihtcreporting@aegonusa.com

With a copy to:

Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, MA 02110
Attn: John R. Condon, Esq.
E-mail: jcondon@kleinhornig.com

If to the Special Limited Partner:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
6300 C Street SW, MS 3B-CR
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
E-mail: lihtcreporting@aegonusa.com

Any Partner may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section. A Notice sent in compliance with

the provisions of this Section shall be deemed delivered when actually received by the party to whom sent.

13.2 Entire Agreement; Modifications.

(a) This Agreement, including all Exhibits attached hereto, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

(b) No changes in, additions to or modifications of this Agreement shall be valid or of any force unless such change or modification is in writing signed by each of the Partners.

13.3 Section Headings.

The Section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

13.4 Parties in Interest.

Except as expressly provided to the contrary herein, this Agreement shall be binding upon each successor to, and assign of, the parties, and inure to the benefit of each permitted successor to, and assign of, the parties.

13.5 Further Assurances.

Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other reasonable action, as may be required by law or necessary or useful effectively to carry out the purposes of this Agreement.

13.6 Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute a single agreement, binding on all of the parties hereto, their successors and their assigns. Each counterpart signature page so executed may be attached to a master counterpart of this Agreement to be kept by the Partnership at the principal office of the Partnership and such master counterpart as well as any and all other counterparts executed by any of the parties hereto shall constitute a single agreement.

13.7 Legal Action, Jurisdiction, Service and Fees.

In the event of any controversy, claim or dispute between the parties hereto, or between a party hereto and the Partnership, arising out of or relating to this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party its reasonable expenses, including attorneys' fees and costs. Any legal action or proceeding with respect to this Agreement may be

brought in the courts of the States of California or Iowa or of the United States of America for the District of Iowa or the Central District of California, and by execution and delivery of this Agreement, each Partner and any other party hereto hereby accepts, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Partner and other party hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to such Partner and other party hereto at his address set forth in this Agreement, and service so made shall be deemed complete seven (7) days after the same shall have been so mailed.

13.8 Severability.

Any provisions of this Agreement which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Agreement.

13.9 Governing Law.

This Agreement, including its existence, validity, construction and operating effect, and the rights of each of the parties hereto, shall be governed by and construed in accordance with the internal laws of the State without regard to conflict of laws principles.

13.10 Extension Not a Waiver; Timing of Performance.

No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Partner or the Partnership shall impair or affect the right of such Partner or the Partnership thereafter to exercise the same. Any extension of time or other indulgence granted to a Partner hereunder shall not otherwise alter or affect any power, remedy or right of any other Partner or of the Partnership, or the obligations of the Partner to whom such extension or indulgence is granted. Whenever any obligation contained in this Agreement (which is an obligation solely of this Agreement and is not an obligation controlled by another Project Document) shall be stated to be required on a day that is not a Business Day, such obligation shall be due on the first Business Day immediately thereafter.

13.11 Construction.

This Agreement has been negotiated at arm's length and between parties who are sophisticated and knowledgeable in the subject matter hereof and who have been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decisions that would require interpretation of any ambiguity in this Agreement against the party that has drafted it shall not apply and are hereby waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent of the parties and the purposes of the Partnership. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership.

13.12 Consents.

Any consent or approval to any act or matter required under this Agreement must be in writing and may not be unreasonably withheld or delayed, except as otherwise specifically

provided herein, and shall apply only with respect to the particular act or matter to which such consent or approval is given, and shall not relieve any Partner from the obligation to obtain the consent or approval, as applicable, wherever required under this Agreement to any other act or matter. The Limited Partners have delegated to the Asset Manager any consent or approval rights granted to the Limited Partners pursuant to this Agreement.

13.13 Appraisal.

Any appraisal required to be made pursuant to this Agreement shall be made as follows:

(a) Either the Co-General Partner or the Investor Limited Partner may serve written notice upon the other Partner stating that an appraisal shall be conducted pursuant to this Section 13.13. In such event, unless otherwise expressly provided to the contrary in this Agreement, within thirty (30) days after receipt of any such notice, either (i) the Partners shall nominate and appoint a single appraiser, or, failing that, (ii) the noticing Partner and the other Partner shall each nominate and appoint one appraiser. Upon the appointment of the two appraisers as hereinabove provided, the two appraisers so appointed shall, within fifteen (15) days after the appointment of the second appraiser and before exchanging views as to the questions at issue, appoint a third appraiser and give written notice of such appointment to the Partners. In the event that a Partner fails to appoint an appraiser within the thirty (30) day period set forth above, the appraiser appointed by the other Partner shall make the appraisal. If the two appraisers selected by the Partners shall fail to appoint or agree upon the third appraiser within the fifteen (15) day period outlined above, a third appraiser may be selected by the Partners if they can agree upon such third appraiser within a further period of ten (10) days; otherwise, any Partner may apply to any federal or state court of or sitting in the State having jurisdiction for the appointment of any appraiser not appointed or agreed upon within the time periods herein provided.

(b) The appraiser or appraisers shall promptly make the appraisal contemplated herein, set forth their results in writing, and give notice of the same to the Partners. If two of the three appraisers shall render a concurring determination, then that concurring determination shall be conclusive and binding on the Partners. If no two of the three appraisers shall render a concurring determination, then the determination of the third appraiser selected by the two appraisers appointed by the Partners shall be conclusive and binding upon the Partners; provided, however, that if the determination of the third appraiser shall be lower than the lowest determination of the other two appraisers, or higher than the highest determination of the other two appraisers, the final determination shall be the median determination of the three appraisers. The Partnership shall pay the fees and expenses of the appraiser(s).

(c) Any appraiser appointed hereunder shall be an appraiser with at least five (5) years' experience in appraising property of the same type as the Project and shall be MAI (Member of the Appraisal Institute) certified.

13.14 Disclosure of Due Diligence, Books, Records and Reports; Further Assurances Relating to a Transfer.

The Limited Partners shall have the right to disclose any information received by the Limited Partners in conjunction with their investment in the Partnership to (i) any entity holding,

either directly or indirectly, an ownership interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, (ii) any entity who is considering acquiring, either directly or indirectly, an interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, and (iii) the Asset Manager and their advisors, consultants, attorneys, accountants and other similar agents. Such disclosure may include, without limitation, any or all documents set forth in Exhibit K, the books and records of the Partnership maintained in accordance with the provisions of Section 8.1, and any tax returns or financial reports provided to the Limited Partners pursuant to Sections 8.2 and 8.3. The General Partners acknowledge and agree that the Investor Limited Partner may elect to transfer its interest to another investment entity sponsored by AEGON USA Realty Advisors, LLC. The General Partners agree to execute or obtain and deliver any amendments and supplements to this Partnership Agreement, legal opinions, title policy endorsements, ALTA Surveys, estoppel certificates, and other closing documents and otherwise to cooperate with the Investor Limited Partner in order to satisfy the due diligence requirements of any potential investor and/or so to effect the transfer of the interest of the Investor Limited Partner in the Partnership.

13.15 Representation of Parties.

Each Partner hereby acknowledges and agrees that Cox, Castle & Nicholson LLP is the initial counsel (“**Initial Counsel**”) representing the Partnership and the Co-General Partner, and Klein Hornig LLP is the counsel representing the interests of the Limited Partners, and that the Initial Counsel does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or be representing any or all of the Limited Partners in any respect at any time.

13.16 Partition.

No Partner nor any successor or assignee of any Partner has the right to partition the Project or any part thereof or interest therein, or file a complaint or institute an action or proceeding at law or in equity to partition the Project or any part thereof or interest therein. Each Partner for itself and its successor and assigns waives any such rights. The Partners intend that during the term of this Agreement, the rights of the Partners and their successors in interest, as among themselves, are governed solely by the Agreement and the Act.

13.17 Limitation of Liability of Managing General Partner.

Other than for its fraud, or willful misconduct or material violation of its fiduciary duties as a General Partner of the Partnership, the Managing General Partner’s liability to the Partnership and the other Partners shall be limited to its Interests and neither the Managing General Partner nor its sole member or any person or entity with an interest in or who is in direct or indirect control of such member shall have any personal liability to the Partnership or Partners.

13.18 Limitation of Benefits.

It is the explicit intention of the Partners that no Person or entity other than the Partners 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 covenant, undertakings and agreements set forth in this Partnership Agreement shall be solely for the benefit of and shall be enforceable only by the Partners and the Partnership and their or its respective successors and assigns as permitted hereunder.

13.19 Representations and Warranties of the Limited Partners.

The Investor Limited Partner and the Special Limited Partner hereby represent and warrant each as to itself but not as to any matter involving the other, severally but not jointly, to the General Partners and the Partnership that the execution and delivery of this Agreement and each of the other documents and agreements described in this Agreement by the Special Limited Partner or the Investor Limited Partner, respectively, and the performance of the transactions contemplated by each of such documents, have been duly authorized by all requisite actions and proceedings, and will not conflict with or violate the organizational documents of the Investor Limited Partner or the Special Limited Partner, respectively, or result in a breach of, or default under, any instrument or agreement to which the Investor Limited Partner or the Special Limited Partner is a party or is bound or to which its property is subject. Each of the Investor Limited Partner and the Special Limited Partner is duly organized, validly existing and in good standing under the laws of the state of its organization.

13.20 Freddie Mac Rider.

The parties agree that the terms of the Freddie Mac Rider attached hereto as Schedule A are hereby incorporated into this Agreement. All capitalized terms used in Schedule A shall have the meanings ascribed to such terms in the Continuing Covenant Agreement.


[NO FURTHER TEXT ON PAGE; SIGNATURE PAGES DESIGNATED S-1 AND S-2 FOLLOW IMMEDIATELY HEREAFTER]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CO-GENERAL PARTNER:

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: 
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Kyle Paine, President

MANAGING GENERAL PARTNER:

IH CDP PARTNERSHIP LLC,
a California limited liability company

By: Affordable Housing Alliance II, Inc.
(d/b/a in the State of California as Integrity
Housing),
a Colorado nonprofit corporation
Its Sole Member

By: _____
Philip Wood, President

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

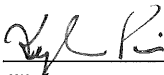
CO-GENERAL PARTNER:

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By:  _____
Kyle Paine, President

MANAGING GENERAL PARTNER:

IH CDP PARTNERSHIP LLC,
a California limited liability company

By: Affordable Housing Alliance II, Inc.
(d/b/a in the State of California as Integrity
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By: Affordable Housing Alliance II, Inc.
(d/b/a in the State of California as Integrity
Housing),
a Colorado nonprofit corporation
Its Sole Member

By: 
Philip Wood, President

INVESTOR LIMITED PARTNER:



AEGON LIHTC FUND 55, LLC, a Delaware limited liability company

By: Aegon Community Investments 55, LLC, a Delaware limited liability company, its managing member

By:  _____ 
Name: **LYNN C. AMBROSY**
Its: **VICE PRESIDENT**

SPECIAL LIMITED PARTNER:


TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation

By:  _____ 
Name: **Lindsay Schumacher**
Its: **Vice President**

WITHDRAWING LIMITED PARTNER:

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: 

Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Kyle Paine, President


WITHDRAWING LIMITED PARTNER:

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

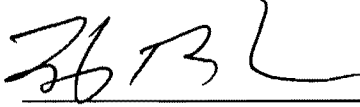
By:  _____
Kyle Paine, President

CONSENT AND AGREEMENT OF GENERAL PARTNER AFFILIATES

Each of the undersigned acknowledges that it is an Affiliate of the Co-General Partner and hereby executes this Agreement for the sole purpose of agreeing to the specified provisions of the foregoing Amended and Restated Agreement of Limited Partnership notwithstanding any provision of any other agreement between such Affiliate and the Partnership or any General Partner, including without limitation, the Development Agreement.

DEVELOPER (as to Sections 9.26 and 11.3)

BLVD CAPITAL, LLC,
a Delaware limited liability company

By: 
Robert Budman, Manager

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation

By: _____
Kyle Paine, President

CONSENT AND AGREEMENT OF GENERAL PARTNER AFFILIATES

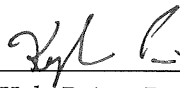
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DEVELOPER (as to Sections 9.26 and 11.3)

BLVD CAPITAL, LLC,
a Delaware limited liability company

By: _____
Robert Budman, Manager

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation

By:  _____
Kyle Paine, President

SCHEDULE A: FREDDIE MAC RIDER

Single Purpose Entity Requirements.

- (a) Single Purpose Entity Requirements. Until the Indebtedness is paid in full, each Borrower and any SPE Equity Owner will remain a “**Single Purpose Entity**,” which means at all times since its formation and thereafter it will satisfy each of the following conditions:
- (i) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.
 - (ii) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.
 - (iii) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.
 - (iv) It will not merge or consolidate with any other Person.
 - (v) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Continuing Covenant Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.
 - (vi) It will not, without the prior unanimous written consent of all of Borrower’s partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of Borrower or the SPE Equity Owner, take any of the following actions:
 - (A) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Borrower or any SPE Equity Owner be adjudicated bankrupt or insolvent.
 - (B) Institute proceedings under any applicable insolvency law.
 - (C) Seek any relief under any law relating to relief from debts or the protection of debtors.

- (D) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower or any SPE Equity Owner.
 - (E) File a petition seeking, or consent to, reorganization or relief with respect to Borrower or any SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency.
 - (F) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or a substantial part of its property or for any SPE Equity Owner or a substantial part of its property.
 - (G) Make any assignment for the benefit of creditors of Borrower or any SPE Equity Owner.
 - (H) Admit in writing Borrower's or any SPE Equity Owner's inability to pay its debts generally as they become due.
 - (I) Take action in furtherance of any of the foregoing.
- (vii) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in this Schedule A.
 - (viii) It will not own any subsidiary or make any investment in, any other Person.
 - (ix) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.
 - (x) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:
 - (A) The Indebtedness and any Supplemental Loans.
 - (B) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.
 - (C) through (H) are Reserved.
 - (xi) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that

Borrower's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of Borrower from such Affiliate and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets will also be listed on Borrower's own separate balance sheet.

- (xii) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of Borrower or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.
- (xiii) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.
- (xiv) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Project Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.
- (xv) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Financing Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).
- (xvi) It will file its own tax returns separate from those of any other Person, except to the extent that Borrower is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and will pay any taxes required to be paid under applicable law.
- (xvii) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.
- (xviii) It will 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 and will pay its debts and liabilities from its own assets as the same become due.

- (xix) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.
- (xx) It will pay (or cause the Property Manager to pay on behalf of Borrower from Borrower's funds) its own liabilities (including salaries of its own employees) from its own funds.
- (xxi) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.
- (xxii) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.
- (xxiii) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds.
- (xxiv) If such entity is a single member limited liability company, such entity will satisfy each of the following conditions:
 - (A) Be formed and organized under Delaware law.
 - (B) Have either one springing member that is a corporation or two springing members who are natural persons. If there is more than one springing member, only one springing member will be the sole member of Borrower or SPE Equity Owner (as applicable) at any one time, and the second springing member will become the sole member only upon the first springing member ceasing to be a member.
 - (C) Otherwise comply with all Rating Agencies' criteria for single member limited liability companies (including the delivery of Delaware single member limited liability company opinions acceptable in all respects to Funding Lender).
 - (D) At all times Borrower or SPE Equity Owner (as applicable) will have one and only one member.
- (xxv) If such entity is a single member limited liability company that is board-managed, such entity will have a board of Managers separate from that of Guarantor and any other Person and will cause its board of Managers to keep minutes of board meetings and actions and observe all other Delaware limited liability company required formalities.

(xxvi) If an SPE Equity Owner is required pursuant to this Schedule A if Borrower is (A) a limited liability company with more than one member, then Borrower has and will have at least one member that is an SPE Equity Owner that has satisfied and will satisfy the requirements of Section 6.13(b) of the Continuing Covenant Agreement and such member is its managing member, or (B) a limited partnership, then all of its general partners are SPE Equity Owners that have satisfied and will satisfy the requirements set forth in Section 6.13(b) of the Continuing Covenant Agreement.

(xxvii) Reserved.

(xxviii) Reserved.

LEGAL DESCRIPTION OF LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LOS ANGELES, IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: APN(s): 5058-024-017

LOT 1 OF TRACT NO. 23834, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 822, PAGES 3 AND 4 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPT FROM THAT PORTION OF SAID LAND WITHIN LOT 6 BLOCK 10 OF WEST ADAMS HEIGHTS TRACT, AS PER MAP RECORDED IN BOOK 2, PAGES 53 AND 54 OF MAPS, AND SUCH PORTIONS OF LA SALLE STREET ADJOINING AS WOULD PASS BY OPERATION OF LAW, WITH A CONVEYANCE OF SAID LOT 6 BLOCK 10, ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS, NATURAL GAS RIGHTS AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 100 FEET OF THE SUBSURFACE OF THE LAND, AS EXCEPTED BY CALVIN BLANTON AND ARTIZIMEASE BLANTON, IN DEED RECORDED MAY 05, 1960 AS INSTRUMENT NO. 1735, IN BOOK D-836, PAGE 828 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND AS WOULD PASS, BY OPERATIONS OF LAW, WITH A CONVEYANCE OF LOT 5 OF BLOCK 10 OF WEST ADAMS TRACT, AS PER MAP RECORDED IN BOOK 2, PAGES 53 AND 54 OF MAPS, ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS RIGHTS AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED

OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 100 FEET OF THE SUBSURFACE OF THE LAND HEREIN DESCRIBED, AS RESERVED IN THE DEED FROM SECURITY FIRST NATIONAL BANK, A CORPORATION, RECORDED JUNE 11, 1959 AS INSTRUMENT NO. 1737, IN BOOK D-498, PAGE 582 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM THAT PORTION OF SAID LAND LYING WITHIN THE BOUNDARIES OF LOTS 6, 7 AND 8 AND BLOCK 16 OF WEST ADAMS TRACT, AS PER MAP RECORDED IN BOOK 2, PAGES 53 AND 54 OF MAPS, ALL OIL, OIL RIGHTS, MINERALS, MINERAL RIGHTS, NATURAL GAS, NATURAL GAS RIGHTS, AND OTHER HYDROCARBONS BY WHATSOEVER NAME KNOWN THAT MAY BE WITHIN OR UNDER THE PARCEL OF LAND HEREINABOVE DESCRIBED, TOGETHER WITH THE PERPETUAL RIGHT OF DRILLING, MINING, EXPLORING AND OPERATING THEREFORE AND REMOVING THE SAME FROM SAID LAND OR ANY OTHER LAND, INCLUDING THE RIGHT TO WHIPSTOCK OR DIRECTIONALLY DRILL AND MINE FROM LANDS OTHER THAN THOSE HEREINABOVE DESCRIBED, OIL OR GAS WELLS, TUNNELS AND SHAFTS INTO, THROUGH OR ACROSS THE SUBSURFACE OF THE LAND HEREINABOVE DESCRIBED, AND TO BOTTOM SUCH WHIPSTOCKED OR DIRECTIONALLY DRILLED WELLS, TUNNELS AND SHAFTS UNDER AND BENEATH OR BEYOND THE EXTERIOR LIMITS THEREOF, AND TO REDRILL, RETUNNEL, EQUIP, MAINTAIN, REPAIR, DEEPEN AND OPERATE ANY SUCH WELLS OR MINES, WITHOUT, HOWEVER, THE RIGHT TO DRILL, MINE, EXPLORE AND OPERATE THROUGH THE SURFACE OR THE UPPER 100 FEET OF THE SUBSURFACE OF THE LAND HEREIN DESCRIBED, AS EXCEPTED BY CLYDE MAYFIELD CRAWFORD, ET UX., IN DEED RECORDED FEBRUARY 01, 1960 AS INSTRUMENT NO. 1465, IN BOOK D-735, PAGE 895 OF OFFICIAL RECORDS, AS TO LOT 6, AND AS RESERVED BY JOHN ROY PETTIS, A WIDOWER, RECORDED APRIL 13, 1961 AS INSTRUMENT NO. 1642, IN BOOK D-1187, PAGE 467 OF OFFICIAL RECORDS, AS TO LOT 7, AND AS EXCEPTED BY MAYMIE EISENSTEIN, A MARRIED WOMAN, RECORDED JANUARY 15, 1960 AS INSTRUMENT NO. 1148, IN BOOK D-721, PAGE 151 OF OFFICIAL RECORDS, AS TO LOT 8.

PARCEL B: APN(s): 5177-018-017

THE NORTHEASTERLY 64 FEET OF LOT 17, IN BLOCK "J", FOREST HEIGHTS TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGE 130 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL C: APN(s): 5539-012-022

LOT 216, CONNER'S SUBDIVISION OF THE JOHANNSEN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP

RECORDED IN BOOK 15, PAGE 86 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL D: APN(s): 5539-007-020

LOT 142, CONNER'S SUBDIVISION OF THE JOHANNSEN TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 15, PAGE 86 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

ALSO A STRIP OF LAND 5 FEET WIDE, ADJOINING SAID LOT ON THE SOUTH, FORMERLY A PART OF BURNS AVENUE, VACATED BY ORDINANCE NO. 29409 NEW SERIES OF THE CITY OF LOS ANGELES.

PARCEL E: APN(s): 5427-011-009

LOT 8 IN BLOCK "F" OF LINCOLNIAN HEIGHTS, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 18, PAGE 70 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL F: APN(s): 5155-003-005

LOT 9, BLOCK 3 OF DIAMOND STREET TRACT, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 23, PAGE 100 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

INITIAL ECONOMIC PROJECTIONS

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	6,982,069						
Freddie	16,500,000						
Seller Note	795,995						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	-						
Cashflow From Operations	-						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	300,380						
GP Loan	-						
TOTAL SOURCES OF FUNDS	24,578,444						
Surplus (Deficit)	-						
ACQUISITION COSTS							
Acquisition Land	1,618,000	x	x	x	x	x	1,618,000
Acquisition Building	11,253,292	11,253,292	11,253,292	x	x	x	x
Acquisition Building Commercial	-	-	x	x	x	x	x
Acquired Reserves	-	x	x	x	x	x	-
Site Improvement - Acquired	539,974	539,974	539,974	x	x	x	-
Furnishings - Acquired	2,188,617	2,188,617	2,188,617	x	x	x	-
HARD COSTS							
Construction	2,398,961	2,398,961	x	2,398,961	2,398,961	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	140,715	140,715	x	140,715	140,715	x	x
Contractor Profit	140,715	140,715	x	140,715	140,715	x	x
Performance Bonds	24,700	24,700	x	24,700	24,700	x	x
General Requirements	112,572	112,572	x	112,572	112,572	x	x
Furnishings	312,000	312,000	x	312,000	x	x	x
Site Improvements	220,340	220,340	x	220,340	x	x	-
Utility Hook Up Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 323,300	323,300	x	323,300	323,300	x	x
Commercial/Nonresidential Costs	-	-	x	-	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	x	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	x	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-
ARCHITECTURAL AND ENGINEERING							
Architect	95,615	60,615	x	60,615	60,615	x	x
Survey & Engineering	82,763	57,764	x	57,764	57,764	x	x
Environmental	151,800	151,800	x	151,800	151,800	x	x
Soils	-	-	x	-	x	x	x
Other	145,000	145,000		145,000			-
SOFT COSTS							
Relocation	273,000	273,000	x	273,000	273,000	-	x
Appraisal	7,750	7,750	x	7,750	7,750	x	x
Market Study	10,750	10,750		10,750	10,750		
Organizational	-	x	x	x	x	-	x
Professional	-	-		-	-	-	
Accounting	-	-		-	-	x	x
Cost Certification	27,500	20,001		20,001	20,001	x	x
Construction Period Taxes	8,330	8,330		8,330	8,330	-	x
Construction Period Insurance	48,650	48,650		48,650	48,650	-	x
Marketing (monthly term if not 180 mths)	8 19,500	x	x	x	x	19,500	x
Contingency	-	-		-	-	x	x
Tax Credit Fees	146,710	x	x	x	x	146,710	x
Syndication	21,134		x	x	x	x	21,134
Other Soft: Depreciable Expenses	10,110	10,110		10,110	10,110		-
Other Soft: Funded/Non-Depreciable Expenses	106,490			-	-	56,490	50,000
21974							
FEES							
Developer Fee - Rehabilitation	703,098	703,098	x	703,098	703,098	x	-
Developer Fee - Acquisition	2,097,282	1,941,283	1,941,283	x	x	x	155,999
Other Consultant	129,150	129,150		129,150	129,150	-	
Other Fees	-	-		-	-	-	
RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	93,958	x	x	x	x	x	93,958
Operating Reserve (No. Mths or Input)	4 477,528	x	x	x	x	x	477,528
Other Reserves	-	x	x	x	x	x	-
FINANCING							
Loan 1 - Fees and Legal	440,180	146,680	x	146,680	146,680	293,500	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	208,960	-	x	-	-	x	x
Other Loan Fees and Legal	-	-		-	-	-	x
Interest	-	-		-	-	-	x
Interest Override	-	-		-	-	-	x
TOTAL	24,578,444	21,369,167	15,923,166	5,446,001	4,768,661	516,200	2,416,619
Total Cost/Unit	\$315,108.26						
Hard Costs/Unit	\$42,948.72						
Total Cost/Square Footage	NC						
50% Test							
Depreciable basis +Land		22,987,167					
Tax-exempt Bonds		16,500,000					
% of Eligible Basis & Land financed by Tax-Exempt Bonds		71.78%					
50% Test Met		Yes					

Other Soft: Depreciable Expenses	
Item	Amount
Misc. Soft Cost	\$ 10,110
Item	
Item	
TOTAL	\$ 10,110

Other Soft: Funded/Non-Depreciable Expenses				
Item	Amount	Type	Funded Exp.	Non-Depreciable Exp.
Misc. Soft Cost	\$ 56,490	Funded	56,490	
Syndication Fee	\$ 50,000	Non-Depreciable		50,000
Item				
TOTAL	\$ 106,490		56,490	50,000

TAX CREDIT CALCULATION

	Rehab/New Construction	Acquisition	Federal HTC
Basis	5,446,001	15,923,166	4,768,661
Less:			
Below Market Federal Funds	-	x	x
Other	-	x	x
Other	-	x	x
	-	x	x
Eligible Basis	5,446,001	15,923,166	4,768,661
Percent Low-Income	100.00%	100.00%	
Basis Boost	118.46%	100%	
Tax Exempt Use			0%
Qualified Basis	6,451,550	15,923,166	4,768,661
Credit Rate	3.31%	3.31%	0.00%
Annual Credit (Calculated)	213,546	527,057	-
Credit Allocation Amount	740,599		
Minimum of Allocation or Calculated Credit	213,542	527,057	-
Limited Partner Share	99.99%	99.99%	99.99%
Limited Partner Credit	213,521	527,004	-
Investor Pricing	\$ 0.94	\$ 0.94	\$ -
Limited Partner Equity	2,007,096	4,953,838	-
Special Limited Partner Share	0.00%	0.00%	0.00%
Special Limited Partner Credit	-	-	-
Special Limited Partner Pricing	\$ 0.94	\$ 0.94	\$ -
Special Limited Partner Equity	-	-	-

Operations Summary

	<u>Total</u>
Potential Gross Residential Income	
LIHTC Income	1,731,816
Market Rate Income	0
<i>Other Income</i>	
App Fees	7,956
Tenant Charges	7,956
0	-
Effective Gross Residential Income	1,747,728
 Residential Vacancy	
LIHTC Vacancy	5.00% (86,591)
Market Rate Vacancy	7.00% 0
Other Income Vacancy	5.00% (796)
Effective Gross Rental Income	1,660,342
 Commercial Income	0
Commercial Vacancy	0.00% 0
Effective Gross Commercial Income	0
 Total Effective Gross Income	1,660,342
Less: Operating Expenses (incl. Taxes & Mgt Fees)	(429,865)
Net Operating Income	1,230,477
 Replacement Reserves	(27,300)
Cash Flow avail for Debt Service	1,203,177
Less: Debt Servicing Fees (if Applicable)	0
Net Available for Debt Service after Fees	1,203,177
 Debt Service	4.810% 975,418
Debt Service Coverage Ratio (Net of Debt svc fees)	1.233
 Expense Coverage Ratio	3.631821334
 Maximum Loan Amount @	17,698,021
Annual Payment	1,046,241
 Breakeven Occupancy	82%

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Upon Completion

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Gross			Net Rent	Monthly Rent	Annual Rent
						Max LIHTC	Gross Rent	Utility Allowance			
LIHTC						Escalations 2.00%			Vacancy 5.00%		
60%	1	2		-	43,640	1,091	1,785		1,785	3,570	42,840
50%	2	2		-	43,640	1,091	2,048		2,048	4,096	49,152
60%	2	10		-	52,360	1,309	2,048		2,048	20,480	245,760
50%	3	1		-	50,400	1,260	2,520		2,520	2,520	30,240
60%	3	5		-	60,480	1,512	2,520		2,520	12,600	151,200
50%	1	1		-	36,360	909	801		801	801	9,612
50%	1	1		-	36,360	909	1,523		1,523	1,523	18,276
60%	1	3		-	43,640	1,091	1,523		1,523	4,569	54,828
60%	1	3		-	43,640	1,091	961		961	2,883	34,596
50%	1	1		-	36,360	909	1,995		1,995	1,995	23,940
60%	1	9		-	43,640	1,091	1,995		1,995	17,955	215,460
50%	0	4		-	33,920	848	1,549		1,549	6,196	74,352
60%	0	13		-	40,720	1,018	1,549		1,549	20,137	241,644
50%	1	1		-	36,360	909	1,995		1,995	1,995	23,940
60%	1	2		-	43,640	1,091	1,995		1,995	3,990	47,880
50%	1	4		-	36,360	909	1,995		1,995	7,980	95,760
60%	1	6		-	43,640	1,091	1,995		1,995	11,970	143,640
60%	0	2		-	40,720	1,018	1,549		1,549	3,098	37,176
60%	1	8		-	43,640	1,091	1,995		1,995	15,960	191,520
Total		78		-					144,318	1,731,816	

MARKET

MARKET						Escalations 2.00%			Vacancy 7.00%		
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
Total		0		-					-	-	
Total Units		78		-					144,318	1,731,816	
Common Areas Circulation				-							
Total Residential SF				-							
Low-Income Ratio		100.00%		100.00%							

MISCELLANEOUS OTHER INCOME

	Monthly Per Unit	Monthly Income	Annual Income
Escalations 2.00%			
Vacancy 5.00%			
App Fees			7,956
Tenant Charges			7,956
Total Miscellaneous Other Income	\$17.00	1,326	15,912

OPERATING EXPENSES

Upon Completion

	Sensitivity Percent	Total	Per Unit	Adjusted Total
VARIABLE				
Marketing	100%	-	-	-
Administration	100%	25,397	325.60	25,397
Maintenance	100%	52,574	674.03	52,574
Utilities	100%	140,399	1,799.99	140,399
Other	100%	-	-	-
TOTAL VARIABLE		218,370	2,799.62	218,370
FIXED				
Insurance	100%	20,360	261.03	20,360
Payroll	100%	131,357	1,684.06	131,357
Other	100%	2,500	32.05	2,500
TOTAL FIXED		154,217	1,977.14	154,217
Project Operating Expenses		372,587	4,776.76	372,587
Escalations				3.00%
Real Estate Taxes	100%	10,478	134.33	10,478
Real Estate Tax Escalation				3.00%
Property Management Fee Percent or Property Management Fee Dollars		0.00% 46,800	600.00	46,800
Total Operating Expense Including Property Mgmt Fee and RE Taxes				429,865
Replacement Reserve				27,300
Total Operating Expense Including Property Mgmt Fee				457,165
		Per Unit	Total	
Replacement Reserve		350.00	27,300	

Start Date - input	
Start Date - Completion	Jun-19
Annual Escalation	3.00%
% Withdrawn	33.00%
Withdrawn Every	3 years
Interest on Reserve Deposits	0.50%

LEASE UP

			0	1850.23								
	Existing LIHTC	New LIHTC	Cumulative LIHTC Occupied	Existing LIHTC Rents	New LIHTC Rents	Total LIHTC Rents	LIHTC Vacancy				Units Taking Credits	
Nov-18		78	78	-	144,318	144,318	7,216	0	0	0	0	0
Dec-18			78	-	144,318	144,318	7,216	288636	14432	1	0	0
Jan-19			78	-	144,318	144,318	7,216	0	0	1	78	0
Feb-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Mar-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Apr-19			78	-	144,318	144,318	7,216	0	0	1	0	0
May-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Jun-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Jul-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Aug-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Sep-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Oct-19			78	-	144,318	144,318	7,216	0	0	1	0	0
Nov-19			78	-	147,204	147,204	7,360	0	0	1	0	0
Dec-19			78	-	147,204	147,204	7,360	2E+06	86880	2	0	0
Jan-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Feb-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Mar-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Apr-20			78	-	147,204	147,204	7,360	0	0	2	0	0
May-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Jun-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Jul-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Aug-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Sep-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Oct-20			78	-	147,204	147,204	7,360	0	0	2	0	0
Nov-20			78	-	150,148	150,148	7,507	0	0	2	0	0
Dec-20			78	-	150,148	150,148	7,507	2E+06	88614	3	0	0
Jan-21			78	-	150,148	150,148	7,507	0	0	3	0	0
Feb-21			78	-	150,148	150,148	7,507	0	0	3	0	0
Mar-21			78	-	150,148	150,148	7,507	0	0	3	0	0

CASH FLOW FROM OPERATIONS

	LIHTC	LIHTC	Market	Market	Other	Other	Commercial	Commercial	Net	Operating	Real Estate	Calculated	Paid	Net Operating	Replacement	Cash	To Dev	From	Cash	Hard
	Income	Vacancy	Income	Vacancy	Income	Vacancy	Income	Vacancy	Receipts	Expenses	Taxes	Property	Property	Income	Reserves	Flow	Budget	Reserves	Flow	DSC
2018	288,636	(43,296)	-	-	2,652	(132)	-	-	247,860	62,096	1,746	7,800	7,800	176,218	-	176,218	-	-	176,218	NC
2019	1,737,588	(86,880)	-	-	15,966	(796)	-	-	1,665,878	374,440	10,528	47,034	47,034	1,233,876	15,925	1,217,951	-	-	1,217,951	1.25
2020	1,772,336	(88,614)	-	-	16,290	(818)	-	-	1,699,194	385,680	10,842	48,446	48,446	1,254,226	28,119	1,226,107	-	-	1,226,107	1.26
2021	1,801,776	(90,084)	-	-	16,560	(828)	-	-	1,727,424	395,280	11,112	49,656	49,656	1,271,376	28,963	1,242,413	-	-	1,242,413	1.27
2022	1,837,812	(91,891)	-	-	16,891	(845)	-	-	1,761,967	407,136	11,450	51,140	51,140	1,292,241	29,831	1,262,410	-	-	1,262,410	1.29
2023	1,874,568	(93,728)	-	-	17,229	(861)	-	-	1,797,208	419,350	11,794	52,674	52,674	1,313,390	30,726	1,282,664	-	-	1,282,664	1.31
2024	1,912,059	(95,603)	-	-	17,574	(879)	-	-	1,833,151	431,931	12,148	54,254	54,254	1,334,818	31,648	1,303,170	-	-	1,303,170	1.34
2025	1,950,300	(97,515)	-	-	17,925	(896)	-	-	1,869,814	444,889	12,512	55,882	55,882	1,356,531	32,598	1,323,933	-	-	1,323,933	1.36
2026	1,989,306	(99,465)	-	-	18,284	(914)	-	-	1,907,211	458,236	12,887	57,558	57,558	1,378,530	33,576	1,344,954	-	-	1,344,954	1.38
2027	2,029,092	(101,455)	-	-	18,650	(933)	-	-	1,945,354	471,983	13,274	59,285	59,285	1,400,812	34,583	1,366,229	-	-	1,366,229	1.40
2028	2,069,674	(103,484)	-	-	19,023	(951)	-	-	1,984,262	486,142	13,672	61,064	61,064	1,423,384	35,620	1,387,764	-	-	1,387,764	1.42
2029	2,111,067	(105,553)	-	-	19,403	(970)	-	-	2,023,947	500,726	14,082	62,896	62,896	1,446,243	36,689	1,409,554	-	-	1,409,554	1.45
2030	2,153,288	(107,664)	-	-	19,791	(990)	-	-	2,064,425	515,748	14,504	64,783	64,783	1,469,390	37,790	1,431,600	-	-	1,431,600	1.47
2031	2,196,354	(109,818)	-	-	20,187	(1,009)	-	-	2,105,714	531,220	14,939	66,726	66,726	1,492,829	38,923	1,453,906	-	-	1,453,906	1.49
2032	2,240,281	(112,014)	-	-	20,591	(1,030)	-	-	2,147,828	547,157	15,387	68,728	68,728	1,516,556	40,091	1,476,465	-	-	1,476,465	1.51
2033	2,285,087	(114,254)	-	-	21,003	(1,050)	-	-	2,190,786	563,572	15,849	70,790	70,790	1,540,575	41,294	1,499,281	-	-	1,499,281	1.54

10		11		12		13		14		15		16		17				Cash Flow to Special Limited Partner	
0	Cash Flow	0	Cash Flow	0	Cash Flow	0	Cash Flow	GP Loan	Cash Flow	Operating / Other Reserve	Cash Flow	Other Fee 1	Cash Flow	Other Fee 2	Cash Flow	From Reserves	Cash Flow	Cash Flow to Limited Partner	Cash Flow to Special Limited Partner
32	33 #	35	36 #	38	39 #	41	42 #	44	45 #	47	48 #	50	51 #	53	54				
-	176,218	-	176,218	-	176,218	-	176,218	-	176,218	-	176,218	-	176,218	-	176,218	-	176,218	17,622	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	15,396	-	15,396	-	15,396	-	15,396	-	15,396	-	15,396	-	15,396	-	15,396	-	15,396	1,540	-
-	54,399	-	54,399	-	54,399	-	54,399	-	54,399	-	54,399	-	54,399	-	54,399	-	54,399	5,440	-
-	70,092	-	70,092	-	70,092	-	70,092	-	70,092	-	70,092	-	70,092	-	70,092	-	70,092	7,009	-
-	85,953	-	85,953	-	85,953	-	85,953	-	85,953	-	85,953	-	85,953	-	85,953	-	85,953	8,595	-
-	101,978	-	101,978	-	101,978	-	101,978	-	101,978	-	101,978	-	101,978	-	101,978	-	101,978	10,198	-
-	118,167	-	118,167	-	118,167	-	118,167	-	118,167	-	118,167	-	118,167	-	118,167	-	118,167	11,817	-
-	134,522	-	134,522	-	134,522	-	134,522	-	134,522	-	134,522	-	134,522	-	134,522	-	134,522	13,452	-
-	151,035	-	151,035	-	151,035	-	151,035	-	151,035	-	151,035	-	151,035	-	151,035	-	151,035	15,104	-
-	167,711	-	167,711	-	167,711	-	167,711	-	167,711	-	167,711	-	167,711	-	167,711	-	167,711	16,771	-
-	184,542	-	184,542	-	184,542	-	184,542	-	184,542	-	184,542	-	184,542	-	184,542	-	184,542	18,454	-
-	201,530	-	201,530	-	201,530	-	201,530	-	201,530	-	201,530	-	201,530	-	201,530	-	201,530	20,153	-
-	218,673	-	218,673	-	218,673	-	218,673	-	218,673	-	218,673	-	218,673	-	218,673	-	218,673	21,867	-
-	235,965	-	235,965	-	235,965	-	235,965	-	235,965	-	235,965	-	235,965	-	235,965	-	235,965	23,597	-
-	253,406	-	253,406	-	253,406	-	253,406	-	253,406	-	253,406	-	253,406	-	253,406	-	253,406	25,341	-

LOSS

	Net Operating Income	Interest on Invested Loan Proceeds	Interest Income	Freddie	Freddie MIP	Seller Note	0	0	0	0	0	0	0	Non-Profit Management Fee	Incentive Management Fee	LP Asset Mgmt Fee	Other Fee 1	Other Fee 2	Deferred Developer Fee	GP Loan	Depreciation	Funded Expense	Income / (Loss) / Initial Income / (Loss) to LP	Reallocation of Loss	Adjusted Income / (Loss) to LP	Initial Income / (Loss) to SLP	Reallocation of Loss	Adjusted Income / (Loss) to SLP
2018	176,218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,783,568	5,503	(2,612,853)	(2,612,591)	-	(2,612,591)	-	-
2019	1,233,876	-	1,704	789,589	-	25,631	-	-	-	-	-	-	-	-	138,565	5,150	-	-	24,030	-	1,060,878	50,327	(717,792)	(717,720)	-	(717,720)	-	-
2020	1,254,226	-	3,016	780,451	-	26,456	-	-	-	-	-	-	-	-	207,291	5,305	-	-	6,784	-	603,608	35,702	(339,474)	(339,440)	-	(339,440)	-	-
2021	1,271,376	-	3,174	770,863	-	27,308	-	-	-	-	-	-	-	-	211,436	5,464	-	-	-	-	603,608	35,702	(375,527)	(375,489)	-	(375,489)	-	-
2022	1,292,241	-	3,336	760,804	-	28,188	-	-	-	-	-	-	-	-	215,665	5,628	-	-	-	-	608,458	35,702	(354,475)	(354,439)	-	(354,439)	-	-
2023	1,313,390	-	3,383	750,251	-	29,095	-	-	-	-	-	-	-	-	219,978	5,796	-	-	-	-	611,369	35,702	(330,937)	(330,903)	-	(330,903)	-	-
2024	1,334,818	-	3,556	739,178	-	30,032	-	-	-	-	-	-	-	-	224,378	5,970	-	-	-	-	608,264	35,702	(300,576)	(300,545)	-	(300,545)	-	-
2025	1,356,531	-	3,734	727,561	-	30,999	-	-	-	-	-	-	-	-	228,865	6,149	-	-	-	-	615,840	35,702	(280,185)	(280,157)	-	(280,157)	-	-
2026	1,378,530	-	3,683	715,373	-	31,997	-	-	-	-	-	-	-	-	233,442	6,334	-	-	-	-	621,502	35,702	(257,375)	(257,349)	-	(257,349)	-	-
2027	1,400,812	-	3,872	702,585	-	33,028	-	-	-	-	-	-	-	-	238,111	6,524	-	-	-	-	614,065	35,702	(220,472)	(220,449)	-	(220,449)	-	-
2028	1,423,384	-	4,066	689,169	-	34,091	-	-	-	-	-	-	-	-	242,874	6,720	-	-	-	-	622,177	35,702	(198,324)	(198,304)	-	(198,304)	-	-
2029	1,446,243	-	3,939	675,093	-	35,189	-	-	-	-	-	-	-	-	247,731	6,921	-	-	-	-	630,057	21,031	(160,782)	(160,765)	-	(160,765)	-	-
2030	1,469,390	-	4,145	660,324	-	36,322	-	-	-	-	-	-	-	-	252,686	7,129	-	-	-	-	618,934	21,031	(117,728)	(117,716)	-	(117,716)	-	-
2031	1,492,829	-	4,357	644,830	-	37,491	-	-	-	-	-	-	-	-	257,739	7,343	-	-	-	-	627,447	21,031	(93,428)	(93,418)	-	(93,418)	-	-
2032	1,516,556	-	4,170	628,573	-	38,699	-	-	-	-	-	-	-	-	262,894	7,563	-	-	-	-	637,212	21,031	(69,871)	(69,864)	-	(69,864)	-	-
2033	1,540,575	-	4,395	611,517	-	39,945	-	-	-	-	-	-	-	-	-	-	-	-	-	-	623,013	20,403	(20,365)	(20,363)	-	(20,363)	-	-

INVESTMENT BENEFIT SCHEDULE

LIMITED PARTNER

Year	Investor Equity	Closing Cost	Federal LIHTC	Net State LIHTC Tax Credits	Federal HTC	Net State Historic Tax Credits	Adjusted Income / (Loss)	Tax Savings / (Expense)	Cash Flow	Total Benefit	Annual Net Benefit	Cumulative Net Benefits
2018	2,096,345	-	-	-	-	-	(2,612,591)	548,644	17,622	566,266	(1,530,079)	(1,530,079)
2019	4,810,724	-	740,525	-	-	-	(717,720)	150,721	-	891,246	(3,919,478)	(5,449,557)
2020	75,000	-	740,525	-	-	-	(339,440)	71,282	1,540	813,347	738,347	(4,711,210)
2021	-	-	740,525	-	-	-	(375,489)	78,853	5,440	824,818	824,818	(3,886,392)
2022	-	-	740,525	-	-	-	(354,439)	74,432	7,009	821,966	821,966	(3,064,427)
2023	-	-	740,525	-	-	-	(330,903)	69,490	8,595	818,610	818,610	(2,245,817)
2024	-	-	740,525	-	-	-	(300,545)	63,114	10,198	813,837	813,837	(1,431,980)
2025	-	-	740,525	-	-	-	(280,157)	58,833	11,817	811,175	811,175	(620,805)
2026	-	-	740,525	-	-	-	(257,349)	54,043	13,452	808,020	808,020	187,215
2027	-	-	740,525	-	-	-	(220,449)	46,294	15,104	801,923	801,923	989,138
2028	-	-	740,525	-	-	-	(198,304)	41,644	16,771	798,940	798,940	1,788,078
2029	-	-	0	-	-	-	(160,765)	33,761	18,454	52,215	52,215	1,840,293
2030	-	-	-	-	-	-	(117,716)	24,720	20,153	44,873	44,873	1,885,166
2031	-	-	-	-	-	-	(93,418)	19,618	21,867	41,485	41,485	1,926,651
2032	-	-	-	-	-	-	(69,864)	14,671	23,597	38,268	38,268	1,964,919
2033	-	-	-	-	-	-	(20,363)	4,276	25,341	29,617	29,617	1,994,536
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	6,982,069	0	7,405,249	0	0	0	(6,449,512)	1,354,396	216,960	8,976,605	1,994,536	(10,364,270)
Disposition in Year		2034					(294,463)	61,837	0	61,837		61,837
Total	6,982,069	0	7,405,249	0	0	0	(6,743,975)	1,416,233	216,960	9,038,442	1,994,536	(10,302,433)

CAPITAL ACCOUNT ANALYSIS

Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital Contributions	Syndication Costs	Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
2018	(2,612,853)	2,096,345	(21,134)	(2,612,591)	-	17,622	(555,002)	555,002	555,002	(555,002)
2019	(717,792)	4,810,724		(717,720)	-	-	3,538,002	-	-	3,538,002
2020	(339,474)	75,000		(339,440)	-	1,540	3,272,022	-	-	3,272,022
2021	(375,527)	-		(375,489)	-	5,440	2,891,093	-	-	2,891,093
2022	(354,475)	-		(354,439)	-	7,009	2,529,645	-	-	2,529,645
2023	(330,937)	-		(330,903)	-	8,595	2,190,147	-	-	2,190,147
2024	(300,576)	-		(300,545)	-	10,198	1,879,404	-	-	1,879,404
2025	(280,185)	-		(280,157)	-	11,817	1,587,430	-	-	1,587,430
2026	(257,375)	-		(257,349)	-	13,452	1,316,629	-	-	1,316,629
2027	(220,472)	-		(220,449)	-	15,104	1,081,076	-	-	1,081,076
2028	(198,324)	-		(198,304)	-	16,771	866,001	-	-	866,001
2029	(160,782)	-		(160,765)	-	18,454	686,782	-	-	686,782
2030	(117,728)	-		(117,716)	-	20,153	548,913	-	-	548,913
2031	(93,428)	-		(93,418)	-	21,867	433,628	-	-	433,628
2032	(69,871)	-		(69,864)	-	23,597	340,167	-	-	340,167
2033	(20,365)	-		(20,363)	-	25,341	294,463	-	-	294,463
2034	9,374	-		-	-	-	294,463	-	-	294,463
2035	31,040	-		-	-	-	294,463	-	-	294,463
2036	103,756	-		-	-	-	294,463	-	-	294,463

CALCULATION OF MINIMUM GAIN
Nonrecourse Liabilities

	Replacement Reserves Collateral for Loan		Reserves other than Replacement Reserves Collateral for Loan		Net Assets	Nonrecourse Liabilities							Total Nonrecourse Liabilities	Minimum Gain		
	1 Yes		1 Yes			Freddie	Seller Note	0	0	0	0	0			0	
	Historic Credit	Original Net Assets	Capital Replacement & Operating Reserve Balance	Cumulative Asset Additions	Accumulated Depreciation											
2018		23,193,166	-	-	2,783,568	20,409,598	16,500,000	-	-	-	-	-	-	-	16,500,000	-
2019	-	23,193,166	683,308	-	3,844,446	20,032,028	16,314,171	-	-	-	-	-	-	-	16,314,171	-
2020	-	23,193,166	620,250	-	4,448,054	19,365,362	16,119,204	-	-	-	-	-	-	-	16,119,204	-
2021	-	23,193,166	652,387	-	5,051,662	18,793,891	15,914,649	-	-	-	-	-	-	-	15,914,649	-
2022	-	23,193,166	661,302	24,252	5,660,120	18,218,600	15,700,035	-	-	-	-	-	-	-	15,700,035	-
2023	-	23,193,166	695,411	24,252	6,271,489	17,641,340	15,474,868	-	-	-	-	-	-	-	15,474,868	-
2024	-	23,193,166	730,615	24,252	6,879,753	17,068,280	15,238,628	-	-	-	-	-	-	-	15,238,628	-
2025	-	23,193,166	719,759	71,440	7,495,593	16,488,772	14,990,771	-	-	-	-	-	-	-	14,990,771	-
2026	-	23,193,166	757,018	71,440	8,117,095	15,904,529	14,730,726	-	-	-	-	-	-	-	14,730,726	-
2027	-	23,193,166	795,473	71,440	8,731,159	15,328,920	14,457,893	-	-	-	-	-	-	-	14,457,893	-
2028	-	23,193,166	769,492	137,107	9,353,336	14,746,429	14,171,644	-	-	-	-	-	-	-	14,171,644	-
2029	-	23,193,166	810,120	137,107	9,983,393	14,157,000	13,871,319	-	-	-	-	-	-	-	13,871,319	-
2030	-	23,193,166	852,055	137,107	10,602,327	13,580,001	13,556,225	-	-	-	-	-	-	-	13,556,225	-
2031	-	23,193,166	813,962	218,480	11,229,774	12,995,834	13,225,637	-	-	-	-	-	-	-	13,225,637	229,803
2032	-	23,193,166	858,223	218,480	11,866,986	12,402,883	12,878,792	-	-	-	-	-	-	-	12,878,792	475,909
2033	-	23,193,166	903,912	218,480	12,489,999	11,825,559	12,514,891	-	-	-	-	-	-	-	12,514,891	689,332
2034	-	23,193,166	237,927	313,953	13,122,075	10,622,971	12,133,095	-	-	-	-	-	-	-	12,133,095	1,510,124
2035	-	23,193,166	283,034	313,953	13,765,608	10,024,545	11,732,525	-	-	-	-	-	-	-	11,732,525	1,707,980
2036	-	23,193,166	329,685	313,953	14,392,234	9,444,570	11,312,257	-	-	-	-	-	-	-	11,312,257	1,867,687

AMORTIZATION SCHEDULE

Freddie

Principal	16,500,000
Interest Rate	4.81%
MIP	0.00%
Amortizable Term	420
Hard or Soft	Hard
Start Date	Jan-19
 Monthly Payment	 81,284.83

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2018	-	-	-	-	16,500,000	-
2019	-	975,418	185,829	789,589	16,314,171	-
2020	-	975,418	194,967	780,451	16,119,204	-
2021	-	975,418	204,555	770,863	15,914,649	-
2022	-	975,418	214,614	760,804	15,700,035	-
2023	-	975,418	225,167	750,251	15,474,868	-
2024	-	975,418	236,240	739,178	15,238,628	-
2025	-	975,418	247,857	727,561	14,990,771	-
2026	-	975,418	260,045	715,373	14,730,726	-
2027	-	975,418	272,833	702,585	14,457,893	-
2028	-	975,418	286,249	689,169	14,171,644	-
2029	-	975,418	300,325	675,093	13,871,319	-
2030	-	975,418	315,094	660,324	13,556,225	-
2031	-	975,418	330,588	644,830	13,225,637	-
2032	-	975,418	346,845	628,573	12,878,792	-
2033	-	975,418	363,901	611,517	12,514,891	12,514,891
2034	-	975,418	381,796	593,622	12,133,095	-
2035	-	975,418	400,570	574,848	11,732,525	-
2036	-	975,418	420,268	555,150	11,312,257	-
2037	-	975,418	440,935	534,483	10,871,322	-
2038	-	975,418	462,618	512,800	10,408,704	-
2039	-	975,418	485,367	490,051	9,923,337	-
2040	-	975,418	509,235	466,183	9,414,102	-
2041	-	975,418	534,276	441,142	8,879,826	-
2042	-	975,418	560,549	414,869	8,319,277	-
2043	-	975,418	588,114	387,304	7,731,163	-

AMORTIZATION SCHEDULE

Freddie

Principal 16,500,000
 Interest Rate 4.81%
 MIP 0.00%
 Amortizable Term 420
 Hard or Soft Hard
 Start Date Jan-19

Monthly Payment 81,284.83

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2018	-	-	-	-	16,500,000	-
2019	-	975,418	185,829	789,589	16,314,171	-
2020	-	975,418	194,967	780,451	16,119,204	-
2021	-	975,418	204,555	770,863	15,914,649	-
2022	-	975,418	214,614	760,804	15,700,035	-
2023	-	975,418	225,167	750,251	15,474,868	-
2024	-	975,418	236,240	739,178	15,238,628	-
2025	-	975,418	247,857	727,561	14,990,771	-
2026	-	975,418	260,045	715,373	14,730,726	-
2027	-	975,418	272,833	702,585	14,457,893	-
2028	-	975,418	286,249	689,169	14,171,644	-
2029	-	975,418	300,325	675,093	13,871,319	-
2030	-	975,418	315,094	660,324	13,556,225	-
2031	-	975,418	330,588	644,830	13,225,637	-
2032	-	975,418	346,845	628,573	12,878,792	-
2033	-	975,418	363,901	611,517	12,514,891	12,514,891
2034	-	975,418	381,796	593,622	12,133,095	-
2035	-	975,418	400,570	574,848	11,732,525	-
2036	-	975,418	420,268	555,150	11,312,257	-
2037	-	975,418	440,935	534,483	10,871,322	-
2038	-	975,418	462,618	512,800	10,408,704	-
2039	-	975,418	485,367	490,051	9,923,337	-
2040	-	975,418	509,235	466,183	9,414,102	-
2041	-	975,418	534,276	441,142	8,879,826	-
2042	-	975,418	560,549	414,869	8,319,277	-
2043	-	975,418	588,114	387,304	7,731,163	-
2044	-	975,418	617,034	358,384	7,114,129	-
2045	-	975,418	647,377	328,041	6,466,752	-
2046	-	975,418	679,211	296,207	5,787,541	-
2047	-	975,418	712,611	262,807	5,074,930	-
2048	-	975,418	747,654	227,764	4,327,276	-
2049	-	975,418	784,419	190,999	3,542,857	-
2050	-	975,418	822,993	152,425	2,719,864	-
2051	-	975,418	863,463	111,955	1,856,401	-
2052	-	975,418	905,924	69,494	950,477	-
2053	-	975,418	950,472	24,946	5	-
2054	-	-	5	(5)	-	-

AMORTIZATION SCHEDULE

Seller Note

Principal	795,995
Interest Rate	3.22%
Amortizable Term	660
Hard or Soft	Soft
Start Date	Jan-19

Maximum N/A

Year	Payment	Principal	Interest	Balance	Balance at Sale
2018	-	-	-	795,995	-
2019	-	(25,631)	25,631	821,626	-
2020	-	(26,456)	26,456	848,082	-
2021	-	(27,308)	27,308	875,390	-
2022	-	(28,188)	28,188	903,578	-
2023	-	(29,095)	29,095	932,673	-
2024	-	(30,032)	30,032	962,705	-
2025	-	(30,999)	30,999	993,704	-
2026	-	(31,997)	31,997	1,025,701	-
2027	-	(33,028)	33,028	1,058,729	-
2028	-	(34,091)	34,091	1,092,820	-
2029	-	(35,189)	35,189	1,128,009	-
2030	-	(36,322)	36,322	1,164,331	-
2031	-	(37,491)	37,491	1,201,822	-
2032	-	(38,699)	38,699	1,240,521	-
2033	-	(39,945)	39,945	1,280,466	1,280,466
2034	-	(41,231)	41,231	1,321,697	-
2035	25,000	(17,559)	42,559	1,339,256	-
2036	25,000	(18,124)	43,124	1,357,380	-
2037	25,000	(18,708)	43,708	1,376,088	-
2038	25,000	(19,310)	44,310	1,395,398	-
2039	25,000	(19,932)	44,932	1,415,330	-
2040	25,000	(20,574)	45,574	1,435,904	-
2041	25,000	(21,236)	46,236	1,457,140	-
2042	25,000	(21,920)	46,920	1,479,060	-
2043	25,000	(22,626)	47,626	1,501,686	-

AMORTIZATION SCHEDULE

Seller Note

Principal 795,995
 Interest Rate 3.22%
 Amortizable Term 660
 Hard or Soft Soft
 Start Date Jan-19

Maximum N/A

Year	Payment	Principal	Interest	Balance	Balance at Sale
2018	-	-	-	795,995	-
2019	-	(25,631)	25,631	821,626	-
2020	-	(26,456)	26,456	848,082	-
2021	-	(27,308)	27,308	875,390	-
2022	-	(28,188)	28,188	903,578	-
2023	-	(29,095)	29,095	932,673	-
2024	-	(30,032)	30,032	962,705	-
2025	-	(30,999)	30,999	993,704	-
2026	-	(31,997)	31,997	1,025,701	-
2027	-	(33,028)	33,028	1,058,729	-
2028	-	(34,091)	34,091	1,092,820	-
2029	-	(35,189)	35,189	1,128,009	-
2030	-	(36,322)	36,322	1,164,331	-
2031	-	(37,491)	37,491	1,201,822	-
2032	-	(38,699)	38,699	1,240,521	-
2033	-	(39,945)	39,945	1,280,466	1,280,466
2034	-	(41,231)	41,231	1,321,697	-
2035	25,000	(17,559)	42,559	1,339,256	-
2036	25,000	(18,124)	43,124	1,357,380	-
2037	25,000	(18,708)	43,708	1,376,088	-
2038	25,000	(19,310)	44,310	1,395,398	-
2039	25,000	(19,932)	44,932	1,415,330	-
2040	25,000	(20,574)	45,574	1,435,904	-
2041	25,000	(21,236)	46,236	1,457,140	-
2042	25,000	(21,920)	46,920	1,479,060	-
2043	25,000	(22,626)	47,626	1,501,686	-
2044	25,000	(23,354)	48,354	1,525,040	-
2045	30,000	(19,106)	49,106	1,544,146	-
2046	30,000	(19,722)	49,722	1,563,868	-
2047	30,000	(20,357)	50,357	1,584,225	-
2048	30,000	(21,012)	51,012	1,605,237	-
2049	30,000	(21,689)	51,689	1,626,926	-
2050	30,000	(22,387)	52,387	1,649,313	-
2051	30,000	(23,108)	53,108	1,672,421	-
2052	30,000	(23,852)	53,852	1,696,273	-
2053	30,000	(24,620)	54,620	1,720,893	-
2054	30,000	(25,413)	55,413	1,746,306	-
2055	35,000	(21,231)	56,231	1,767,537	-
2056	35,000	(21,915)	56,915	1,789,452	-
2057	35,000	(22,620)	57,620	1,812,072	-
2058	35,000	(23,349)	58,349	1,835,421	-
2059	35,000	(24,101)	59,101	1,859,522	-
2060	35,000	(24,877)	59,877	1,884,399	-
2061	35,000	(25,678)	60,678	1,910,077	-
2062	35,000	(26,504)	61,504	1,936,581	-
2063	35,000	(27,358)	62,358	1,963,939	-
2064	35,000	(28,239)	63,239	1,992,178	-
2065	35,000	(29,148)	64,148	2,021,326	-
2066	440,000	374,913	65,087	1,646,413	-
2067	440,000	386,986	53,014	1,259,427	-
2068	440,000	399,446	40,554	859,981	-
2069	440,000	412,309	27,691	447,672	-
2070	440,000	425,585	14,415	22,087	-
2071	22,798	22,087	711	-	-

RESIDUAL ANALYSIS

LIHTC Income Escalation 3.00%
 Market Income Escalation 3.00%
 Other Income Escalation 3.00%
 Commercial Income Escalation 3.00%
 Operating Expense Escalation 3.00%
 Real Estate Tax Escalation 3.00%
 Property Management Fee 0.00%
 LIHTC Vacancy 5.00%
 Market Vacancy 7.00%
 Other Vacancy 5.00%
 Commercial Vacancy 10.00%
 Cap Rate 5.50%
 Asset Mgt Fee Escalation 3%
 GP Mgt Fee Escalation 3%

Year	LIHTC Income	LIHTC Vacancy	Market Income	Market Vacancy	Other Income	Other Vacancy	Commercial Income	Commercial Vacancy	Net Receipts	Operating Expenses	Real Estate Taxes	Property Management	Net Operating Income	Placement Reserves	Cash Flow	To Dev Budget	From Reserves	Cash Flow	Cash Flow Reserves
2018	288,636	(14,432)			2,652	(133)			276,723	62,096	1,746	7,800	205,081	-	205,081	-	-	205,081	205,081
2019	1,737,588	(86,879)			15,966	(798)			1,665,877	374,440	10,528	47,034	1,233,875	15,925	1,217,950	-	-	1,217,950	1,217,950
2020	1,772,336	(88,617)			16,290	(815)			1,699,194	385,080	10,842	48,446	1,254,226	28,963	1,225,263	-	-	1,225,263	1,225,263
2021	1,801,776	(90,099)			16,560	(828)			1,727,419	395,280	11,112	49,656	1,271,371	29,831	1,241,540	-	-	1,241,540	1,241,540
2022	1,783,770	(89,189)			16,389	(819)			1,710,151	383,765	10,792	46,800	1,268,794	30,726	1,238,068	-	-	1,238,068	1,238,068
2023	1,837,283	(91,864)			16,881	(844)			1,761,456	395,278	11,116	48,204	1,306,858	31,648	1,275,210	-	-	1,275,210	1,275,210
2024	1,892,401	(94,620)			17,387	(869)			1,814,299	407,136	11,449	49,650	1,346,064	32,598	1,313,466	-	-	1,313,466	1,313,466
2025	1,949,173	(97,459)			17,909	(895)			1,888,728	419,350	11,792	51,140	1,386,446	33,576	1,352,870	-	-	1,352,870	1,352,870
2026	2,007,648	#####			18,446	(922)			1,924,790	431,931	12,146	52,674	1,428,039	34,563	1,393,456	-	-	1,393,456	1,393,456
2027	2,067,877	#####			18,999	(950)			1,982,532	444,889	12,510	54,254	1,470,879	35,620	1,435,259	-	-	1,435,259	1,435,259
2028	2,129,913	#####			19,569	(978)			2,042,008	458,236	12,885	55,882	1,515,005	36,689	1,478,316	-	-	1,478,316	1,478,316
2029	2,193,810	#####			20,156	(1,008)			2,103,267	471,983	13,272	57,558	1,560,454	37,790	1,522,664	-	-	1,522,664	1,522,664
2030	2,259,624	#####			20,761	(1,038)			2,166,366	486,142	13,670	59,285	1,607,269	38,923	1,568,346	-	-	1,568,346	1,568,346
2031	2,327,413	#####			21,384	(1,069)			2,231,357	500,726	14,060	61,064	1,655,497	40,091	1,615,396	-	-	1,615,396	1,615,396
2032	2,397,235	#####			22,026	(1,101)			2,298,298	515,748	14,502	62,896	1,705,152	41,294	1,663,858	-	-	1,663,858	1,663,858
2033	2,469,152	#####			22,687	(1,134)			2,367,247	531,220	14,937	64,783	1,756,307	42,533	1,713,774	-	-	1,713,774	1,713,774
2034	2,543,227	#####			23,368	(1,168)			2,438,266	547,157	15,385	66,726	1,808,998	43,808	1,765,190	617,671	-	2,382,861	2,382,861
2035	2,619,524	#####			24,069	(1,203)			2,511,414	563,334	15,847	68,728	1,863,267	45,123	1,818,144	-	-	1,818,144	1,818,144
2036	2,698,110	#####			24,791	(1,240)			2,586,755	580,479	16,322	70,790	1,919,164	46,476	1,872,688	-	-	1,872,688	1,872,688
2037	2,779,053	#####			25,535	(1,277)			2,664,358	597,893	16,812	72,914	1,976,739	47,871	1,928,868	-	-	1,928,868	1,928,868
2038	2,862,425	#####			26,301	(1,315)			2,744,290	615,830	17,316	75,101	2,036,043	49,307	1,986,736	-	-	1,986,736	1,986,736
2039	2,948,298	#####			27,090	(1,355)			2,826,618	634,305	17,835	77,354	2,097,124	50,786	2,046,338	-	-	2,046,338	2,046,338
2040	3,036,747	#####			27,903	(1,395)			2,911,418	653,334	18,370	79,675	2,160,039	52,310	2,107,729	-	-	2,107,729	2,107,729
2041	3,127,849	#####			28,740	(1,437)			2,998,780	672,934	18,921	82,065	2,224,840	53,879	2,170,961	-	-	2,170,961	2,170,961
2042	3,221,684	#####			29,602	(1,480)			3,089,722	693,122	19,489	84,527	2,291,584	55,455	2,236,089	-	-	2,236,089	2,236,089
2043	3,318,335	#####			30,490	(1,525)			3,181,383	713,916	20,074	87,063	2,360,330	57,160	2,303,170	-	-	2,303,170	2,303,170
2044	3,417,885	#####			31,405	(1,570)			3,276,826	735,333	20,676	89,675	2,431,142	58,875	2,372,267	-	-	2,372,267	2,372,267
2045	3,520,422	#####			32,347	(1,617)			3,375,131	757,393	21,296	92,365	2,504,077	60,641	2,443,436	-	-	2,443,436	2,443,436
2046	3,626,035	#####			33,317	(1,666)			3,478,384	780,115	21,935	95,136	2,579,198	62,460	2,516,738	-	-	2,516,738	2,516,738
2047	3,734,816	#####			34,317	(1,716)			3,580,676	803,518	22,593	97,990	2,656,575	64,334	2,592,241	-	-	2,592,241	2,592,241
2048	3,846,860	#####			35,347	(1,767)			3,688,097	827,624	23,271	100,930	2,736,272	66,264	2,670,008	-	-	2,670,008	2,670,008
2049	3,962,266	#####			36,407	(1,820)			3,798,740	852,453	23,969	103,958	2,818,360	68,252	2,750,108	1	-	2,750,109	2,750,109
2050	4,081,134	#####			37,499	(1,875)			3,912,701	878,027	24,688	107,077	2,902,909	70,300	2,832,609	-	-	2,832,609	2,832,609
2051	4,203,568	#####			38,624	(1,931)			4,030,883	904,368	25,429	110,289	2,989,997	72,409	2,917,588	-	-	2,917,588	2,917,588
2052	4,329,675	#####			39,783	(1,989)			4,150,985	931,499	26,192	113,598	3,079,696	74,581	3,005,115	-	-	3,005,115	3,005,115
2053	4,459,565	#####			40,976	(2,049)			4,275,514	959,444	26,978	117,006	3,172,086	76,818	3,095,268	-	-	3,095,268	3,095,268
2054	4,593,352	#####			42,205	(2,110)			4,403,779	988,227	27,787	120,516	3,267,249	79,123	3,188,126	-	-	3,188,126	3,188,126
2055	4,731,153	#####			43,471	(2,174)			4,535,892	1,017,874	28,621	124,131	3,365,266	81,497	3,283,769	-	-	3,283,769	3,283,769
2056	4,873,088	#####			44,775	(2,239)			4,671,970	1,048,410	29,480	127,855	3,466,225	83,942	3,382,283	-	-	3,382,283	3,382,283
2057	5,019,281	#####			46,118	(2,306)			4,812,129	1,079,862	30,364	131,691	3,570,212	86,460	3,483,752	-	-	3,483,752	3,483,752
2058	5,169,859	#####			47,502	(2,375)			4,956,493	1,112,258	31,275	135,642	3,677,318	89,054	3,588,264	-	-	3,588,264	3,588,264
2059	5,324,955	#####			48,927	(2,446)			5,105,188	1,145,626	32,213	139,711	3,787,638	91,725	3,695,913	-	-	3,695,913	3,695,913
2060	5,484,704	#####			50,395	(2,520)			5,258,344	1,179,995	33,179	143,902	3,901,268	94,477	3,806,791	-	-	3,806,791	3,806,791
2061	5,649,245	#####			51,907	(2,595)			5,416,095	1,215,395	34,174	148,219	4,018,307	97,311	3,920,996	-	-	3,920,996	3,920,996
2062	5,818,722	#####			53,464	(2,673)			5,578,577	1,251,857	35,199	152,666	4,138,855	100,231	4,038,624	-	-	4,038,624	4,038,624
2063	5,993,284	#####			55,068	(2,753)			5,745,935	1,289,413	36,255	157,246	4,263,021	103,238	4,159,783	-	-	4,159,783	4,159,783
2064	6,173,083	#####			56,720	(2,836)			5,918,313	1,328,095	37,343	161,963	4,390,912	106,335	4,284,577	-	-	4,284,577	4,284,577
2065	6,358,275	#####			58,422	(2,921)			6,095,862	1,367,938	38,463	166,822	4,522,639	109,525	4,413,114	-	-	4,413,114	4,413,114
2066	6,549,023	#####			60,175	(3,009)			6,278,738	1,408,976	39,617	171,827	4,658,318	112,810	4,545,508	-	-	4,545,508	4,545,508
2067	6,745,494	#####			61,980	(3,099)			6,467,100	1,451,245	40,806	176,982	4,798,067	116,195	4,681,872	-	-	4,681,872	4,681,872
2068	6,947,859	#####			63,839	(3,192)			6,661,113	1,494,782	42,030	182,291	4,942,010	119,681	4,822,329	-	-	4,822,329	4,822,329
2069	7,156,295	#####			65,754	(3,288)			6,860,946	1,539,625	43,291	187,760	5,090,270	123,271	4,966,999	-	-	4,966,999	4,966,999
2070	7,370,984	#####			67,727	(3,386)			7,066,776	1,585,814	44,590	193,393	5,242,979	126,969	5,116,010	-	-	5,116,010	5,116,010
2071	7,592,114	#####			69,759	(3,488)			7,278,779	1,633,388	45,928	199,195	5,400,268	130,778	5,269,490	-	-	5,269,490	5,269,490
2072	7,819,877</																		

SALES ANALYSIS					
12/31/2033					
		\$1 Over Mortgage		Capped NOI	
		LP Investor	SLP Investor	LP Investor	SLP Investor
Sales Price		13,795,358	13,795,358	28,010,455	28,010,455
Freddie		12,514,891	12,514,891	12,514,891	12,514,891
Seller Note		1,280,466	1,280,466	1,280,466	1,280,466
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
	0	-	-	-	-
Deferred Developer Fee		-	-	-	-
GP Loan		-	-	-	-
Selling Expenses to LP		-	-	840,314	840,314
Selling Expenses to GP/Other		-	-	840,314	840,314
Net Proceeds		1	1	12,534,470	12,534,470
Return of Capital		-	-	-	-
Net Sales Proceeds to LP/SLP	10.00%	-	0.00%	1,253,447	-
Plus Sales Commission to LP		-	-	840,314	-
Total Proceeds to LP/SLP		-	-	2,093,761	-
Capital Contributions		6,982,069	-	6,982,069	-
Syndication Costs		(21,134)	-	(21,134)	-
Income / (Loss)		(6,449,512)	-	(6,449,512)	-
Cash from Operations		(216,960)	-	(216,960)	-
Historic Credit		-	-	-	-
Cash from Sale		-	-	(2,093,761)	-
Gain / (Loss) on Investment		(294,463)	-	1,799,298	-
Tax Savings / (Expense)		61,837	-	(377,853)	-

OPERATING RESERVE

Assumptions:		
Dev Budget Deposit	\$	477,528
Annual Cash Flow Deposit		-
Escalation		3.00%
Accrue if Unpaid?		No
Hard or Soft		Soft
Start Date (from operations)		Jun-19
Interest		1%
Withdrawn every	30	years
Release \$XXX	\$ 617,671	Year (20X) 2034
Min. DSCR for Release		1.15
Min. Reserve Balance		477,528.00

Schedule:								
Year	Cash Flow Deposit	Dev Bgt or Rent-Up Res Deposit	Interest	Reserve Release	To Operations	Balance	Op. Res. Annual Decline	DSCR
2018	-	-	-	-	-	-		NC
2019	-	571,721	1,429	-	-	573,150	0%	1.25
2020	-	-	2,866	-	-	576,016	0%	1.26
2021	-	-	2,880	-	-	578,896	0%	1.27
2022	-	-	2,894	-	-	581,790	0%	1.29
2023	-	-	2,909	-	-	584,699	0%	1.31
2024	-	-	2,923	-	-	587,622	0%	1.34
2025	-	-	2,938	-	-	590,560	0%	1.36
2026	-	-	2,953	-	-	593,513	0%	1.38
2027	-	-	2,968	-	-	596,481	0%	1.40
2028	-	-	2,982	-	-	599,463	0%	1.42
2029	-	-	2,997	-	-	602,460		1.45
2030	-	-	3,012	-	-	605,472		1.47
2031	-	-	3,027	-	-	608,499		1.49
2032	-	-	3,042	-	-	611,541		1.51
2033	-	-	3,058	-	-	614,599		1.54
2034	-	-	3,073	617,671	-	1		1.56
2035	-	-	-	-	-	1		1.58
2036	-	-	-	-	-	1		1.61
2037	-	-	-	-	-	1		1.63
2038	-	-	-	-	-	1		1.66
2039	-	-	-	-	-	1		1.68
2040	-	-	-	-	-	1		1.71
2041	-	-	-	-	-	1		1.73
2042	-	-	-	-	-	1		1.76
2043	-	-	-	-	-	1		-

REPLACEMENT RESERVES

Assumptions:		
Annual Deposit	27,300	
Start Date	Jun-19	
Escalation	3%	
% Withdrawn	33%	
Withdrawn every	3	years
Interest	1%	

Schedule:					
Year	Cash Flow Deposit	Dev Bgt Deposit	Interest	Withdraws	Balance
2018	-	-		-	-
2019	15,925	-	40	-	15,965
2020	28,119	-	150	-	44,234
2021	28,963	-	294	-	73,491
2022	29,831		442	24,252	79,512
2023	30,726		474	-	110,712
2024	31,648		633	-	142,993
2025	32,598		796	47,188	129,199
2026	33,576		730	-	163,505
2027	34,583		904	-	198,992
2028	35,620		1,084	65,667	170,029
2029	36,689		942	-	207,660
2030	37,790		1,133	-	246,583
2031	38,923		1,330	81,372	205,463
2032	40,091		1,128	-	246,682
2033	41,294		1,337	-	289,313
2034	42,533		1,553	95,473	237,926
2035	43,808		1,299	-	283,033
2036	45,123		1,528	-	329,684
2037	46,476		1,765	108,796	269,129
2038	47,871		1,465	-	318,465
2039	49,307		1,716	-	369,488
2040	50,786		1,974	121,931	300,317
2041	52,310		1,632	-	354,259
2042	53,879		1,906	-	410,044
0	55,495		2,189	135,315	332,414

CONSTRUCTION BUDGET

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	6,982,069						
Freddie	16,500,000						
Seller Note	795,995						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	-						
Cashflow From Operations	-						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	300,380						
GP Loan	-						
TOTAL SOURCES OF FUNDS	24,578,444						
Surplus (Deficit)	-						

ACQUISITION COSTS							
Acquisition Land	1,618,000	x	x	x	x	x	1,618,000
Acquisition Building	11,253,292	11,253,292	11,253,292	x	x	x	x
Acquisition Building Commercial	-		x	x	x	x	x
Acquired Reserves	-	x	x	x	x	x	-
Site Improvement - Acquired	539,974	539,974	539,974	x	x	x	-
Furnishings - Acquired	2,188,617	2,188,617	2,188,617	x	x	x	-

HARD COSTS							
Construction	2,398,961	2,398,961	x	2,398,961	2,398,961	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	140,715	140,715	x	140,715	140,715	x	x
Contractor Profit	140,715	140,715	x	140,715	140,715	x	x
Performance Bonds	24,700	24,700	x	24,700	24,700	x	x
General Requirements	112,572	112,572	x	112,572	112,572	x	x
Furnishings	312,000	312,000	x	312,000	x	x	x
Site Improvements	220,340	220,340	x	220,340	x	x	-
Utility Hook Up Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 323,300	323,300	x	323,300	323,300	x	x
Commercial/Nonresidential Costs	-	-	x	-	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	x	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	x	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-

ARCHITECTURAL AND ENGINEERING							
Architect	95,615	60,615	x	60,615	60,615	x	x
Survey & Engineering	82,763	57,764	x	57,764	57,764	x	x
Environmental	151,800	151,800	x	151,800	151,800	x	x
Soils	-	-	x	-	x	x	x
Other	145,000	145,000		145,000			-

SOFT COSTS							
Relocation	273,000	273,000	x	273,000	273,000	-	x
Appraisal	7,750	7,750	x	7,750	7,750	x	x
Market Study	10,750	10,750		10,750	10,750		
Organizational	-	x	x	x	x	-	x
Professional	-	-		-	-	-	
Accounting	-	-		-	-	x	x
Cost Certification	27,500	20,001		20,001	20,001	x	x
Construction Period Taxes	8,330	8,330		8,330	8,330	-	x
Construction Period Insurance	48,650	48,650		48,650	48,650	-	x
Marketing (monthly term if not 180 mths)	8 19,500	x	x	x	x	19,500	x
Contingency	-	-		-	-	x	x
Tax Credit Fees	146,710	x	x	x	x	146,710	x
Syndication	21,134	-	x	x	x	x	21,134
<u>Other Soft: Depreciable Expenses</u>	10,110	10,110		10,110	10,110		-
<u>Other Soft: Funded/Non-Depreciable Expenses</u>	106,490	-		-	-	56,490	50,000

FEES							
Developer Fee - Rehabilitation	703,098	703,098	x	703,098	703,098	x	-
Developer Fee - Acquisition	2,097,282	1,941,283	1,941,283	x	x	x	155,999
Other Consultant	129,150	129,150		129,150	129,150	-	
Other Fees	-	-		-	-	-	

RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	93,958	x	x	x	x	x	93,958
Operating Reserve (No. Mths or Input)	4 477,528	x	x	x	x	x	477,528
Other Reserves	-	x	x	x	x	x	-

FINANCING							
Loan 1 - Fees and Legal	440,180	146,680	x	146,680	146,680	293,500	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	208,960	-	x	-	-	x	x
Other Loan Fees and Legal	-	-		-	-	-	x
Interest	-	-		-	-	-	x
Interest Override	-	-		-	-	-	x

TOTAL	24,578,444	21,369,167	15,923,166	5,446,001	4,768,661	516,200	2,416,619
Total Cost/Unit	\$315,108.26						
Hard Costs/Unit	\$42,948.72						
Total Cost/Square Footage	NC						
50% Test							
Depreciable basis +Land		22,987,167					
Tax-exempt Bonds		16,500,000					
% of Eligible Basis & Land financed by Tax-Exempt Bonds		71.78%					
50% Test Met		Yes					

Other Soft: Depreciable Expenses	
Item	Amount
Misc. Soft Cost	\$ 10,110
Item	
Item	
TOTAL	\$ 10,110

Other Soft: Funded/Non-Depreciable Expenses				
Item	Amount	Type	Funded Exp.	Non-Depreciable Exp.
Misc. Soft Cost	\$ 56,490	Funded	56,490	
Syndication Fee	\$ 50,000	Non-Depreciable		50,000
Item				
TOTAL	\$ 106,490		56,490	50,000

ANNUAL OPERATING BUDGET

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Upon Completion

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Gross			Net Rent	Monthly Rent	Annual Rent
						Max LIHTC	Gross Rent	Utility Allowance			
LIHTC						Escalations 2.00%			Vacancy 5.00%		
60%	1	2		-	43,640	1,091	1,785		1,785	3,570	42,840
50%	2	2		-	43,640	1,091	2,048		2,048	4,096	49,152
60%	2	10		-	52,360	1,309	2,048		2,048	20,480	245,760
50%	3	1		-	50,400	1,260	2,520		2,520	2,520	30,240
60%	3	5		-	60,480	1,512	2,520		2,520	12,600	151,200
50%	1	1		-	36,360	909	801		801	801	9,612
50%	1	1		-	36,360	909	1,523		1,523	1,523	18,276
60%	1	3		-	43,640	1,091	1,523		1,523	4,569	54,828
60%	1	3		-	43,640	1,091	961		961	2,883	34,596
50%	1	1		-	36,360	909	1,995		1,995	1,995	23,940
60%	1	9		-	43,640	1,091	1,995		1,995	17,955	215,460
50%	0	4		-	33,920	848	1,549		1,549	6,196	74,352
60%	0	13		-	40,720	1,018	1,549		1,549	20,137	241,644
50%	1	1		-	36,360	909	1,995		1,995	1,995	23,940
60%	1	2		-	43,640	1,091	1,995		1,995	3,990	47,880
50%	1	4		-	36,360	909	1,995		1,995	7,980	95,760
60%	1	6		-	43,640	1,091	1,995		1,995	11,970	143,640
60%	0	2		-	40,720	1,018	1,549		1,549	3,098	37,176
60%	1	8		-	43,640	1,091	1,995		1,995	15,960	191,520
Total		78		-					144,318	1,731,816	

MARKET

MARKET						Escalations 2.00%			Vacancy 7.00%		
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
					-				0.00	-	-
Total		0		-					-	-	
Total Units		78		-					144,318	1,731,816	
Common Areas Circulation				-							
Total Residential SF				-							
Low-Income Ratio		100.00%		100.00%							

MISCELLANEOUS OTHER INCOME

	Monthly Per Unit	Monthly Income	Annual Income
MISCELLANEOUS OTHER INCOME			
Escalations 2.00%			
Vacancy 5.00%			
App Fees			7,956
Tenant Charges			7,956
Total Miscellaneous Other Income			\$17.00 1,326 15,912

OPERATING EXPENSES

Upon Completion

	Sensitivity Percent	Total	Per Unit	Adjusted Total
VARIABLE				
Marketing	100%	-	-	-
Administration	100%	25,397	325.60	25,397
Maintenance	100%	52,574	674.03	52,574
Utilities	100%	140,399	1,799.99	140,399
Other	100%	-	-	-
TOTAL VARIABLE		218,370	2,799.62	218,370
FIXED				
Insurance	100%	20,360	261.03	20,360
Payroll	100%	131,357	1,684.06	131,357
Other	100%	2,500	32.05	2,500
TOTAL FIXED		154,217	1,977.14	154,217
Project Operating Expenses		372,587	4,776.76	372,587
Escalations				3.00%
Real Estate Taxes	100%	10,478	134.33	10,478
Real Estate Tax Escalation				3.00%
Property Management Fee Percent or Property Management Fee Dollars		0.00% 46,800	600.00	46,800
Total Operating Expense Including Property Mgmt Fee and RE Taxes				429,865
Replacement Reserve				27,300
Total Operating Expense Including Property Mgmt Fee				457,165
		Per Unit	Total	
Replacement Reserve		350.00	27,300	

Start Date - input	
Start Date - Completion	Jun-19
Annual Escalation	3.00%
% Withdrawn	33.00%
Withdrawn Every	3 years
Interest on Reserve Deposits	0.50%

[] PAYMENT DATE CERTIFICATE

LA78 GP, LLC, a California limited liability company, as the Co-General Partner of LA78, LP, a California limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 55, LLC, a Delaware limited liability company, and its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 1, 2018 (the “Partnership Agreement”)), as follows:

1. All conditions precedent to the [] Payment Date and the payment by the Investor Limited Partner of the [] Federal Payment as specified in Sections 3.1(c)[()] and 3.1(d) of the Partnership Agreement have been satisfied.
2. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default which is currently being contested by the Co-General Partner as of the [] Payment Date.
3. All of the representations and warranties of the Co-General Partner set forth in Section 3.1(d)(vii) and Article 9 of the Partnership Agreement are true and correct in all material respects as of the [] Payment Date as if made thereon.
4. The proceeds of the [] Federal Payment will be applied to pay Project Costs as set forth in the Construction Budget.

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [] Payment Date an amount equal to the [] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, _____

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Kyle Paine, President

ATTACHMENT A TO EXHIBIT E

CO-GENERAL PARTNER COMPLETION CERTIFICATE

LA78 GP, LLC, a California limited liability company, as the Co-General Partner of LA78, LP, a California limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 55, LLC, a Delaware limited liability company, and its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”) with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the Third Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of November 1, 2018 (the “Partnership Agreement”)), as follows:

1. All Government Permits have been obtained and maintained; and neither the Partnership nor any General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any Authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured or are in the process of being cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction;
2. To the best knowledge of the Co-General Partner, the Completion of the Project is substantially in accordance with (A) all applicable requirements of the Loan Documents and other Project Documents, (B) all applicable material requirements of all Authorities, and (C) the Plans;
3. To the best knowledge of the Co-General Partner, the Project, as rehabilitated, has no material design, maintenance or construction defects;
4. There are no mechanic’s liens recorded against the Project and no Person has threatened to assess or record any such mechanic’s lien for which the Co-General Partner has not provided a sufficient mechanic lien release bond;
5. Other than obligations incurred in the ordinary course of business and obligations that will be satisfied with the proceeds of the Third Federal Payment, as of the date hereof, the Partnership has no material outstanding obligations for the repayment of money except for the Loans;
6. The Co-General Partner has set aside 100% of the Rental Units in the Project for households with incomes which satisfy the requirements of Section 42(g) of the Code;
7. The Project has been rehabilitated and operated in a manner which satisfies and shall continue to satisfy, all of the Housing Tax Credit Conditions;

8. To the best knowledge of the Co-General Partner, nothing has occurred that would reduce the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that adjustment thereof has been made pursuant to the terms of this Agreement; and

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the Third Payment Date an amount equal to the Third Federal Payment as set forth in the Partnership Agreement

Dated: as of _____, ____

LA78 GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Kyle Paine, President

ARCHITECT'S CERTIFICATES

EXHIBIT F-1

ARCHITECT'S CERTIFICATE OF FIFTY PERCENT COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated _____, 20_ between Architect and LA78, LP, a California limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

1. At least fifty percent (50%) of the rehabilitation of the scattered site project located at (i) 831 Lucile Avenue, (ii) 4131 West Normal Avenue, (iii) 825 Forest Avenue, (iv) 135 South Reno Street, (v) 4215 Burns Avenue and (vi) 1951 West 22nd Street in Los Angeles, California and known as LA78 Apartments (the "Project") has been completed in accordance with those certain plans and specifications dated _____, 20_ prepared by Architect (the "Fifty Percent Completed Portion"). (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

2. The Fifty Percent Completed Portion has been completed in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Los Angeles, California and County of Los Angeles and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. §12101 and the United States Fair Housing Act (42 U.S.C. §3601 et. seq.) and the contemplated use of the Property.

3. To the best of the undersigned's knowledge and belief, the Fifty Percent Completed Portion, as completed, complies with all applicable zoning, environmental, building and land use laws.

4. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the Fifty Percent Completed Portion.

Dated: _____, ____

ARCHITECT:

_____, AIA

By: _____

Name: _____

Title: _____

EXHIBIT F-2

ARCHITECT'S CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated _____, 20__ between Architect and LA78, LP, a California limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

1. The rehabilitation of the scattered site project located at (i) 831 Lucile Avenue, (ii) 4131 West Normal Avenue, (iii) 825 Forest Avenue, (iv) 135 South Reno Street, (v) 4215 Burns Avenue and (vi) 1951 West 22nd Street in Los Angeles, California and known as LA78 Apartments (the "Project") has been substantially completed in accordance with those certain plans and specifications dated _____, 20__ prepared by the Architect as modified by approved change orders, and subject to only minor punch list items. (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

2. The Project has been completed to the best of our professional knowledge in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Los Angeles, California and County of Los Angeles and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. § 12101 and the United States Fair Housing Act (42 U.S.C. § 3601 et. seq.) and the contemplated use of the Property.

3. To the best of the undersigned's knowledge and belief, the Project, as completed, complies with all applicable zoning, environmental, building and land use laws.

4. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the Project.

Dated: _____, ____

ARCHITECT:

_____, AIA

By: _____

Name: _____

Title: _____

EXHIBIT G-1

ACCOUNTANTS' CERTIFICATE
(FIRST ADJUSTMENT DATE)

LA78, LP
c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

c/o IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

Aegon LIHTC Fund 55, LLC
AEGON USA Realty Advisors, LLC
6300 C Street SW, MS 3B-CR
Cedar Rapids, Iowa 52499
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Amended and Restated Agreement of Limited Partnership of LA78, LP, dated as of November 1, 2018 (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the draft Cost Certification for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;

- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount;
- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.
- Determined whether the Actual Acquired Personal Property Basis amount is less than the Projected Acquired Personal Property Basis amount shown in the Initial Economic Projections.
- Determined whether the Actual Acquired Site Improvement Basis amount is less than the Projected Acquired Site Improvement Basis amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that (i) there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution, (ii) there is [is not] an Acquired Personal Property Depreciation Adjuster, calculated pursuant to Section 3.2(b)(vi) of the Partnership Agreement, in the following amount: [\$_____] representing a decrease in the Investor Limited Partner's Capital Contribution, and (iii) there is [is not] an Acquired Site Improvement Depreciation Adjuster, calculated pursuant to Section 3.2(b)(vi) of the Partnership Agreement, in the following amount: [\$_____] representing a decrease in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b)(ii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b)(iii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit

Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$ _____] calculated pursuant to Section 3.2(b)(iv) of the Partnership Agreement.

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$ _____] calculated pursuant to Section 3.2(b)(v) of the Partnership Agreement.

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

EXHIBIT G-2

ACCOUNTANTS' CERTIFICATE
(SECOND ADJUSTMENT DATE)

LA78, LP
c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

c/o IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

Aegon LIHTC Fund 55, LLC
AEGON USA Realty Advisors, LLC
6300 C Street SW, MS 3B-CR
Cedar Rapids, Iowa 52499
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Amended and Restated Agreement Limited Partnership of LA78, LP, dated as of November 1, 2018 (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the Cost Certification and the IRS Form 8609s for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;
- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount;

- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b)(ii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b)(iii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$_____] calculated pursuant to Section 3.2(b)(iv) of the Partnership Agreement.

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$_____] calculated pursuant to Section 3.2(b)(v) of the Partnership Agreement.

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

FINANCING SUMMARY

All capitalized terms used in this Exhibit H shall have the meanings as set forth in the Agreement.

The Project will receive financing from the following sources:

“Bond Loan” means the first mortgage construction and permanent loan in the amount of up to \$16,500,000 made or to be made to the Partnership by the Issuer with the proceeds of the Bonds, which consist of a tax-exempt note issued under the volume cap of Section 146 of the Code, and assigned to the Funding Lender. The Bond Loan will bear interest at a rate of 4.70% per annum (exclusive of Issuer, fiscal agent or other third party fees), which interest rate shall be set at the Closing Date. The Bond Loan shall have a term of 204 months and an amortization period of 420 months.

“Seller Loan” means the permanent loan in the amount of \$795,995 made to the Partnership by Seller. The Seller Loan shall bear compounding interest at a rate of 3.22% per annum, shall be payable out of Operating Cash Flow beginning in 2033, and shall mature fifty-five (55) years from the Closing Date.

INSURANCE REQUIREMENTS**Title Insurance**

The Partnership shall acquire an Owner's policy of Title Insurance insuring good and marketable title to the Project, subject to such exceptions as do not materially and adversely affect the value of the Project or its intended use. The below table outlines the minimum types and amounts of title insurance that are satisfactory to Aegon, its affiliates, successors and/or its assigns.

TITLE INSURANCE Requirements	
Named Insured:	Partnership
Amount:	The greater of either the total development budget (as shown in the final projections) or equal to total debt (including any projected Deferred Development Fee) plus Equity (TBD as the closing date approaches)
Additional Requirements:	<ul style="list-style-type: none"> • The policy should be dated down to the effective date of the Limited Partners' admission to the Partnership (or as current as possible under local practice). • The compulsory arbitration provision contained in the policy form should be deleted. • Any "pre-printed" or "standard" exceptions should be deleted. • Any property tax exception should be limited to taxes that are "not yet due and payable". • Any tenant's rights exception should contain a qualification that such rights are "to periodic tenancy, as tenants only, under unrecorded leases". • If Schedule B-I of the policy indicates the presence of any easements that are not specifically located, the title insurance policy shall insure against loss or damage resulting from the exercise by the holder of such easement of its right to use or maintain that easement in a manner that conflicts with the use of the insured property or diminishes the value of the improvements. • The legal description shall be identical with that shown on the survey, the deed, the mortgage or deed of trust and other loan documents that require a legal description of the property.
Endorsements Required:	<ul style="list-style-type: none"> • Non-Imputation (ALTA Form 15.1) • Owner's Comprehensive (ALTA Form 9.1 for unimproved land or ALTA Form 9.2 for improved land, as applicable) • Contiguity (if the Land consists of more than one parcel)

TITLE INSURANCE Requirements	
	<ul style="list-style-type: none">• Access• Zoning (including any applicable parking provisions)• Fairway• Maximum Loss Payable• Survey• Tax Benefit/Tax Credit• Location (street address)• Utilities Facilities• Deletion of Arbitration• Subdivision, if applicable• Separate Tax Lot, if applicable• Any other endorsements reasonably requested by the Investor Limited Partner

INSURANCE REQUIREMENTS

The following are construction and permanent insurance requirements. This outline describes the minimum types and amounts of insurance that are satisfactory to Aegon, its affiliates, successors and/or its assigns. *The Special Limited Partner reserves the right to modify the insurance requirements as conditions warrant.*

1) Carrier Requirement

- All carriers must be A- or better rated according to A.M. Best Company, with a Financial Size Category rating by A.M. Best of VIII or higher.

2) Policy Requirements

- Reference the name of the insured property (“Property”), including address, in the “description section” of the insurance certificate.
- Policies shall provide Aegon entities a 30-day prior written notice of cancellation, termination, or reduction of coverage except for non-payment of premium where ten (10) days-notice shall be given.
- Insurance binders, certificates, and policies must name the identified Aegon entity shown below as an additional insured.
- Copies of policies, binders and certificates shall be provided to the Investor Limited Partner no later than the effective date of the policy.

3) Additional Insured / Loss Payee or Certificate Holder, as applicable:

- For all policies, the following entities should be named:
 - Investor Limited Partner – Aegon LIHTC Fund 55, LLC, its successors and/or assigns, as their interest may appear, c/o AEGON USA Realty Advisors, LLC, Attn: LIHTC Reporting, 6300 C Street SW, MS 3B-CR, Cedar Rapids, IA 52499
 - Transamerica Affordable Housing, Inc., its successors, and/or assigns, as their interest may appear, c/o AEGON USA Realty Advisors, LLC, Attn: LIHTC Reporting, 6300 C Street SW, MS 3B-CR, Cedar Rapids, IA 52499

CONSTRUCTION PERIOD COVERAGE

Prior to the commencement of any construction activities, the General Partner shall obtain (or cause to be obtained by the general contractor or the architect, as applicable) the following coverages, which shall remain in force until receipt of the certificates of occupancy for all buildings:

PARTNERSHIP	
Builder's All Risk (Property) - if rehab, insurance must be in place to cover both construction phase and existing structures.	
Named Insured:	Partnership
Loss Payee:	Investor Limited Partner (see Item 3 above)
Additional Insured:	Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Completed Value (Non-Reporting Form) (please provide on ACORD form 28)
Perils:	Special form "All Risk" policy, including wind/hail, subject to the policy terms, conditions and exclusions
	Flood and Earthquake exclusion acceptable (unless specifically required by the Special Limited Partner).
Valuation:	Replacement Cost including the existing structure(s), if applicable <u>Note:</u> Replacement cost value to include 100% of hard and softs costs.
Deductible:	Not to exceed \$10,000 per occurrence
	If located in Tier One Wind County, wind/hail deductible not to exceed 5%. All other locations, wind/hail deductible not to exceed \$10,000
Endorsements/Extensions:	Permission to Occupy Endorsement Renovations Coverage Endorsement Loss of Rents (12 Months)/Delay in Start Up Soft Costs Terrorism Ordinance and Law Coverage Waiver of Co-insurance or Agreed Value Endorsement Transit Must Obtain Property Insurance on a Building by Building Basis once the Certificate of Occupancy is received for that building <ul style="list-style-type: none"> • <u>NOTE:</u> Investor Limited Partner and Special Limited Partner to be associated in the adjustment of any claim Protective Safeguards and Warranties must be deleted

Commercial General Liability - including contractual liability coverage		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	Note: aggregate limits must be written on a "per location" basis	
Deductible	No greater than \$10,000	
	Primary and Non Contributory	

Umbrella Liability (following form)		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000
Deductible/SIR:	\$10,000	

Boiler and Machinery (if property has centralized equipment, boilers or elevators)	
Named Insured:	Partnership
Loss Payee/Additional Interest:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Comprehensive Form
Limit:	Total Building Value
Valuation:	Replacement Cost
Extensions:	Loss of Rents with Mechanical Breakdown Endorsement

Additional Coverages, if applicable	
Flood:	<ul style="list-style-type: none"> • Required if Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). • Policies must be obtained through the National Flood Insurance Plan (NFIP) in the amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. • An excess Flood or Difference in Conditions (DIC) policy should provide for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. • Flood policies must be in full effect for both the construction and permanent phases.
Earthquake:	<ul style="list-style-type: none"> • If located in Seismic Zones 3 or 4, a Seismic Report must be completed to determine Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL) • If the SUL is shown to have an expected seismic damage ratio of less than 25%, earthquake coverage may be waived. • If earthquake coverage is required, it must be in full effect for both construction and permanent phases in the amount not less than full insurance value, with deductible less than 10% total insurable value, and Business Income/Rent Loss at minimum, of 12 month rents.
Wind:	<ul style="list-style-type: none"> • Must be included peril. If excluded, a separate wind/hail policy must be provided at the same limits as the property or builders risk with 12 months rents.
Ordinance and Law:	<ul style="list-style-type: none"> • Must be obtained when the Property represents a non-conforming use under current building, zoning or land use laws or ordinances. The amount is to cover any losses to the undamaged portion of the building at replacement cost, the demolition cost and the increased cost of construction.
Terrorism:	<ul style="list-style-type: none"> • Terrorism coverage is required.

Worker’s Compensation and Employer’s Liability*		
If the Partnership has employee(s), provide evidence of Workers Compensation as applicable by law.		
Certificate Holder:	See Page 1	
Worker’s Compensation:	Per accident	\$1,000,000
Employer’s Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000

Automobile		
If Partnership owns vehicles or has employees at the subject property		
Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000

GENERAL CONTRACTOR

Commercial General Liability - including contractual liability coverage		
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$2,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note: aggregate limits must be written on a "per project" basis</u>	
Covers independent contractors, explosion, collapse and underground		
Deductible	No greater than \$10,000	

Umbrella Liability		
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000
	<u>Note: umbrella to be written on a following form and no exclusions for X, C & U</u>	

Worker's Compensation, Employer's Liability, and Automobile Liability		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000

ARCHITECT

Professional (Errors & Omissions) Liability	
Certificate Holder:	Partnership
Minimum Limit:	\$1,000,000 (please supply Certificate of Insurance on an ACORD Form 25)

PROPERTY MANAGEMENT COMPANY Note: Coverage required for both construction and permanent phases

Commercial General Liability - including contractual liability coverage		
Named Insured:	Property Management Company	
Additional Insured::	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note: aggregate limits must be written on a "per location" basis</u>	
Deductible:	No greater than \$10,000	

Umbrella Liability		
Named Insured:	Property Management Company	
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Worker's Compensation, Employer's Liability, Automobile Liability, and Fidelity Bond		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Fidelity Bond	(6) months of projects gross rental receipts; Fidelity Bond coverage must be in full effect at time of occupancy.	
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000
Errors and Omissions:	Professional liability	\$1,000,000

PERMANENT PHASE COVERAGE**PARTNERSHIP**

Property Insurance		
Named Insured:	Partnership	
Loss Payee:	Investor Limited Partner (see Item 3 above)	
Additional Insured:	Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO Special Form (please supply Evidence of Property Insurance, ACORD form 27, 28 or other "Special" or "All Risk" form); Copies of Policies to follow within 90 day of acceptance	
Limits:	Building (Real Property:	100% of Insurable Value (Replacement Cost)
	Contents (Personal Property):	Replacement Cost Coverage
	Business Interruption:	12 months gross rental income with extra expense. This is to include tenant's gross rents as well as any subsidies
Valuation:	Replacement Cost	
Deductible:	\$10,000 per occurrence If located in Tier 1 Wind County - wind deductible not to exceed 5%. All other locations, wind/hail deductible not to exceed \$25,000	
Extensions:	Vacancy/Un-occupancy up to 60 days Ordinance and Law Waiver of Coinsurance/Agreed Amount Endorsement Terrorism Protective Safeguards and Warranties must be deleted	

Commercial General Liability - including contractual liability coverage		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000

Commercial General Liability - including contractual liability coverage	
	<u>Note</u> : aggregate limits must be written on a “per location” basis
Deductible:	No greater than \$10,000

Umbrella Liability		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Boiler and Machinery (if property has centralized equipment, boilers or elevators)	
Named Insured:	Partnership
Loss Payee/Additional Interest:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Comprehensive Form
Limit:	Total Building Value
Valuation:	Repair and/or Replacement
Extensions:	Loss of Rents with Mechanical Breakdown Endorsement

Additional Coverages, if applicable	
Flood:	<ul style="list-style-type: none"> • Required if Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). • Policies must be obtained through the National Flood Insurance Plan (NFIP) in the amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. • An excess Flood or Difference in Conditions (DIC) policy should provide for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. • Flood policies must be in full effect for both the construction and permanent phases.
Earthquake:	<ul style="list-style-type: none"> • If located in Seismic Zones 3 or 4, a Seismic Report must be completed to determine Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL).

Additional Coverages, if applicable	
	<ul style="list-style-type: none"> • If the SUL is shown to have an expected seismic damage ratio of less than 25%, earthquake coverage may be waived. • If earthquake coverage is required, it must be in full effect for both construction and permanent phases in the amount not less than full insurance value, with deductible less than 10% total insurable value, and Business Income/Rent Loss at minimum, of 12 month rents.
Wind:	<ul style="list-style-type: none"> • Must be included peril. If excluded, a separate wind/hail policy must be provided at the same limits as the property or builders risk with 12 months rents.
Ordinance and Law:	<ul style="list-style-type: none"> • Must be obtained when the Property represents a non-conforming use under current building, zoning or land use laws or ordinances. The amount is to cover any losses to the undamaged portion of the building at replacement cost, the demolition cost and the increased cost of construction.
Automobile:	<ul style="list-style-type: none"> • Only required if an automobile is used as part of the property's operations (i.e. transportation van) and titled in the name of the Partnership. Liability in the amount of \$1,000,000 is required (per accident combined single limit).
Worker's Compensation:	<ul style="list-style-type: none"> • Only required if Partnership has employees. Employer's Liability limits of \$1,000,000/\$1,000,000/\$1,000,000.
Terrorism	<ul style="list-style-type: none"> • Terrorism coverage is required.

<p>PROPERTY MANAGEMENT COMPANY Note: Coverage required for both construction and permanent phases</p>
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Commercial General Liability - including contractual liability coverage		
Named Insured:	Property Management Company	
Additional Insured::	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note:</u> aggregate limits must be written on a "per location" basis	
Deductible:	No greater than \$10,000	

Umbrella Liability

Named Insured:	Property Management Company	
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Worker's Compensation, Employer's Liability, Automobile Liability, and Fidelity Bond		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Fidelity Bond	(6) months of projects gross rental receipts; Fidelity Bond coverage must be in full effect at time of occupancy.	
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000
Errors and Omissions:	Professional liability	\$1,000,000

PROPERTY MANAGEMENT AGREEMENT

**LIHTC/HUD
MANAGEMENT AGREEMENT
FOR
LA78
(Project)**

This Agreement is made this **6th** day of **November 2018**, between LA78, LP, (the "Owner") and FPI MANAGEMENT, INC. (the "Agent").

1. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this agreement.
2. Description of Project. The property (the "Project") to be managed by the Agent under this Agreement is a multi-family housing development consisting of the land, buildings, and other improvements, which make up the Project known as **LA78**. The Project is further described as follows:

Name:	LA78
Dwelling Units:	78 units (6 sites)
Location:	831 Lucile Avenue, Los Angeles, CA 90026 (20 units) 4131 West Normal Avenue, Los Angeles, CA 90029 (10 units) 4215 Burns Avenue, Los Angeles, CA 90029 (10 units) 135 South Reno Avenue, Los Angeles, CA 90057 (10 units) 1951 W 22nd Street, Los Angeles, CA 90018 (20 units) 825 Forest Avenue, Los Angeles, CA 90033 (8 units)

3. Definitions. As used in this Agreement:
 - A. A "Mortgage" is an instrument of agreement between the Owner, as mortgagor, and the mortgagee, creating a lien on the Project as security for the payment of debt.
 - B. "Mortgagee" means any holder of the Mortgage.
 - C. "Principal Parties" means the Owner and the Agent.
 - D. "Notice" shall include all written communication to include email.
4. Basic Information. N/A
5. Marketing. The Agent shall carry out the marketing activities necessary to advertise the availability for rental of the dwelling units, and the Agent shall also display appropriate "for rent" signs thereon. Owner agrees to assume and be responsible for all expenses in connection with the marketing activities for the Project.
6. Rentals. The Agent will offer for rent and will rent the dwelling units in the Project. Incident thereto, the following provisions will apply:
 - A. The Agent will make preparation and establish a plan for initial rent-up.
 - B. The Agent will follow the tenant selection policy as defined by the Agent and allowed under TCAC and HUD guidelines.
 - C. The Agent will show the premises to prospective tenants.
 - D. The Agent will take and process applications for rentals. If an application is rejected, the applicant will be told the reason for rejection noted thereon.

- E. The Agent will prepare all dwelling leases and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases will comply with laws of the State of California, TCAC, HUD, City of Los Angeles, and all other applicable agencies.
 - F. The Owner will furnish the Agent with HUD and/or TCAC rent schedules, which reflect the rents that Agent is to charge for the respective dwelling units. In no event will such rents and other charges be exceeded or changed by Agent without the prior consent of Owner.
 - G. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each tenant's lease and HUD policy. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government. Earned interest will go to benefit the project. This account will be carried in the **Owner's** name and designated of record as **(LA78) Security Deposit Account**".
7. Collection of Rents and Other Receipts. The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts (except for tenants' security deposits, which will be handled as specified in Subsection 6g above) will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits will be carried in the **Owner's** name and designated of record as **"(LA78) Operating Account"**.
8. Banking. The Agent will establish all operating, security deposit, reserve accounts, tax and insurance impound accounts (if any) with one of the three following banking institutions: Bank of America, First Citizens, Wells Fargo Bank. The preceding banks provide a positive pay accommodation. In the event there is a fraudulent draft for funds, these banks will indemnify any loss.
- In the event the Owner elects to utilize the services of a bank other than the above listed banks, and such bank does not provide a positive pay accommodation, the Owner indemnifies the Agent from any loss resulting from a fraudulent draft by an individual other than an FPI employee.
9. Enforcement of Leases. The Agent will secure full compliance by each tenant with the terms of his lease. Voluntary compliance will be emphasized, and the Agent, will counsel tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent consistent with said management of the Project. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to non-payment of rent) for such termination occurs under the terms of the tenant's lease. For this purpose, the Agent is authorized to consult with legal counsel to be designated by the Owner, to bring actions for eviction and to execute notices to vacate and judicial pleadings incident to such actions; provided, however, the Agent keeps the Owner informed of such actions and follows such instructions as the Owner may prescribe for the conduct of any such action.
- Subject to the Owner's approval, attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Rental Agency Account as Project expenses and be the responsibility of the Owner.
10. Maintenance and Repair. The Agent will maintain the Project in good repair in accordance with local codes, and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provisions will apply:

- A. Special attention will be given to preventive maintenance and, to the greatest extent feasible; the services of regular maintenance employees will be used.
 - B. The Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems, and for extraordinary repairs beyond the capability of regular maintenance employees, unless the onsite maintenance personnel are certified in air-conditioning repair.
 - C. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
 - D. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary to proper maintenance and repair. All expenses incurred for proper maintenance and repair of the Project are the responsibility of the Owner.
 - E. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds One thousand dollars (\$1,000) in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
 - F. The Agent will physically inspect each contract unit prior to commencement of occupancy by any tenant and at least annually thereafter.
11. Utilities and Services. In accordance with the operating budget, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone services. The Agent will make such contracts as may be necessary to secure such utilities and services.
12. Employees. The Agent will prescribe the number, qualifications and duties of the personnel to be regularly employed in the management of the Project, including a Resident Manager, maintenance, bookkeeping, clerical, and other managerial employees, so long as the prescribed staffing plan is within the operating budget. All such on-site personnel will be employees of the Agent and will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:
- A. The Resident Manager will have duties of the type usually associated with this position. The Resident Manager will be directly responsible to the Agent's Project Manager or other officer. The Resident Manager will coordinate the activities of the Project in the interest of good overall management.
 - B. The compensation (including fringe benefits) of the Resident Manager and the maintenance employees will be defined by the Agent, so long as compensation is within the operating budget. Compensation of on-site bookkeeping, clerical and other managerial personnel (if applicable) will be within the Agent's discretion, provided minimum wage standards are met.
 - C. The Owner will reimburse the Agent for compensation (including fringe benefits) payable to the on-site management and maintenance employees, defined by the Agent, and for all local, state, and Federal taxes and assessments (including but not limited to Social Security taxes,

unemployment insurance, workman's compensation insurance), vacation accrual, electronic payroll processing and for medical and dental benefits incident to the employment of such personnel. Such reimbursements will be paid out of the Rental Agency Account and will be treated as Project expense.

- D. Compensation (including fringe benefits) payable to the on-site staff, such as the Resident Manager and all bookkeeping, clerical, and other managerial personnel, for medical and dental benefits plus all local, state, and Federal taxes and assessments incidents to the employment of such personnel will be borne solely by the Project, and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free to the Resident manager will be treated as a cost to the Project and is treated as a part of the operating budget.

13. Disbursements from Rental Agency Account

- A. From the funds collected and deposited by the Agent in the Rental Agency Account pursuant to Section 6g and 7 above, the Agent will make the following disbursements promptly when payable:
 - (1) Reimbursement to the Agent for compensation payable to the employees specified in Subsection 12D above, for medical and dental benefits and for the taxes and assessments payable to local, state, and Federal governments in connection with the employment of such personnel.
 - (2) The single aggregate payment required to be made monthly by the owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance, premium, if any, ground rents, taxes and assessments, fire and other hazards insurance premiums, and the amount specified in the Certificate of Incorporation or Regulatory Agreement for allocation to the Reserve for Replacements, if any.
 - (3) All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 24 below, for its service hereunder.
- B. Except for the disbursements mentioned in Subsection 13A above, funds will be disbursed or transferred from the Rental Agency Account only as the Owner may from time to time direct in writing.
- C. In the event the balance in the Rental Agency Account is at any time insufficient to pay disbursements due and payable under Subsection 13A above, the Agent will inform the Owner of that fact and the Owner will then remit to the Agent sufficient funds to cover the deficiency. In no event will the Agent be required to use its own funds to pay such disbursements.

14. Budgets. Owner and Agent hereby acknowledge that they will approve annual operating budgets for each fiscal year for the term of the agreement. The Agent will keep the owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget. Agent must obtain Owner approval in order to exceed the monthly budget.

15. Records and Reports. The Agent will have the following responsibilities with respect to records and reports:

- A. The Agent will have access to Owner's Yardi property management and bookkeeping software system and will use the same to maintain a comprehensive system of records and books satisfactory to the Owner. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.
 - B. If requested by the Owner, with respect to each fiscal year ending during the term of this agreement, the Agent will have an annual financial report prepared by Certified Public Accountant or other person acceptable to the Owner based upon the preparer's examination of the books and records of the Owner and the Agent. The report will be prepared in accordance with general accepted accounting principles and will be certified by the preparer and the Agent, and will be submitted to the Owner within (60) days after the end of the fiscal year. Compensation for the preparer's services will be paid out of the Rental Agency Account as an expense of the Project.
 - C. The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.
 - D. By the twentieth (20th) day of each month, the Agent will furnish the Owner with a complete financial statement including Balance Sheet and Profit & Loss.
 - E. Owner and Agent agree that all bookkeeping, clerical and the management overhead expenses (including but not limited to the cost of office supplies and equipment, postage, transportation for managerial personnel, and telephone services related to the Agent's own offices and direct employees) will be borne by the Agent out of his own funds and will not be treated as a Project Expense. The cost of office supplies and equipment, data processing, bank account charges, postage, auditing, forms, and telephone services related to the on-site operation, shall be borne by the Owner out of his own funds and will be treated as Project Expenses.
 - G. Agent shall perform at a minimum quarterly special claims billing according to HUD policies and procedures.
 - H. Agent shall provide the following reports: narrative to variance report; weekly BLVD report; delinquency narrative explaining every tenant delinquency; HUD billing report; special claims billing report.
16. Fidelity Bond. The Agent will furnish, at its own expense, a fidelity bond in the principal sum of Two Million Dollars (\$2,000,000.00), which is at least equal to the gross potential income for two months and is conditioned to protect the Owner against misappropriation of Project funds by the Agent and its employees.
17. Bids and Purchase Discounts, Rebates or Commissions, etc. The Agent on behalf of the Project Owner agrees to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the project and to secure and credit to the project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the project. The Management Agent agrees that all goods and services purchased from individuals or companies having an identity-of-interest with the Management Agent shall be purchased at costs not in excess of those that would be incurred in making arms-length purchases on the open market. Agent and On-site staff must disclose any direct or indirect benefits received through operating the property, including interest in any vendors that service the property. Agent and On-site staff cannot accept any kickbacks, both monetary and non-monetary.

The Agent shall solicit written cost estimates (i.e. bids) from at least three contractors or suppliers for any work item which the Project Owner and Agent estimates will cost \$3,000.00 or more and for any contract or on-going supply or service arrangement which is estimated to exceed \$1,000 per year. The Agent agrees to seek Owner and approval accept the bid, which represents the lowest price taking into consideration the bidder's reputation for quality of workmanship or materials and timely performance, and the time frame within which the service or goods are needed. For any contract or ongoing supply or service arrangement obtainable from more than one source and estimated to cost less than \$1,000, the Agent shall solicit verbal or written cost estimates, as necessary to assure that the project is obtaining services, supplies, and purchases at the lowest possible cost. The Agent must make a written record of any verbal estimate obtained.

18. Tenant-Management Relations. The Agent will encourage and assist residents of the Project in forming and maintaining representative organizations to promote their common interest, and will maintain good-fair communication with such organizations to the end that problems affecting the Project and its residents may be avoided or solved on the basis of mutual self-interest.
19. On-Site Management Facilities. Subject to the further agreement of the Owner and Agent as to more specific terms, the Agent will maintain a management office within the Project and the Resident Manager will reside in one of the dwelling units in the Project, and the Owner will make no rental charge for the same.
20. Insurance. Owner is required to obtain and keep in force commercially prudent amounts of property and commercial liability insurance covering the Project and covering Owner as primary insured and, with respect to liability insurance, designating Agent as an insured and in amounts reasonably acceptable to Agent, as well as the Owner. ("Owner's Insurance"). At Owner's request, Agent will cause Owner's Insurance to be placed and kept in effect at all times. Agent will pay premiums for Owner's Insurance out of the Rental Agency Account, and premiums will be treated as operating expenses.

Owner's Insurance shall be primary and may be blanketed with other insurance carried by Owner or any affiliate of Owner. In connection with any losses, casualties, claims or suits by third parties or liabilities to third-parties, related to or arising from the Project, as between Owner's Insurance and any insurance Agent may have, Owner's Insurance shall be considered the primary coverage and any insurance maintained by Agent shall be secondary, excess and non-contributing to Owner's Insurance. Owner's insurers shall endorse these coverage requirements, as they are material to the parties' allocation of risk. All insurance will be placed with such companies, on such conditions and with such beneficial interest appearing thereon as shall be acceptable to the Owner, and shall be otherwise in conformity with the mortgage. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith.

21. Waiver of Subrogation. In so far as, and to the extent that, this provision may be effective without invalidating or making it impossible to obtain the applicable insurance, Manager and Owner agree that with respect to any hazard, liability, casualty or other loss or claim which is intended to be covered by insurance and to which the other party is not negligent, (a) the party suffering such hazard, liability, casualty, loss or claim releases the other party of and from any and all claims with respect to such loss; and (b) their respective insurance companies shall have no right of subrogation against the others or their respective agents, contractors, employees, licensees or invitees on account thereof.
22. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with and all governmental orders or other requirements affecting the Project, whether

imposed by Federal, state, county or municipal authority, subject; however, to the limitation stated in Subsection 10e with respect to repairs.

Nevertheless, the Agent shall take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirements, within seventy-two (72) hours from the time of their receipt.

23. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing and employment on the grounds of race, color, national origin, religion, sex, disability, and familial status, including Title VI and VII of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), Fair Housing Amendments Act of 1974 and 1988, and Title I and III of the Americans with Disabilities Act.
24. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Rental Agency Account and treated as Project expenses. Such fees will be payable on the 30th day of each month commencing December 2018 and continuing on a month-to-month basis.

Each such monthly fee will be in an amount equal to \$50 per unit, per unit, per month through December 2019. Thereafter, 2.5% of collected income (based on Cash Books and excluding utility reimbursements), or \$45 per unit, per month, whichever is greater. See attached Property Management Fee & Expense Structure.

25. Term of Agreement. This Agreement shall be in effect commencing December 1, 2018 subject, however, to the following conditions.

This Agreement may be terminated at the option of the Owner on 30 days written notice.

Upon termination of management agreement, Agent will provide trailing accounting for a sixty (60) day period, subsequent to the date of termination of management services. Thereafter, at Owner's request, any additional accounting services will be provided for a monthly fee equal to one half of the last monthly management fee paid, prior to termination.

In the event a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other, provided prompt written notice of such termination is given to each of the Consenting Parties.

26. Indemnification. The Owner agrees to indemnify, defend and save the Agent and its officers, directors, shareholders, employees, agents and representatives (collectively hereinafter referred to as the "Agent") completely harmless from any and all costs, expenses, attorney's fees, accounting fees, expert witness fees, suits, liabilities, damages, demands losses, recoveries, settlements or claims for damages, including but without limitation claims based in tort, personal injury, contract and/or any action or claim in any way relating to the Project (including but not limited to any actions or claims regarding hazardous materials) by the Agent or the performance or exercise of any of the duties, obligations, powers or authorities herein or hereafter granted to the Agent, such that the Agent shall not be liable for any error of judgment or for any mistake of fact or law, or for anything, which it may do or refrain from doing related to or arising from the Project, except where Agent is shown to have committed willful misconduct or its conduct is shown to have been grossly negligent or Agent has acted outside the scope of its authority under this Agreement.

Agent hereby agrees to indemnify, defend and hold Owner, its partners and their respective shareholders, officers, partners, members, agents and employees, completely harmless from any and all costs, expenses, attorneys' fees, accounting fees, expert witness fees, suits, liabilities, damages, demand losses, recoveries, settlements or claims for damages, including but without limitation claims based in tort, personal injury, contract and/or any action or claim in any way relating to the management of the Project, caused by Agent's gross negligence or willful misconduct or as a result of Agent acting outside the scope of its authority under this Agreement.

27. Interpretative Provisions.

- A. This Agreement shall be binding upon the successors and assigns of the Agent and their heirs, administrators, executors, successors and assigns of the Owner. This Agreement shall not be assigned by the Agent without the prior written consent of the Owner, and any such assignment made without Owner's consent shall be null, void, and of no effect.
- B. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid unless made by supplemental written agreement, executed and approved by the Principal Parties.
- C. This Agreement has been executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the counterparts.

28. Attorney's Fees.

If either party commences an action against the other party arising out of or in connection with this management agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney's fees and costs of suit.

29. Procedures for Determining Resident Eligibility and for Certifying Incomes and Re-certifying Incomes.

- A. Residents will be qualified under Section 42 guidelines, by the project Resident Manager or Assistant Manager. All qualification processing is subject to review and approval by FPI Management, Inc. Property Manager.
- B. The on-site staff is aware of regulatory provisions as they relate to the on-site occupancy and eligibility requirements, focusing on family size and needs as they relate to unit size, Maximum Allowable Income Limits, and Maximum Allowable Rents as defined by Department of HUD and California Tax Credit Allocation Committee.

30. Tenant Admission and Leasing Policies.

- A. In addition, local newspapers, radio stations and other media will be sent press releases and marketing material, and be used to place classified advertising as necessary.

In addition, the Management Agent will regularly contact the local Housing Authority.

- B. Leasing policies and procedures are consistent with Section 42 qualifications and eligibility requirements. FPI Management, Inc. implements credit checks, past resident references, prior past resident references and employer references to ensure prospective residents will be an asset to the complex.

- C. FPI Management, Inc. has also established general tenant rules and regulations pertinent to occupancy. Each prospective tenant is informed of the occupancy rules as they relate to them. A copy of the occupancy rules is posted in the project offices and a copy is given to the tenant. Occupancy standards are as follows:

1 Bedroom	1 to 2 people
2 Bedroom	1 to 4 people
3 Bedroom	2 to 6 people
4 Bedroom	4 to 8 people

31. Plans for Tenant-Management Relations.

- A. Residents are personally oriented to the project by the on-site staff. The orientation program will be handled on an individual basis. This will be accomplished as each resident occupies his/her unit. Residents will be oriented to the complex and the surrounding areas. Location of shopping, schools, churches, community and tenant organizations will be made available.
- B. Management plans for tenant organization includes, annual gatherings sponsored and arranged by management.
- C. Recreation room facilities (if applicable) will be available for tenant organizations and/or meetings. Management representation and assistance is available for all tenant meetings.
- D. The Management Agent will employ sufficient on-site staff to have time available to assist in coordination of resident activities and community outreach. One of the primary responsibilities of the on-site staff will be the proactive involvement in property/community activities.

32. Termination of Leases and Evictions.

- A. On-site staff is knowledgeable of tax credit and HUD requirements regarding termination of leases and evictions. The Management Agent is responsible to assure that the implementation of such requirements is carried out correctly, in accordance with State and Local Laws.
- B. On-site staff is knowledgeable of tax credit and HUD requests regarding proper tenant notification for lease termination or eviction. The Management Agent is responsible to assure that the implementation of such requirements is carried out correctly in accordance with State and Local laws.

33. Tax Credit and HUD Compliance

To ensure quality, consistency and compliance with Section 42 Regulations and HUD requirements, each property will contract with a third-party compliance consultant to review all move-in and recertification files. Despite the use of a 3rd party, ongoing compliance remains the responsibility of Agent.

Low Income Housing Tax Credit Program

The property will be operated in compliance with the tax credit program as provided in Section 42 of the Internal Revenue Code of 1986, as amended. The Agent agrees to use its best efforts to rent to residents who will qualify under the program. Agent will comply with Owner's Section 42 procedures as set forth in the Tax Credit Manual. The Agent will insure that the required annual tax credit re-certification of existing tenants is completed in a timely manner. Agent understands that all correspondence, communication, reporting and procedures when dealing with the State Monitoring Authority are the responsibility of the Owner, unless specifically assigned to Agent.

The Agent shall certify annually that the Project, and each of its tenants, is in compliance with all regulations and requirements required to qualify the Owner to receive Housing Tax Credits with respect to the Project.

HUD Program

The property will be operated in compliance with the HUD program. Agent is responsible for and must adhere to all HUD requirements, Agent will insure that the required annual and interim HUD re-certification of existing tenants is completed in a timely manner.

34. HUD Required Clauses.

HUD requires certain provisions in this Management Agreement. The following provisions therefore preempt any terms or conditions set forth in the foregoing Agreement to the contrary:

- A. Management fees will be computed and paid according to HUD requirements.
- B. HUD may require the Owner to terminate this Agreement:
 - 1. Immediately, in the event a default under the Mortgage, Note, Regulatory Agreement, or Subsidy Contract attributable to the Management Agent occurs; or
 - 2. Upon 30 days written notice, for failure to comply with the provisions of the Management Certification or other good cause; or
 - 3. When HUD takes over as MIP.
- C. If HUD terminates this Agreement, the Owner will promptly make arrangements for providing management satisfactory to HUD.
- D. HUD's rights and requirements will prevail in the event this Management Agreement conflicts with them.
- E. The Management Agent will turn over to the Owner all of the project's cash, trust accounts, investments, and records immediately, but in no event more than 30 days, after the date this Management Agreement is terminated.
- F. This Management Agreement does not exempt the Agent from all liability for damages and injuries. The Owner agrees to hold and save the Agent harmless when the Agent is carrying out the provisions of this Management Agreement, or is acting under the express or implied direction of the Owner unless such injuries or damage resulted from the Agents gross negligence or willful misconduct.
- G. This Agreement is for an open-ended term and shall remain in effect until cancelled by HUD, the Owner or the Agent.

If the length/term of the Agreement changes, the Owner/Agent must submit a new Management Certification.

35. Inspections.

Agent shall be responsible for and manage REAC and MOR Inspections.

WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the date first above written.

OWNER:

LA78, LP a California limited partnership


By:  _____

Robert Budman (on behalf of LA78 GP, LLC)
Manager

Tax Identification #82-2695743

AGENT:

FPI MANAGEMENT, INC.,
A California Corporation

By:  _____
Dennis Treadaway
President

Tax Identification #68-0217638

PROPERTY MANAGEMENT FEE AND EXPENSE STRUCTURE ATTACHMENT

This Property Management Fee and Expense Structure is attached to and made part of the Management Agreement between Owner and Agent. Capitalized terms not otherwise defined herein shall have the same definition as set forth in the Management Agreement.

Owner shall pay to FPI Management, Inc. the fees identified below for providing comprehensive property management services:

**Each such monthly fee will be in an amount equal to \$50 per unit, per month through December 2019.
Thereafter, 2.5% of collected income, or \$45 per unit, per month, whichever is greater.**

IN ADDITION TO THE FEE ABOVE, Owner shall pay Agent for the following charges, costs and expenses:

Property specific personnel costs

Hourly and monthly compensation, bonuses, for on-site employees at the Property, if any.

FPI's workers compensation charge

Compilation of workers' compensation/unemployment insurance providers' rate and a percentage allocation to FPI's safety program, that funds multiple training and support platforms for

<u>Taxes – All taxes related to the Property, including but not limited to sales, business and payroll tax</u>	on-site safety related issues, and on-site employee associated litigation costs. Per federal, state and local laws, statutes, regulations, and requirement.
<u>FPI's health insurance benefit charge (medical, dental and vision)</u>	Approximately \$538.60 per full-time employee per month.
<u>FPI's payroll processing charge (FPI uses ADP)</u>	\$11.92 per employee, per pay period.
<u>Property specific postage, Federal Express, Express Mail, U.S. Mail</u>	Per provider cost.
<u>FPI's annual mid-year training seminar charge</u>	Approximately \$200 per on-site manager, plus travel cost.
<u>FPI's annual holiday event charge</u>	Approximately \$100 per on-site manager, plus travel cost.
<u>FPI's online Grace Hill Training access charge</u>	\$.39 per unit, per month (Conventional) \$.44 per unit, per month (Affordable)
<u>FPI cloud computing platform charge</u>	\$.66 per unit, per month, plus Vault \$70.00 per email address, per year. (Email archive)
<u>FPI's Strategic Solutions</u>	\$49 annually – online training manual.
<u>Bank analysis fees</u>	Actual charges from bank analysis statements
<u>FPI's Business Intelligence Software charge</u>	\$.60 per unit, per month.
<u>FPI's Leonardo 24/7 charge</u>	No charge, 0-50 units \$50 per month, 51-149 units \$99 per month, 150+ units \$99 – One time set up fee
<u>FPI's annual HUD training</u>	\$750 per year, plus travel cost (Project Based Sec. 8 only).
<u>Compliance charge</u>	FPI Management contracts with Karen A. Graham Consulting LLC. KAGC charges as follows: <u>LIHTC PROPERTIES ONLY:</u> \$24.00 per file for standard service \$29.00 per file for high priority service \$12.00 per self cert recertification standard service \$14.00 per self cert recertification high priority service <u>HUD OR RD PROPERTIES ONLY:</u> \$27.00 per file for standard service \$35.00 per file for high priority service

BLENDED (HUD OR RD PLUS LIHTC PROPERTIES ONLY):

\$44.00	HUD or RD + LIHTC move in or full recert
\$52.00	HUD or RD + LIHTC move in or full recert High Priority
\$34.00	HUD or RD recert + LIHTC self cert recert
\$42.00	HUD or RD recert + LIHTC self cert recert High Priority
\$27.00	HUD or RD only move in or recert
\$35.00	HUD or RD only move in or recert High Priority
\$24.00	LIHTC only move in or full recert
\$29.00	LIHTC only move in or full recert High Priority
\$12.00	LIHTC only self cert recertification
\$14.00	LIHTC only self cert recertification High Priority

Accounting Costs

No accounting costs charged to the property.

NOTE: The fees, costs, charges and expenses in this Property Management Fee and Expense Structure are subject to change annually.

PROJECT DOCUMENTS

Closing Checklist



DUE DILIGENCE CHECKLIST - TCA 410 - LA78, L.P.

Last Updated: 11/15/2018

Project Location 6 scattered sites in Los Angeles, CA, located at the following addresses: 831 Lucile Ave. 135 S. Reno Ave. 4131 W. Normal Ave. 1951 W 22 nd St. 4215 Burns Ave. 825 Forest Ave.	Closing Date: 11/15/2018 Committee Date: 6/4/2018 Type of Investment: Direct
Property Description 6 rehabilitated buildings with 78 units for families with 74 units covered by HAP contracts	Sponsor Community Development Partners BLVD Capital
General Partner IH CDP Partnership LLC (Managing General Partner) LA 78 GP, LLC (Administrative General Partner)	General Partner Counsel Cox, Castle & Nicholson
Developer Community Development Partners BLVD Capital	Guarantors Community Development Partners (Sponsor/Developer) BLVD Capital (Sponsor/Developer) LA 78 GP, LLC (Administrative General Partner)
Investor Limited Partner Aegon LIHTC Fund 55, LLC	Special Limited Partner Transamerica Affordable Housing, Inc. ("TAH")
Investor Limited Partner Counsel Klein Hornig	
Lender/Issuer Freddie Mac/California Statewide Community Development Authority	Lender Counsel/Issuer Counsel
General Contractor – Katerra Renovations LLC Property Manager – FPI Management, Inc. Architect – Groundfloor Design – Erik Marcussen Partnership Accountant – Carter & Co., of Destin, Florida	Insurance Third-Party Consultant - D&M Construction Reviewer - Partner Compliance Monitoring Agent – Novogradac & Company LLP

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
1	EQUITY CLOSING DOCUMENTS			
1.01*	Letter of Intent/Term Sheet	Rec'd.	Investor/Sponsor	✓
1.02*	Amended and Restated Agreement of Limited Partnership	Rec'd.	Investor Counsel	✓
1.03	Executed First Payment Date Certificate	<i>Exhibit to LPA</i>	Investor Counsel	See 1.02
1.04	Unconditional Guaranty	Rec'd.	Investor Counsel	✓
1.05	Reserved	N/A	Investor Counsel	N/A
1.06	Development Services Agreement		Investor Counsel	✓
1.07*	(a) Assignment, Pledge and Security Agreement (Co-General Partner) (b) Assignment, Pledge and Security Agreement (Managing General Partner)	(a)-(b): Rec'd.	Investor Counsel	✓
1.08	Nonprofit Management Agreement	Rec'd.	Investor Counsel	✓
1.09	Reserved	N/A	Investor Counsel	N/A
1.10	Put Option Agreement	Rec'd.	Investor Counsel	✓
1.11	Purchase Option and Right of First Refusal Agreement	Rec'd.	Investor Counsel	✓
1.12	Reserved	N/A	Investor Counsel	N/A
1.13	UCC-1(s) in favor of AEGON	<i>Aegon sent out form UCC-1's on 5/25, to be filed at closing</i>	Investor	Filed at closing
1.14	Security Agreement	Rec'd.	Investor Counsel	✓
1.15	Architect's Certificate of Compliance	Rec'd, dated 5/29/2018.	General Partner (<i>Form to be provided by Investor</i>)	✓
1.16	Accountant's Cert re 168(h)(6)(F)(ii)		General Partner	N/A
2	PROJECTIONS			
2.01	Projections		Investor/Sponsor	See 1.02
3	CONSTRUCTION to PERMANENT LOAN DOCUMENTS			
3.00	Lender: Berkadia Commercial Mortgage LLC [Freddie Mac] Amount: \$16,456,182			
3.01	Commitment Letter	Rec'd, dated 11/9/2018.	Lender/Sponsor	✓
3.02	Loan Agreement		Lender's Counsel	N/A
3.03	(a) Project Note (b) Endorsement to Note	(a)-(b): Rec'd.	Lender's Counsel	✓
3.04	(a) Multifamily Deed of Trust, Assignment of Rents, Security Agreement	(a)-(b): Rec'd.	Lender's Counsel	✓

	and Fixture Filing (b) Assignment of Security Instrument			
3.05	Assignment of Leases and Rents		Lender's Counsel	N/A
3.06	Security Agreement		Lender's Counsel	N/A
3.07	(a) Guaranty (b) Guaranty of Completion (c) Operating Deficit Guaranty	(a)-(c): Rec'd.	Lender's Counsel	✓
3.08	UCC-1 Financing Statement		Lender's Counsel	✓
3.09	No Federal Funds Letter		Lender's Counsel	N/A
3.10	Estoppel Certificate		Lender's Counsel	N/A
3.11	Consent of Equity Investor	Rec'd.	Lender's Counsel	✓
3.12	Assignment of Equity Interests, Pledge and Security Agreement	Rec'd.	Lender's Counsel	✓
3.13	Assignment of Management Agreement and Subordination of Management Fees	Rec'd.	Lender's Counsel	✓
3.14	(a) Certificate of Borrower (b) Recycled Borrower Certification	(a)-(b): Rec'd.	Lender's Counsel	✓
3.15	Continuing Covenant Agreement	Rec'd.	Lender's Counsel	✓
3.16	Subordination Agreement	Rec'd.	Lender's Counsel	✓
4	PERMANENT LOAN DOCUMENTS – See Section 4 Above			
5	SUBORDINATE LOAN DOCUMENTS			
5.00	Lender: Is This Hand Shucked, LP [Seller Loan] Amount: \$795,995			
5.01	Commitment Letter	Rec'd, Seller's Organizational Chart.	Lender/Sponsor	✓
5.02	Purchase Option Agreement		Lender's Counsel	✓
5.03	Subordinate Promissory Note (Seller Loan)		Lender's Counsel	✓
5.04	Subordinate Deed of Trust		Lender's Counsel	✓
5.05	Assignment of Leases and Rents		Lender's Counsel	N/A
5.06	Security Agreement		Lender's Counsel	N/A
5.07	Guaranty		Lender's Counsel	N/A
5.08	Regulatory Agreement		Lender's Counsel	N/A
5.09	UCC-1 Financing Statement		Lender's Counsel	N/A
5.10	No Federal Funds Letter		Lender's Counsel	N/A
5.11	Estoppel Certificate		Lender's Counsel	N/A
6	BOND DOCUMENTS			
6.00	Issuer: California Statewide Community Development Authority Amount: \$16,456,182			

6.01	Bond Application	Rec'd, CDLAC Application.	General Partner	✓
6.02	Bond Inducement Resolution	Rec'd, Resolution No. 17H-36.	Issuer	✓
6.03	Bond Issuance Letter/Certification Authorizing Bond Issuance/Authorizing Resolution	Rec'd.	Issuer	✓
6.04	Bond Volume Cap Approval	Rec'd.	Issuer	✓
6.05	Preliminary Official Statement		Issuer's Counsel	N/A
6.06	Trust Indenture		Issuer's Counsel	N/A
6.07	(a) Funding Loan Agreement (b) Project Loan Agreement	(a)-(b): Rec'd.	Issuer's Counsel	✓
6.08	Regulatory Agreement and Declaration of Restrictive Covenants	Rec'd.	Issuer's Counsel	✓
6.09	Tax Credit Arbitrage Certificate	Rec'd.	Issuer's Counsel	✓
6.10	Bond Purchase Agreement		Issuer's Counsel	N/A
6.11	Evidence of TEFRA hearing/notice	Rec'd.	Issuer	✓
6.12	Bond Counsel Opinion	Rec'd.	Issuer's Counsel	✓
6.13	Specimen Bonds		Issuer's Counsel	N/A
6.14	Remarketing Agreement		Issuer's Counsel	N/A
6.15	Assignment and Intercreditor Agreement		Issuer's Counsel	N/A
6.16	Pledge, Security & Custody Agreement		Issuer's Counsel	N/A
7	PARTNERSHIP ENTITY DOCUMENTS			
7.00	LA78, LP, a California limited partnership			
7.01	Partnership Agreement and any amendments thereto	Rec'd, Agreement of Limited Partnership dated 8/22/2017.	General Partner	✓
7.02	Certified by SOS a copy of Certificate of Limited Partnership and any amendments	Rec'd, Certificate of Limited Partnership (filed 8/22/2017).	General Partner	✓
7.03	FEIN	Rec'd.	General Partner	✓
7.04	Good Standing/Existence Certificate	Rec'd, dated 11/2/2018.	GP Counsel	✓
7.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
7.06	Financial Statement	<i>Not applicable (see 7.08)</i>	General Partner	See 7.08
7.07	Federal Tax Return (for past 2 years)	<i>Not applicable (see 7.08)</i>	General Partner	See 7.08
7.08	Officer's Closing Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor</i>)	✓

7.09	Organizational Chart	Rec'd. Note: Needs to include ownership interests down to an individual(s)	General Partner	✓
7.10	LP Transfer Tax	Aegon/Aegon counsel to determine	Investor/Investor Counsel	✓
8	GENERAL PARTNER DOCUMENTS			
8A.00	IH CDP Partnership LLC, a California limited liability company ("Managing General Partner")			
8A.01	Operating Agreement	Rec'd, Operating Agreement.	General Partner	✓
8A.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd, Certified Articles of Organization (filed 8/21/2017).	General Partner	✓
8A.03	FEIN	Rec'd.	General Partner	✓
8A.04	Good Standing/Existence Certificate	Rec'd, dated 11/2/2018.	GP Counsel	✓
8A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
8A.06	Financial Statement	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.07	Federal Tax Return (for past 2 years)	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.08	Schedule of Real Estate Owned	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.09	Schedule of Contingent Liabilities	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.10	Officer's Closing Certificate with Resolution/Incumbency Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor</i>)	✓
8B.00	LA78 GP, LLC, a California limited liability company ("Administrative General Partner")			
8B.01	Operating Agreement	Rec'd, dated 5/31/2018.	General Partner	✓
8B.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd, Articles of Organization (filed 8/22/2017).	General Partner	✓
8B.03	FEIN	Rec'd.	General Partner	✓
8B.04	Good Standing/Existence Certificate	Rec'd, dated 11/2/2018.	GP Counsel	✓
8B.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
8B.06	Financial Statement	<i>Not applicable (see 8B.10)</i>	General Partner	See 8B.10
8B.07	Federal Tax Return (for past 2 years)	<i>Not applicable (see 8B.10)</i>	General Partner	See 8B.10
8B.08	Schedule of Real Estate Owned	<i>Not applicable (see 8B.10)</i>	General Partner	See 8B.10
8B.09	Schedule of Contingent Liabilities	<i>Not applicable (see 8B.10)</i>	General Partner	See 8B.10
8B.10	Officer's Closing Certificate with	Rec'd.	General Partner (<i>Form to</i>	✓

	Resolution/Incumbency Certificate		<i>be provided by Investor)</i>	
9	DEVELOPER DOCUMENTS			
9A.00	Community Development Partners, a California for-profit corporation			
9A.01	Bylaw	Rec'd, Amended and Restated Bylaws dated 10/11/2013.	General Partner	✓
9A.02	Certified by SOS a copy of Articles of Incorporation and any amendments	Rec'd, Certified Articles of Incorporation (filed 12/16/2011).	General Partner	✓
9A.03	FEIN	Rec'd.	General Partner	✓
9A.04	Good Standing/Existence Certificate	Rec'd, dated 11/2/2018.	GP Counsel	✓
9A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
9A.06	Financial Statement	Rec'd, dated 12/31/2017, 12/31/2016 & 7/31/2016.	General Partner	✓
9A.07	Federal Tax Return (for past 2 years)	Rec'd, 2014, 2015 & 2016 Tax Returns. Note: 2017 Returns not yet available.	General Partner	✓
9A.08	Schedule of Real Estate Owned	Rec'd, dated 12/31/2016 & 12/31/2017.	General Partner	✓
9A.09	Schedule of Contingent Liabilities	Rec'd, dated 12/31/2016 & 12/31/2017.	General Partner	✓
9A.10	Officer's Closing Certificate with Resolution/Incumbency Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor)</i>	✓
9B.00	BLVD Capital LLC, a Delaware limited liability company			
9B.01	Operating Agreement	Rec'd, Amended and Restated Limited Liability Company Agreement dated 1/1/2017.	General Partner	✓
9B.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd, Certificate of Formation (filed 3/25/2010). Rec'd, Application as Foreign LLC (filed 9/2/2011).	General Partner	✓
9B.03	FEIN	Rec'd.	General Partner	✓
9B.04	Good Standing/Existence Certificate	Rec'd, dated 11/2/2018.	GP Counsel	✓
9B.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
9B.06	Financial Statement	Rec'd, Financial Statements dated 12/31/2017.	General Partner	✓
9B.07	Federal Tax Return (for past 2 years)	Rec'd, 2015 & 2016 Tax Return.	General Partner	✓

9B.08	Schedule of Real Estate Owned	Rec'd, dated 4/5/2018.	General Partner	✓
9B.09	Schedule of Contingent Liabilities	Rec'd, dated 4/5/2018.	General Partner	✓
9B.10	Officer's Closing Certificate with Resolution/Incumbency Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor</i>)	✓
10	GUARANTOR DOCUMENTS			
10A.00	LA 78 GP, LLC – See Section 8B Above			
10B.00	Community Development Partners – See Section 9A Above			
10C.00	BLVD Capital – See Section 9B Above			
11	DEVELOPMENT TEAM RESUMES			
11.01*	Developer Resume	Rec'd (CDP & BLVD).	General Partner	✓
11.02*	a) Contractor Resume b) General Contractor Questionnaire	a) Rec'd. b) Rec'd.	General Partner	✓
11.03*	Architect Resume	Rec'd.	General Partner	✓
11.04*	Property Manager Resume	Rec'd.	General Partner	✓
11.05*	Other Resumes (if applicable)		General Partner	N/A
12	PROJECT CONSTRUCTION DOCUMENTS (for all sites)			
12.01	Architect's Contract	Rec'd, Architect's Agreement for Services dated 8/10/2017.	General Partner	✓
12.02*	a) Construction Contract b) Construction Budget c) Construction Schedule	(a) Rec'd, dated 6/28/2018. (b) Rec'd (Exhibit to Construction Contract) (c) Rec'd (Exhibit to Construction Contract)	General Partner	✓
12.03*	Payment and Performance Bonds – a) Form AIA 312 and b) with Dual Obligee Language	Rec'd.	General Partner	✓
12.04	Initial Cost Review	Rec'd.	3 rd party (<i>to be completed with information provided by General Partner</i>)	✓
12.05	Property Needs Assessment Report	Rec'd, Property Condition Report dated 5/8/2018. Rec'd, Property Condition Report (all sites) dated 10/4/2017. Rec'd, Capital Needs Assessment (all sites) dated 10/4/2017.	General Partner	✓
12.06	Geotechnical Report		General Partner	N/A
12.07	PML Analysis/Seismic Report	Rec'd, Revised Seismic Risk Assessments (for Burns Ave., W. Normal, Delta,) all	3 rd party (<i>ordered by Investor</i>)	✓

		dated 5/30/2018. Rec'd Seismic Risk Assessments (for all sites: Casa de Woods, Vendome Courts (Burns Ave, W. Normal, S. Reno & Lucile Ave), & Delta Apartments) all dated 2/22/2018.		
12.08	Plans and Specifications	Rec'd, PDF and hard copy of Plans (Cameron has).	General Partner	✓
12.09	Evidence of Availability of utilities for water, sewer, gas, & electric	Rec'd.	General Partner	✓
12.10	Building Permits/Certificate of Occupancy	Rec'd, Express Permits Info (and info regarding building permits process)	General Partner	✓
12.11	Site Plan	Rec'd (all sites).	General Partner	✓
12.12	Evidence of Compliance with all Permitting, Zoning, and Land Use Requirements	Rec'd, Verification of Zoning Letters from City of Los Angeles. Rec'd, Zoning Reports (all sites). Note: In addition, a Zoning Endorsement to Title will be required	General Partner	✓
13	PROJECT FINANCIAL INFORMATION			
13.01	Property Tax Abatement Information	Rec'd, confirmation of 2017 Property Tax Welfare Exception.	General Partner/GP Counsel	✓
13.02	Utility Allowances	<i>N/A – property is master metered and all utilities are paid by the property</i>	General Partner	N/A
13.03*	Market Study/Feasibility Study	(a) Rec'd, Market Study dated 10/12/2017. (b) Rec'd, Market Study dated 5/11/2018.	(a) General Partner to provide existing market study (b) 3 rd Party (ordered by Investor)	✓
13.04	Detailed Operating Budget (including staffing plan and utility expense justification)	Rec'd.	General Partner	✓
13.05	Rent Rolls and Historic Operations	Rec'd, Rent Roll dated 1/2017. Rec'd, Financial Statement dated 12/2016 & 12/2017.	General Partner	✓
14	INSURANCE CERTIFICATES			
14.00	All insurance reviews are being performed by our third party reviewer			
	14.01) Third Party Insurance Consultant	14.01) Rec'd.	Third Party (with	✓

	Review 14.02) Partnership Property Insurance 14.03) Partnership General Liability Insurance 14.04) Management Agent Insurance (fidelity bond) 14.05) Contractor's Insurance 14.06) Architect's Insurance 14.07) Builder's Risk Insurance 14.08) Civil Engineer's Insurance	14.02) Rec'd and approved. 14.03) Rec'd and approved. 14.04) Rec'd and approved. 14.05) Rec'd and approved. 14.06) Rec'd and approved. 14.07) Rec'd and approved. 14.08) <i>Not applicable</i>	<i>information provided by General Partner or GP insurance broker)</i>	
15	PROJECT ACQUISITION DOCUMENTS			
15.01	a) Title Insurance Commitment b) Title Exception Documents c) Proforma including endorsements d) Owner's Policy	a) Rec'd. b) Rec'd (links in title commitment) c) Rec'd. d) Post-Closing	General Partner	✓
15.02	ALTA Survey with ILP form of certificate	Rec'd.	General Partner	✓
15.03	Ground Lease	<i>Not applicable</i>	GP Counsel	N/A
15.04	Appraisal	Rec'd, Appraisal (Lea & Company) dated 12/31/2017. Rec'd, Appraisal (Colliers) dated 3/12/2018.	General Partner	✓
15.05	Purchase and Sale Agreement(s)	Rec'd, Purchase and Sale Agreement dated 1/15/2018.	General Partner	✓
15.06	Acquisition Deed	Rec'd.	GP Counsel	✓
15.07	Settlement Statement for Project Acquisition		General Partner	See 23.05
15.08	Evidence of 10-year ownership/chain of title search	<i>for acquisition credits</i>	General Partner	✓
15.09	Acquisition Credit Certificate (Seller)	Rec'd.	Investor Counsel	✓
15.10	Acquisition Credit Certificate (Buyer)	Rec'd.	Investor Counsel	✓
16	ENVIRONMENTAL REPORTS			
16.01	Environmental Phase I Report(s)	Rec'd, Phase I Environmental Site Assessment (all sites) dated 10/25/2018. Rec'd, Phase I Environmental Site Assessment (all sites) dated 5/8/2018. Note: Phase I ESA is current until late March 2019.	General Partner	✓
16.02	Phase II	<i>Not applicable</i>	General Partner	N/A
16.03	Asbestos Abatement Report	Need (Post-Closing): Asbestos Abatement	General Partner	Post-Closing

		<i>Closure Report</i>		
16.04	Other report(s) – may include Radon, Asbestos, Lead Based Paint, and Mold	Rec'd, Asbestos & Lead-Based Paint Survey Reports (all sites).	General Partner	✓
16.05	Reliance letter(s) for report(s)	Rec'd, dated 10/29/2018.	General Partner (<i>Investor to provide form</i>)	✓
16.06	Additional Requirements (pre and/or post closing) – may include O&M Manuals and/or Plans	Rec'd, Lead-Based Paint Operations & Maintenance Plan (all sites), dated 2/21/2018. Rec'd, Asbestos-Containing Material Operations & Maintenance Plan (all sites) dated 5/9/2018. Rec'd, Mold Moisture Action & Prevention Plan (all sites) dated 2/21/2018. Need (Post-Closing): - Lead-Based Paint Tenant Notification Documentation	General Partner	Post-Closing
17	LOW-INCOME HOUSING TAX CREDIT INFORMATION			
17.01	Tax Credit Application	Rec'd.	General Partner	✓
17.02	Tax Credit Reservation		General Partner	See 17.03
17.03	42(m)(1)(D) Letter (Allocating Agency)	Rec'd, Tax Exempt Reservation Letter dated 3/21/2018.	Issuer	✓
17.04	42(m)(2)(D) Letter (Issuer)	Rec'd, dated 1/17/2018.	Issuer	✓
17.05	Application for Carryover Allocation		General Partner	N/A
17.06	Carryover Allocation Agreement		General Partner	N/A
17.07	Evidence of 10% test		General Partner	N/A
17.08	Election to Lock-in Credit Rate	Rec'd.	General Partner	✓
17.09	Evidence of qualifying census tract or difficult development area for 130% basis boost	Rec'd.	General Partner	✓
17.10	Evidence of State Volume Cap Compliance (IRS Form 8038)	Rec'd DRAFT	Issuer's Counsel	✓
17.11	Evidence of compliance with any conditions to reservation or carryover allocation of credits	<i>if applicable</i>	General Partner	N/A
17.12	Copies of all material correspondence with Agency	<i>if applicable</i>	General Partner	N/A
18	HISTORIC TAX CREDIT INFORMATION – NOT APPLICABLE			
19	PROJECT USE RESTRICTION			

19.01	Section 42 - Extended Use Agreement		General Partner/GP Counsel	Post-Closing
19.02	8609's from Prior Tax Credit Project (to verify that prior compliance period has ended)	Rec'd.		✓
20	OPINIONS AND CERTIFICATES			
20.01	(a) Local Counsel Authority Opinion(s) (b) Property Tax Exemption Opinion	Rec'd.	GP Counsel	✓
20.02	Tax Opinion	Rec'd.	Investor Counsel	✓
20.03	Tax Certification Letter		Investor Counsel	N/A
20.04	Zoning Opinion		GP Counsel	N/A
20.05	Attorney/Accountant Carryover Opinion		GP Counsel	N/A
21	PROPERTY MANAGEMENT DOCUMENTS			
21.01*	Property Management Agreement (Must be authorized to conduct business in the state if they are not otherwise organized in that state.)	Rec'd, LIHTC/HUD Management Agreement dated 11/6/2018.	General Partner	✓
21.02*	Marketing Plan (Tenant Selection Plan)	Rec'd.	General Partner	✓
21.03*	Management Plan	Rec'd.	General Partner	✓
21.04*	Form of Tenant Lease Agreement	Rec'd.	General Partner	✓
21.05*	LIHTC Compliance Policies and Monitoring Procedures	Rec'd.	General Partner	✓
21.06*	Form of Income Certification for Low-Income Tenants	Rec'd.	General Partner	✓
21.07*	Social Service Agreements	<i>Not applicable</i>	General Partner	N/A
21.08*	Relocation Plan	Rec'd.	General Partner	✓
21.09*	Property Management Questionnaire	Rec'd.	General Partner	✓
21.10*	Property Manager's Organizational Chart	Rec'd.	General Partner	✓
21.11*	Schedule of Real Estate Managed	Rec'd.	General Partner	✓
21.12*	Emergency Preparedness Plan	Rec'd.	General Partner	✓
22	GOVERNMENT SUBSIDY AGREEMENTS (HAP CONTRACT)			
22.01	Agreement to enter into HAP Contract	<i>Not applicable</i>	General Partner	N/A
22.02	Current HAP Contract	Rec'd, Housing Assistance Payments Contract (Vendome & Casa) dated 9/1/2012. Rec'd, Housing Assistance Payment Contract (Delta) dated 1/1/2014.	General Partner	✓

		Rec'd, Mark-Up-to-Market HAP Renewal Contract.		
22.03	HAP Contract extension/commitment letter from HUD granting extension		General Partner	N/A
22.04	Collateral Assignment of HAP Contract	Rec'd, Assignment, Assumption and Amendment Agreement of Section 8 HAP Contract (Casa, Delta, & Vendome Court).	General Partner	✓
22.05	HUD Consent to Assignment	Rec'd, Consent to Assignment of HAP Contract (Casa, Delta, & Vendome Court) dated 6/5/2018.	General Partner	✓
22.06	Section 8 Use Agreement	Rec'd, Section 8 Use Agreement (Casa, Delta, & Vendome Court) dated 6/5/2018.		✓
23	MISCELLANEOUS			
23.01	HUD 2530 Clearance	Aegon submitted LLCI for Aegon 55 on 4/26. Rec'd, 2530 Approval of LA 78, LP (Vendome Courts, Casa de Woods, Delta Apartments).	General Partner/Investor	✓
23.02	Escrow Letter	Rec'd.	Investor Counsel	✓
23.03	Wire Instructions	Rec'd.	General Partner	✓
23.04	Reserved		General Partner	N/A
23.05	Settlement Statement - Closing Requisition	Rec'd.	General Partner	✓
23.06	First Requisition	Rec'd.	General Partner	✓
23.07	Predevelopment Loan Documents	<i>Not applicable</i>	General Partner	N/A

CONSENT FOR ELECTRONIC DISTRIBUTION

**Consent for Distribution of Schedules K-1 Electronically in Lieu of Paper Format
in accordance with Revenue Procedure 2012-17**

The IRS has issued Revenue Procedure 2012-17 regarding the rules partnerships must follow if they wish to distribute Schedules K-1, Partners' Share of Income, Deductions, Credits, etc., electronically in lieu of paper format.

Paper statement

Your Schedule K-1 will be furnished on paper if you do not consent to receive it electronically.

Scope and duration of consent

This consent applies to each Schedule K-1 required to be furnished after this consent form is executed until it is withdrawn in the manner described below.

Post-consent request for a paper statement

You may request a paper copy of your Schedule K-1 in addition to receiving your electronic copy. Such requests will not be treated as a withdrawal of this consent.

Withdrawal of consent

You may withdraw this consent by writing (electronically or on paper) to the Furnisher. A withdrawal of consent takes effect on the date it is received by the Furnisher, or on a subsequent date determined by the Furnisher and communicated to you within a reasonable period of time after the Furnisher receives the withdrawal. The Furnisher will confirm the withdrawal of consent and the date on which it takes effect in writing (either electronically or on paper).

A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in Revenue Procedure 2012-17 before the date on which the withdrawal of consent takes effect.

Notice of termination

Withdrawal from the partnership will be considered an automatic withdrawal of consent.

Updating information

The Furnisher will contact you if there is any change in the Furnisher's contact information. Please contact the Furnisher as soon as possible if you have any updates to your contact information.

The Schedule K-1 may be required to be printed and attached to a Federal, State or local income tax return.

I consent to receive my Schedule K-1 in an electronic format.

INVESTOR LIMITED PARTNER:



AEGON LIHTC FUND 55, LLC, a Delaware limited liability company

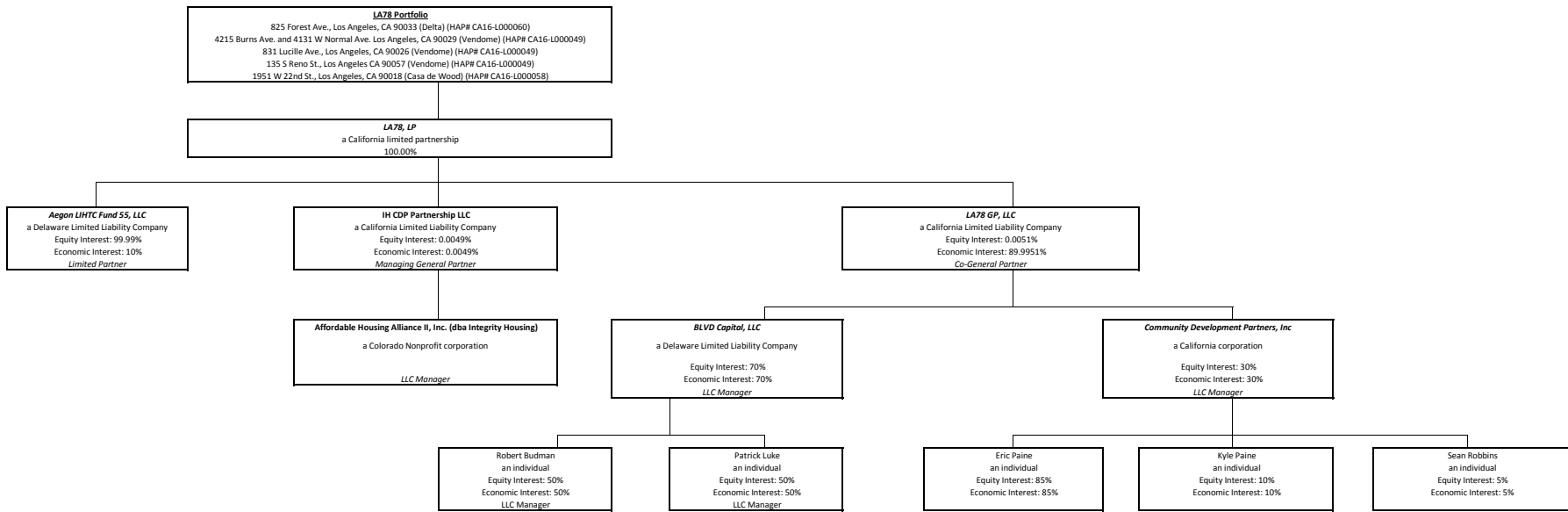
By: Aegon Community Investments 55, LLC, a Delaware limited liability company, its managing member

By:  _____ 
Name: LYNN C. AMBROSY
Title: VICE PRESIDENT

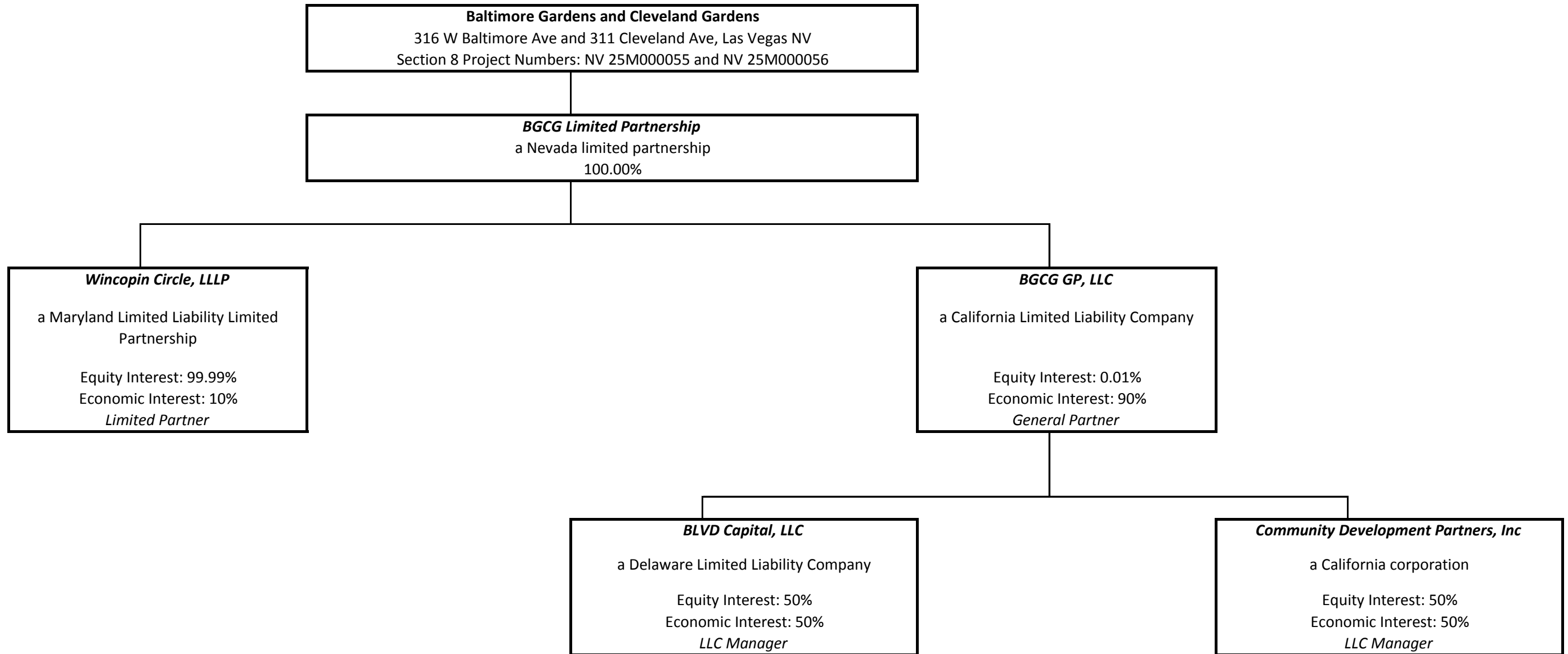
SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation

By:  _____ 
Name: Lindsay Schumacher
Title: Vice President



Baltimore and Cleveland Gardens - Org Chart
12/6/2016



EXECUTION COPY

**FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
BGCG LP**

FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
BGCG LP

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FIRST AMENDED AND RESTATED AGREEMENT

OF

LIMITED PARTNERSHIP

OF

BGCG LP

This First Amended and Restated Agreement of Limited Partnership of BGCG LP, dated and effective as of the 3rd day of February, 2017, is made by and among:

BGCG GP LLC,
a California limited liability company,
as the General Partner;

and

CDP Developers, Inc.,
a California limited liability company,
as the Withdrawing Limited Partner;

and

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

RECITALS

BGCG LP (the "**Partnership**") was formed as a limited partnership under the Uniform Limited Partnership Act of the State of Nevada pursuant to a Certificate of Limited Partnership filed with the Secretary of State of the State of Nevada on September 29, 2016, having BGCG GP LLC, a California limited liability company, as the General Partner. The Partnership has been operating pursuant to a partnership agreement, as amended, dated January 1, 2017, having the Withdrawing Limited Partner as the limited partner.

The parties hereto desire to amend and restate the original partnership agreement in order to cause the withdrawal of the Withdrawing Limited Partner, and the admission of the Limited Partner as a limited partner, and to set forth more fully the rights, obligations, and duties of the General Partner and Limited Partner.

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

ARTICLE I

Continuation and Business Purpose

1.01 Restatement and Continuation of Partnership

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

1.02 Partnership Name

The name of the Partnership is "BGCG LP."

1.03 Principal Place of Business

The principal office of the Partnership and the office to be maintained pursuant to the Act shall be located at 3416 Via Oporto, Suite 301, Newport Beach, California 92663. The principal place of business of the Partnership shall be located at 3416 Via Oporto, Suite 301, Newport Beach, California 92663.

1.04 Registered or Resident Agent

The name and address of the registered or resident agent of the Partnership for service of process are National Corporate Research, Ltd., 202 South Minnesota Street, Carson City, Nevada 89703.

1.05 Title to Partnership Property

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

1.06 Purposes of the Partnership

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

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

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

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

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

1.07 Partnership Term

The term of the Partnership commenced on September 29, 2016 and shall continue until terminated in accordance with Article XII. Upon termination of the Partnership, the General Partner shall take all actions necessary to terminate the Partnership in accordance with requirements of the Act.

ARTICLE II

Certain Definitions

2.01 General Terms

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

Accountants: Carter & Company CPAs, 16300 Mill Creek Boulevard, Suite 111, Mill Creek, Washington 98012 or such other firm of independent certified public accountants that is acceptable to the Limited Partner.

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

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

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

Additional Capital Contribution Due Date: The later of:

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

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

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

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

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

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

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

Admission Date: The date on which all parties have unconditionally attached their signature pages to this Agreement.

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

Agreement: This First Amended and Restated Agreement of Limited Partnership of BGCG LP, including all of the exhibits attached hereto and made a part hereof, as amended and in effect from time to time.

AIA: American Institute of Architects.

Architect: Integrated Design & Architect of Albuquerque, New Mexico.

Authority: The Nevada Housing Division.

Bond Loan: The loan in the principal amount of Twenty-One Million One Hundred Fifteen Thousand Dollars (\$21,115,000) to be provided to the Partnership by Nevada Housing Division for the construction and/or rehabilitation of the Project, financed by proceeds of the Bonds, as shown on Exhibit A-3.

Bonds: The Nevada Housing Division Multi-Unit Housing Revenue Notes (Baltimore and Cleveland Apartments), Series 2017 A-1 and Series 2017 A-2 in the aggregate amount of Twenty-One Million One Hundred Fifteen Thousand Dollars (\$21,115,000), the proceeds of which shall be used to fund the Bond Loan.

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

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

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

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

Capital Proceeds: Sale Proceeds and Refinancing Proceeds.

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

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

(ii) Project Expenses.

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

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

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

Completion Date: The later of:

(i) The date on which the Partnership has completed the construction and/or rehabilitation of the buildings in accordance with the relevant Project Documents, approved by the Limited Partner and any construction consultant engaged by the Limited Partner and evidenced by a certificate prepared and executed by the Architect indicating that construction and/or rehabilitation of the buildings has been completed in accordance with the relevant Project Documents, except for punch list items that do not impede occupancy on a full rent paying basis, and that the Project is ready for occupancy, provided the Partnership has furnished funds or cash equivalents in escrow to provide for the completion of such punch list items, in an amount and manner satisfactory to the Limited Partner; and

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

The intended Completion Date (the "**Target Completion Date**") is January 1, 2018.

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

Consent of the General Partner: The written consent or approval of the General Partner, not to be unreasonably withheld, delayed or conditioned, which shall be obtained prior to the taking of any action for which such consent or approval is required hereunder. If there is more than one General Partner, Consent of the General Partner shall require the affirmative consent of General Partners holding at least a majority of the aggregate Percentage Interests of the General Partners.

Consent of the Limited Partner: The written consent or approval of the Limited Partner, which shall be obtained prior to the taking of any action for which it is required hereunder which, unless otherwise provided in this Agreement, may be withheld in the Limited Partner's sole and absolute discretion. If there is more than one Limited Partner, Consent of the Limited Partner shall require the affirmative consent of Limited Partners holding at least a majority of the aggregate Percentage Interests of the Limited Partners.

Construction Contract: The construction contract between the Partnership and the General Contractor dated January 20, 2017.

Construction Loan: The Bond Loan prior to Loan Conversion.

Cost Certification: Certification by the Accountants, as delivered by the General Partner and approved by the Limited Partner, in accordance with Section 13.03(a)(ix), of the costs of the Project, including eligible basis, matching sources and uses, and calculation of annual Credits, and calculation of the 50% test based on the Partnership's accounting records and any other documentation deemed appropriate by the Accountants.

Credit: The Low-Income Housing Tax Credit provided for under Section 42 of the Code, including the thirty percent (30%) present value new construction and rehabilitation credit and/or the thirty percent (30%) present value acquisition credit, as applicable.

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

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

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

Credit Units: The two hundred one (201) Units that will be operated in a manner so as to qualify as low-income units within the definition of Section 42(i)(3) of the Code.

Designated Proceeds: The sum of: (i) proceeds of the Loans and any grants included in the Projections or otherwise approved by the Limited Partner; (ii) insurance proceeds arising out of casualties as available from time to time, to the extent used for restoration of the damage caused by such casualty; (iii) net rental income prior to the later of (y) the Stabilization Date, or (z) Loan Conversion; and (iv) Capital Contributions due by the later of (y) the Stabilization Date, or (z) Loan Conversion which are to be used for construction and/or rehabilitation of the Project pursuant to the Projections.

Developer: Community Development Partners, a California corporation, and BLVD Capital, LLC, a Delaware limited liability company.

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

Development Fee: The fees pursuant to Section 4 of the Development Services Agreement attached hereto as Exhibit C and payable to the Person indicated on Exhibit A-4.

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

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

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

Environmental Reports: The Phase I environmental site assessment report dated September 30, 2016 prepared by Partner Engineering & Science, Inc. and if applicable, any Phase II environmental assessment report delivered by the General Partner to the Limited Partner prior to the date of this Agreement.

Event of Bankruptcy: With respect to any Person:

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

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

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

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

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

Extended Use Agreement: The agreement to be entered into between the Partnership and the Authority as required pursuant to Section 42(h)(6) of the Code.

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

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

50% Bond Calculation: The meaning set forth in Section 5.11(z).

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

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

Gain: The income and gain of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property. If the value at which an asset is carried on the books of the Partnership pursuant to the capital account

maintenance rules of Treasury Regulation Section 1.704-1(b) differs from its adjusted tax basis and gain is recognized from a disposition of such asset, the gain shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

General Contractor: Precision General Commercial Contractors, Inc.

General Partner: BGCG GP LLC, a California limited liability company, and any additional or substitute general partners of the Partnership named in any duly adopted amendment to this Agreement with the Consent of the Limited Partner.

Guarantor: Collectively, Community Development Partners, a California corporation, BLVD Capital, LLC, a Delaware limited liability company, Eric Paine, a resident of the State of California, Robert Budman, a resident of the State of California, and Patrick Luke, a resident of the State of California.

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

HAP: The Housing Assistance Payments Contract between Baltimore Gardens, Limited Partnership and HUD (HAP Contract Number NV25M000055, as assigned to the Partnership; the Housing Assistance Payments Contract between S & F Partnership and HUD (HAP Contract Number NV25M000056), as assigned to the Partnership; and any renewal, extension and/or new Housing Assistance Payments Contract provided to the Partnership.

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

HUD Documents: The HAP and other HUD documents.

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

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

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

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

any other interests and economic incidents of ownership whatsoever of such Partner in the Partnership.

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

IRS: The Internal Revenue Service.

Issuer: Nevada Housing Division.

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

Limited Partner: Wincopin Circle LLLP, a Maryland limited liability limited partnership, and any Person who becomes a Substitute Limited Partner as provided herein, in each such Person's capacity as a limited partner. If there is more than one limited partner of the Partnership, the term "**Limited Partner**" shall refer collectively to all such limited partners.

Loan Conversion: Conversion of Loans to permanent status as applicable, the repayment of all Construction Loans as applicable and the closing and funding of all permanent Loans in accordance with the terms shown on the Projections; provided that the principal amount of the Loans following Loan Conversion shall not be greater than the amount approved by the Limited Partner in its reasonable discretion.

Loan Documents: With respect to each Loan, any and all documents executed by the Partnership in connection with such Loan, including, without limitation, any of the following: the Bond Documents, loan applications, loan commitments, notes, mortgages, regulatory agreements, building loan agreements, security agreements, and financing statements.

Loans: The loans shown on Exhibit A-3, and any other loans made to the Partnership with the Consent of the Limited Partner.

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

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

Management Agent: Cornerstone Residential, LLC, a Utah limited liability company, or such other property management company that is acceptable to the Limited Partner.

Management Agreement: The Agreement between the Management Agent and the Partnership attached as Exhibit F.

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

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

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

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

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

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

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

from its adjusted tax basis and gain or loss is recognized from a disposition of such asset, the gain or loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

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

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

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

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

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

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

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

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

Operating Revenue: For any specified period of time, the amount of gross revenues from all sources derived from the Project as the result of the normal operation of the Project received on a cash basis, including (a) proceeds from rental interruption insurance, (b) proceeds from temporary condemnation in the nature of a lease, and (c) rental and operating subsidies (including, without limitation, payments under the HAP) which shall be calculated on an accrual basis but only if received within sixty (60) days of such accrual, and excluding (i) non-recurring revenue such as Sale Proceeds and Refinancing Proceeds or (ii) tenant-based voucher rental income exceeding maximum allowable rents allowed by Section 42 of the Code.

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

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

Partnership: BCGG LP, a limited partnership formed under and pursuant to the Act.

Partnership Administration Fee: The fee payable to the Administrator pursuant to the Partnership Administration Agreement attached hereto as Exhibit E.

Partnership Property: The Partnership's fee simple interest in the land and improvements comprising a project known as Baltimore and Cleveland Gardens, which contains two hundred one (201) Units in twenty-one (21) buildings, located on one (1) site in Las Vegas, Nevada, the legal description and street address of which are set forth on Exhibit B attached and made a part hereof, together with such additions or improvements thereto as may hereafter be acquired by the Partnership in accordance with this Agreement.

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

Person: An individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, cooperative, or association, joint stock company, unincorporated organization, or government agency or political subdivision thereof, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so requires.

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

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

Project: The aggregate of all of the individual buildings, dwelling Units, common areas, and improvements located in or around the Partnership Property.

Project Documents: The construction contracts, Plans and Specifications, agreements with architects and engineers, surveys and permits, Environmental Reports, agreements relating to real estate taxation and assessments relating to the Partnership Property, the Fee Agreements, the Guaranty Agreement, all applications, reservations, carryover allocations, restrictive covenants, the Extended Use Agreement, and all other agreements and documents related to the Credit, the HUD Documents, and any other document or instrument executed in connection with any of the aforesaid documents.

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

Projected Credits: The aggregate amount of Credits projected to be properly allocated to the Limited Partner based on the projections prepared in accordance with Sections 3.03(a) and 3.03(c).

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

Projections: The projections of the anticipated results of the operation of the Partnership based on information provided by the General Partner attached hereto as Exhibit H to this Agreement. There are two (2) sets of Projections attached hereto as Exhibit H. The first set (H-1) shall be the Projections unless the Third Loan is funded prior to the Completion Date, in which case the second set (H-2) shall constitute the Projections.

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

Qualifying Tenant: A tenant whose income does not exceed the relevant limit set forth in Section 42(g)(1) of the Code and/or other regulatory requirement.

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

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

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

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

Required Debt Service Coverage: As to any specified period of time (the "**Period**"), the operation of the Project such that the Operating Revenue for the Period less the greater of (i) the Project Expenses for the Period or (ii) the lesser of the Project Expenses shown on (a) the Projections or (b) the current approved Budget for the Project (prorated for the Period), equals or exceeds one hundred fifteen percent (115%) of the aggregate amount of principal and interest payments due during such Period on all Loans (assuming debt service requirements after Loan Conversion), but excluding any such payments that are contingent on Cash Flow. For purposes

of this definition only, the term "**Project Expenses**" shall not include any debt service on the Loans.

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

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

Sponsor: Community Development Partners, a California nonprofit corporation.

Sponsor Loan(s): The loans, if any, made by the Sponsor or the General Partner or Affiliate of the Sponsor or the General Partner to the Partnership.

Stabilization Date: Beginning after the Completion Date on the later to occur of (a) the date on which the Project has satisfied the Required Debt Service Coverage for a period of three (3) consecutive calendar months evidenced as a single time period throughout which (i) physical occupancy of the residential units equals or exceeds ninety-five percent (95%) and (ii) Operating Revenue is at least equal to the Effective Gross Income shown on the "Project Cash Flow" page of the Projections; or (b) achievement of one hundred percent (100%) Qualified Occupancy.

State: The state in which the Project is located.

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

Tax Matters Partner: The General Partner.

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

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

Title Policy: That certain title policy issued by Chicago Title Insurance Company in the amount shown on Exhibit A-2 (the "**Owner's Title Policy Amount**") in favor of the Partnership and in force as of the date hereof insuring the Partnership's title to the Partnership Property.

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

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

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

Units: The individual units of residential rental housing located on the Partnership Property.

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

2.02 Rules of Construction

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

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

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

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

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

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

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

(b) In the event there is more than one Limited Partner or more than one General Partner, the following additional rules of construction shall apply unless otherwise provided:

(i) Unless otherwise provided herein, allocations to the General Partner and Limited Partner of Gain, Net Profits, Net Losses, Loss and credits under Article VII, and distributions of Net Cash Flow and Capital Proceeds under Article VIII shall be further allocated and/or distributed between or among the General Partners and/or Limited Partners in proportion to each General Partner's or Limited Partner's respective Percentage Interest as set forth on Exhibit A. Unless otherwise provided herein, no General Partner shall have a superior right to receive distributions than any other General Partner and no Limited Partner shall have a superior right to receive distributions than any other Limited Partner;

(ii) Unless otherwise provided herein, with respect to any matter on which the approval or ratification of the General Partner or Limited Partner is required or may be given, such approval or ratification shall not be deemed to have been given unless given by Consent of the General Partner or Limited Partner, as the case may be;

(iii) Unless otherwise provided herein, with respect to any matter on which the approval or ratification of the General Partner or Limited Partner is required or may be given, each General Partner or Limited Partner, as the case may be, shall be entitled to vote; and

(iv) Unless otherwise provided herein, the General Partner's obligations under this Agreement shall be joint and several as to each General Partner.

ARTICLE III

Partnership Interests and Sources of Funds

3.01 Identity of Partners and Percentage Interests

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

3.02 Capital Contributions

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

(i) Syndication Services. The General Partner will perform services in connection with syndication and sale of the Limited Partner Interest to the Limited Partner, including providing the Limited Partner with all relevant information; preparing a financial plan to admit the Limited Partner; conducting due diligence on behalf of the Partnership in connection

with the admission of the Limited Partner; and preparing appropriate disclosure documents related to the admission of the Limited Partner in compliance with all federal and state securities laws.

(ii) Financing Services. The General Partner will perform services in connection with permanent financing, including obtaining commitments for all permanent financing for the Project, including providing information to prospective lenders; negotiating final loan commitments; coordinating all loan closing checklist requirements with lenders; and monitoring loan requirements during the term of the loans.

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

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

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

(c) *Notice Certifications.* The General Partner shall deliver an Additional Capital Contribution Notice to the Limited Partner which shall include the Notice Certifications in the exact form attached as Exhibit A-7 not more than thirty (30) days and not less than twenty (20) days (ten (10) days for Additional Capital Contributions prior to the Completion Date) in advance of the due date of each Additional Capital Contribution.

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

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

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

(g) *Default.* In the event that there is more than one Limited Partner, each Limited Partner shall be considered separately as a Limited Partner for purposes of this Section 3.02(g). In the event that a Limited Partner fails to pay any portion of any Additional Capital Contribution then due and payable (as such Additional Capital Contribution may be adjusted in accordance with Section 3.03) by the Additional Capital Contribution Due Date (as the same may be deferred pursuant to Section 3.02(d)) and any such failure is not cured within forty-five (45) days after written Notice of such failure, such Limited Partner shall be deemed to be in default of its obligations under this Agreement and the General Partner shall be entitled to take all actions available to the Partnership, including, without limitation, instituting a suit at law or in equity; *provided, however*, in the event of a Final Determination in favor of the Partnership, the defaulting Limited Partner shall pay to the Partnership all Additional Capital Contributions and accrued interest at the prime rate as published from time to time by The Wall Street Journal (the "**Prime Rate**") plus two percent (2%) thereon, accruing from the date which is thirty (30) days

after written Notice described above. Such payment shall constitute the sole remedy of the Partnership under this Section 3.02. Notwithstanding any provisions of Section 3.02, upon payment of all amounts owed pursuant to the terms of this Section 3.02(g) as a result of the default of such Limited Partner, and provided such payment is received prior to the acquisition by another Person of the defaulting Limited Partner's Interest, such Limited Partner shall be fully reinstated to its former Interest and Percentage Interest in the Partnership, including, but not limited to, the defaulting Limited Partner's former share of distributions, as though a default under this Section 3.02(g) had not occurred. The obligation of the Limited Partner to make payments of its Capital Contributions is nonrecourse to the partners of the Limited Partner, and the partners of the Limited Partner shall have no personal liability in the event of any default by the Limited Partner.

(h) *Sale of Limited Partner's Interest.* Subject to the provisions of Section 3.02(g) in the event of a default pursuant to Section 3.02(g), the Partnership may offer to sell the defaulting Limited Partner's Interest first to the non-defaulting Limited Partners, and if they do not collectively purchase all of the defaulting Limited Partner's Interest, then the balance to any other Person on such commercially reasonable terms and conditions as the General Partner deems most favorable under the circumstances. Any amount that the Person acquiring the Interest of the defaulting Limited Partner shall pay in consideration of the acquisition of such Interest shall be applied in the following order: (i) to the payment of all reasonable fees and expenses incurred by the Partnership in connection with such sale; (ii) to the payment of the Additional Capital Contribution payment and any interest thereon then required to be paid by the defaulting Limited Partner; (iii) to the payment, if any, of any future Additional Capital Contributions of the defaulting Limited Partner; and (iv) any balance to the Partnership.

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

(j) *Rights of Nondefaulting Limited Partners.* All rights and benefits of a defaulting Limited Partner attributable to such Partner's Interest in the Partnership shall be suspended during the period of default, and such suspension shall terminate on the date of the curing of such default (if such curing is permitted under Section 3.02(g)), or upon the admission of a purchaser of such Interest pursuant to this Section as a Substitute Limited Partner. Upon the termination of such defaulting Limited Partner's Interest in the Partnership, all rights and benefits of such defaulting Limited Partner attributable to such Partner's Interest in the Partnership shall terminate. If such suspension is in effect at the end of the Partnership's Fiscal Year, the profits and losses and Credits attributable to the defaulting Limited Partner's Interest during the period of suspension that have not been allocated to such defaulting Limited Partner in a tax return filed by the Partnership shall be allocated to the extent permitted under the Code and the Treasury Regulations thereto and this Agreement, to the non-defaulting Limited Partners, pro rata in

accordance with their Interests, until the admission of a Substitute Limited Partner in place of the defaulting Limited Partner.

3.03 LIH Adjustments to Capital Contributions

(a) *Adjustment at Cost Certification and upon Receipt of IRS Form 8609.* As of the date of Cost Certification, the Accountants shall prepare projections of the Credits available and allocable to the Limited Partner (the "**Projected Credits**") for the Project based upon the Accountant's calculation of the eligible basis and qualified basis of the Project and the credit percentage applicable to the Project. If the Projected Credits are less than the "**LIH Target Amount**" shown on Exhibit A-2, the Limited Partner's Capital Contribution (including Capital Contributions already paid to the Partnership) shall be reduced by an amount equal to \$1.15 for every dollar by which the Projected Credits are less than the LIH Target Amount. Any decrease in the Limited Partner's Capital Contribution will be subtracted from the Additional Capital Contribution due as of Cost Certification, and if insufficient, from the next succeeding Additional Capital Contributions until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(a) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(b) and 3.03(c)), the General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall immediately thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount. The adjustments required under this Section 3.03(a) shall also be made based on the final IRS Forms 8609 for the Project. In the event Credits are available over a fifteen (15) year period under Code Section 42(f)(3), the Limited Partner's next succeeding Capital Contributions shall be reduced to reflect reduced Credits over the Credit Period in an amount which will result in the Limited Partner receiving the Projected IRR assuming no change from the timing of the Capital Contributions shown on the Projections with respect to its investment in the Partnership.

(b) *Adjustments for Credit Reductions.*

(i) *Events Causing Adjustments.* In the event the portion of Credit to be allocated to the Limited Partner that the Partnership claims (as determined by the Accountants) with respect to any taxable year after the Lease-up Period is less than the Projected Credits for that year, and/or the Partnership determines or the Accountants determine that the Partnership must recapture any of the Credit allocated to the Limited Partner that the Partnership claimed in any previous taxable year (either event constituting a "**Credit Reduction**"), the Limited Partner's Additional Capital Contributions shall be reduced in the manner provided in Section 3.03(b)(ii).

(ii) *Additional Capital Contributions Subject to Adjustment.* Upon the occurrence of a Credit Reduction, the amount of the next succeeding Additional Capital Contribution, after adjusting such Additional Capital Contribution as provided in Section 3.03(c), shall be reduced by the Total LIH Reduction Amount (as defined in Section 3.03(b)(iv)). In the event that the amount determined in the previous sentence exceeds the amount of the next succeeding Additional Capital Contribution, such excess shall reduce the second succeeding

Additional Capital Contribution, and subsequent Additional Capital Contributions, until such excess is eliminated.

(iii) *Credit Adjuster Advances.* If, during the Compliance Period, the Total LIH Reduction Amount exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(c)), or if all Additional Capital Contributions have been made, the General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess and the Partnership shall thereafter make a special distribution to the Limited Partner, neither to reduce nor to be limited by Net Cash Flow, equal to such amount.

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

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

(c) *Adjustment for Delay in Lease-up.*

(i) In order to take into account a delay in lease-up, in addition to the adjustments provided for in Sections 3.03(a) and 3.03(b), if the Projected Credits for the Lease-up Period, calculated by the Accountant using the actual basis methodology, are less than the amount shown on Exhibit A-2, as adjusted pursuant to Section 3.03(a), (the "**Lease-up Projection**") when the Fourth Installment of the Limited Partner's Capital Contribution is due, the Fourth Installment shall be reduced by \$0.38 for each dollar by which the Projected Credits for the Lease-up Period are less than the Lease-up Projection. If the Fourth Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(i) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(b)), the General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(ii) In addition to the adjustment described above, if the Partnership does not properly allocate to the Limited Partner for any year in the Lease-up Period (based on the lesser

of the General Partner's estimate for such year provided to the Limited Partner or the filed tax return) in at least the amount of the Lease-up Projection (as adjusted to take into account any reduction pursuant to Section 3.03(c)(i)), when any Installment of the Limited Partner's Capital Contribution is ultimately paid, such Installment shall be reduced by \$0.38 for every dollar by which the actual Credits are less than the Lease-up Projection for that year. If such Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(ii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(b)), the General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

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

(d) *Adjustment for Change to Depreciation.* In the event that if for any taxable year any building in the Project is not entitled to the depreciable life shown on Exhibit A-8, the Limited Partner's next succeeding Capital Contributions shall, at the option of the Limited Partner, be reduced to reflect the reduction in tax benefits due to such change to depreciation provided however, that no such reduction shall be made if such change in depreciable life results from any change in applicable law (including, without limitation, Section 42 of the Code or the Treasury Regulations promulgated thereunder). The reduction in the Limited Partner's Capital Contribution shall be made in such an amount that will provide the Limited Partner with the Projected IRR. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(d) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a), 3.03(b) and 3.03(c)), the General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(e) *Upward Adjuster.* If the Credits shown on IRS Form 8609 are more than the LIH Target Amount and the calculation of the increase in Credits is approved by the Limited Partner and does not (i) result from an increase in acquisition Tax Credits or (ii) have any adverse effect on the 50% Bond Calculation (as such term is defined under Section 5.11), the Limited Partner's Sixth Installment of its Capital Contribution shall be increased by \$1.15 for every dollar of such increase allocable to the Limited Partner up to the maximum amount set forth herein. If the Credits for the Project for 2017 shown on the Limited Partner's tax return which has been approved by the Limited Partner are greater than the amount shown as allocated to the Limited Partner on the Projections for such year (other than an increase in acquisition Credits), as such Projections are adjusted to reflect an increase in Credits pursuant to the previous sentence, and such increase in Credits is due solely to the Partnership renting the Credit Units at a faster rate than shown in the Projections, the Limited Partner's Sixth Installment of its Capital Contribution shall be increased by \$0.38 for every dollar of such increase up to the maximum amount set forth herein, provided that if the increase in 2017 Credits results in Credits becoming available over a

fifteen (15) year period under Section 42(f)(3) of the Code, the upward adjuster shall be reduced to reflect the reduced value of Credits over the Credit Period. The maximum increase of the Limited Partner's Capital Contribution under this Section 3.03(e) shall be limited to ten percent (10%) of the Limited Partner's Capital Contribution shown on Exhibit A to this Agreement. Notwithstanding any other provision of this Agreement, subject to the provisions of the applicable Loan Documents, unless otherwise approved by the Limited Partner, the amount by which the Limited Partner's Capital Contribution is increased pursuant to this Section 3.03(e) shall be applied first to any amount then due to the Limited Partner, then to the reimbursement of any Development Advances, then to pay Deferred Development Fee (as such term is defined in the Development Services Agreement attached as Exhibit C to this Agreement), then to pay an incentive lease-up fee to the General Partner of up to one-twelfth of the gross rent shown on the Projections for such year, and any remaining balance will be applied as Capital Proceeds in accordance with Section 8.02.

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

(g) *Excluded Credit Adjustment Amount.* Notwithstanding anything to the contrary set forth in this Agreement, no adjustment shall be made with regard to any reduction or recapture of Credits which would otherwise take place pursuant to this Agreement if such reduction or recapture is due solely to (i) an act or omission of the Limited Partner in violation of

this Agreement; (ii) the transfer by the Limited Partner of all or a portion of its Interest in the Partnership; or (iii) any change in the Code that occurs after the date of this Agreement with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

3.04 [Intentionally Omitted]

3.05 Additional Advances

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

3.06 No Interest on Capital Contributions

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

3.07 Right to Require Repayment of Capital

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

3.08 Deficit Restoration

If, upon liquidation of a Partner's Interest (whether or not in connection with the liquidation of the Partnership), the Partner has a negative balance in its Capital Account, the Partner shall have no obligation to make any contribution to the capital of the Partnership and the negative balance of the Partner's Capital Account shall not be considered a debt owed by the Partner to the Partnership or any other Person for any reason whatsoever.

3.09 No Third-Party Beneficiary

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

ARTICLE IV

Right to Mortgage; General Partner Bound by Loan Documents

4.01 Right to Mortgage

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

(b) Except with respect to the construction portion of the Bond Loan, the Loans shall provide that no Partner shall have any personal liability for the payment of all or any part of such Mortgage Notes, except for customary exclusions for fraud, misappropriation of funds or waste and other customary nonrecourse exclusions required by institutional lenders.

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

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

4.02 General Partner Bound by Loan Documents and Project Documents

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

ARTICLE V

Rights, Powers and Obligations of the General Partner

5.01 Authority of General Partner

(a) Subject to the terms of this Agreement, the General Partner shall have the right, power, and authority, acting for and on behalf of and in the name of the Partnership, to: (i) execute and deliver on behalf of the Partnership any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, rehabilitate, renovate, improve, lease, operate, sell, encumber, mortgage, convey, or refinance the Partnership Property (or any part thereof); (ii) convey the Partnership Property by deed, mortgage, certificate, bill of sale, agreement, or otherwise, as appropriate; and (iii) bring, compromise, settle, and defend actions at law or in equity.

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

5.02 Limitations on the Authority of the General Partner

Notwithstanding any other provision of this Agreement, the General Partner shall have no authority to perform any act in violation of any applicable law or regulations, the Loan Documents, or the Project Documents; to do any act required to be approved, consented to, voted on, or ratified by the Limited Partner under the Act or under this Agreement unless such approval, vote, consent, or ratification has been obtained; to cause the Partnership to engage in

any business other than as set forth in Section 1.06; or do any act that would make it impossible to carry out the business of the Partnership as contemplated herein. The General Partner shall have no authority to engage in the following activities without the prior Consent of the Limited Partner and, if required, the consent of the Mortgagees:

(a) Effect a sale of all or any portion of the Partnership Property, including the Units and any commercial and/or community space, or submit a request to the Authority to find a buyer for the Project pursuant to a qualified contract under Section 42(h)(6)(E)(ii)(II);

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

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

(d) Except with respect to the Construction Loan and the Sponsor Loan(s), become subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2 with respect to the Mortgage Notes, the Mortgages, or any of the Loan Documents;

(e) Following the Completion Date, construct any new capital improvements or replace any existing capital improvements costing in excess of Ten Thousand Dollars (\$10,000) and not contemplated in the Budget;

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

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

(h) On behalf of the Partnership, incur debt not in the ordinary course of business or arrange for the receipt of any grant of funds, nor incur debt in the ordinary course of business in excess of Ten Thousand Dollars (\$10,000) in the aggregate at any one time outstanding, except as specifically permitted in this Agreement;

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

(j) (i) Voluntarily file a petition under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or (ii) consent to or acquiesce to an involuntarily filing of a petition under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or (iii) consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for the General Partner or the Partnership or for any substantial part of the

General Partner's or the Partnership's property, or (iv) make any assignment for the benefit of the General Partner's or the Partnership's creditors, (v) take any action in furtherance of any of the foregoing; (or) take or consent to any other action which would constitute an Event of Bankruptcy;

(k) Dissolve or wind up the Partnership;

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

(m) Modify or amend this Agreement;

(n) Prepay the Mortgage Notes (except in connection with the conversion of any Construction Loan);

(o) Admit any Person as a Partner, except as otherwise provided in this Agreement;

(p) Permit any Person to borrow from the Partnership or commingle Partnership funds with the funds of any Person;

(q) Permit the Partnership to pay directly or indirectly the General Partner or any Affiliate a commission or fee in connection with the reinvestment or distribution of Capital Proceeds or liquidating distributions belonging to the Partnership except as provided for herein;

(r) On behalf of the Partnership or itself, receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement;

(s) Make application for or accept increase or increases in the principal amount of Loans or materially modify the Loans;

(t) Make any changes to the Management Agreement or dismiss or replace the Management Agent;

(u) Approve the form and substance of any accountant certification of the itemized amount of construction, rehabilitation, acquisition and development costs of the Project and the eligible basis and applicable percentage of each building in the Project;

(v) Modify, in any material respect, any Loan Document or Project Document;

(w) Change the source of any Sponsor Loan or General Partner Capital Contribution;

(x) Delegate its authority, power and right to manage the Partnership Property except as set forth in Section 5.03;

(y) Permit the Partnership, or any other Person on behalf of or in connection with the Partnership, to pay directly or indirectly the General Partner or any Affiliate any fees except as provided for herein;

(z) Submit the completed and executed Form 8609 to the IRS without Limited Partner review and approval;

(aa) Permit (i) the conveyance by the shareholders, partners or members of the General Partner, Developer or the Guarantor of any ownership interest or (ii) any change in control of the General Partner, Developer or the Guarantor;

(bb) Dismiss or replace the Accountants;

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

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

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

5.03 Overall Management of Business

(a) Subject to the terms of this Agreement, the General Partner shall have full and exclusive power and right to manage and control the business and affairs of the Partnership. Any action required or permitted to be taken by the General Partner hereunder may be taken by such of its proper officers or agents as it shall validly designate and duly authorize for such purpose.

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

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

after the due date (with extensions) for filing the Partnership tax returns for each year and shall permit any Limited Partner which transfers its Interest in the Partnership to a Substitute Limited Partner to have access to such records.

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

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

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

(c) In addition to the requirements of Section 5.04(a), the General Partner shall at all times hold the Units available for occupancy under terms provided in the Project's Credit application, the Loan Documents, the Project Documents and other requirements related to the Credit as applicable to the Project and the Partnership.

5.05 Outside Activities

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

5.06 Liability to Partnership and Limited Partner

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

5.07 Indemnification of General Partner

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

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

(c) Notwithstanding anything contained in this Section 5.07, the General Partner shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any civil or criminal fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the General Partner or the Partnership; or (iii) any claim involving gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement, or breach of a fiduciary duty, unless (A) the General Partner is successful in defending such action on the merits to a final unappealable determination, (B) such claims have been dismissed in favor of the General Partner with prejudice on the merits by a court of competent jurisdiction in a final unappealable verdict, judgment, or order, or (C) a court of competent jurisdiction approves a final settlement and determines that the General Partner is entitled to costs.

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

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

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

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

5.08 Indemnification of Partnership and Limited Partner

(a) The General Partner shall defend, indemnify, and save harmless (i) the Partnership and each Partner and their partners from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceeding arising (1) out of the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement set forth in this Agreement, breach of fiduciary duty, or actions performed outside the scope of the authority of the General Partner pursuant to this Agreement, or (2) as a result of the General Partner's failure to maintain insurance as required by this Agreement, and (ii) the Limited Partner from any liability incurred by it for Partnership obligations (including, without limitation, the Mortgage Notes) in excess of its Capital Contribution, except to the extent that a Final Determination has been made that the Limited Partner has taken actions or exercised rights with respect to the operation of the Partnership in excess of those actions or rights granted or allowed under this Agreement or the Act. The foregoing indemnification shall be a recourse obligation of the General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal or withdrawal of the General Partner. The indemnification authorized by

this Section 5.08 shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

(b) *General Partner's Indemnification of Partnership and Limited Partner for Income Tax Liability.* The General Partner shall indemnify the Partnership and the Limited Partner for any reduction in tax benefits suffered (assuming a federal income tax rate of the maximum federal corporate income tax rate in effect at the time of the determination by the Partnership or the Limited Partner) in any taxable year attributable to any taxable grant not approved by the Limited Partner. The foregoing indemnification shall be a recourse obligation of the General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner. The indemnification authorized by this Section 5.08(b) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

5.09 Environmental Indemnification

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

5.10 Representations and Warranties of the General Partner

The General Partner hereby represents and warrants to the Limited Partner that the following are true and correct as of the date hereof and will be true and correct for the Term, unless specifically otherwise provided. The representations and warranties contained in Sections 5.10(h) and 5.10(m) shall be true and correct as of the date hereof and at the time of each Capital Contribution Due Date.

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

(b) No event has occurred that has caused, and the General Partner has not acted in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner to be liable for Partnership obligations.

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

(d) The General Partner has delivered to the Limited Partner true copies of all documents material to the Limited Partner's investment in the Partnership and true copies of all amendments to such documents and all other material information relevant to the Project or to the admission of the Limited Partner to the Partnership. To the best of the General Partner's knowledge, all such information provided to the Limited Partner is accurate and complete in all material respects and the General Partner has not failed to provide the Limited Partner with any information necessary to make the information provided by the General Partner complete and accurate in all material respects.

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

(f) The General Partner (i) is a limited liability company qualified to do business and in good standing under the laws of the State of Nevada and (ii) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. The consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by the General Partner or its Affiliates does not and will not result in any material breach or violation of, or default under, any governing instrument of the General Partner or its Affiliates or any agreements by which the General Partner or its Affiliates or any of its property is bound, or under any applicable law, administrative regulation, or court decree.

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

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

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

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

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

(l) Except with respect to the Construction Loan and the Sponsor Loan(s), none of the Partners or the Partnership has or will have, pursuant to the terms of the Loans, any personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest on the Loans, and in the event of default thereon, the sole recourse with respect to the payment of principal or interest on the Loans of any Mortgagee or other lender shall be to the Project and pledged collateral.

(m) Neither the General Partner nor any of its Affiliates nor the Partnership has entered into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such charges or fees relating to the Construction Loan or the Loans, other than those disclosed in this Agreement; and except for the Construction Loan and Sponsor Loan(s), in no event have they or the Partnership entered into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Partnership or any of its Partners or Affiliates to personal liability or economic risk of loss as to the Loans nor has the General Partner made any loan which shall be personally

enforceable by any lender of the Loans or which may in any way affect allocation of the Projected Credit to the Limited Partner.

(n) The General Partner is not presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Project or any portion thereof except for the arrangements specifically described in this Agreement and the arrangements previously disclosed in writing to the Limited Partner.

(o) Except with respect to the Sponsor Loan(s), and other than those made pursuant to this Agreement, there are no outstanding loans or advances from the General Partner or its Affiliates to the Partnership and, except as provided in Section 5.16, the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partner or its Affiliates.

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

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

(r) The Partnership owns the Partnership Property, the buildings comprising the Project, and each of the Units with good and marketable title, free and clear of any liens, charges, or encumbrances other than the Mortgages, matters set forth in the Title Policy, and mechanics' or other liens that have been bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for payment of any debt secured thereby and the General Partner has not received notice of any such liens, charges, or encumbrances.

(s) The General Partner has not permitted the Partnership to accept any federal or non-federal grant of funds except as approved by the Limited Partner.

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

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

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

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

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

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

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

(z) Amounts paid to the General Partner and/or its Affiliates for services in accordance with the applicable Fee Agreements are reasonable in relation to the value of services provided and relate solely to the services actually rendered to the Partnership pursuant to the applicable Fee Agreements.

(aa) The Partnership has obtained a Code Section 42(m) letter establishing approval of Credit from the Authority in the amount shown on Exhibit A-2 (the "**Annual Credit Allocation**"), such Code Section 42(m) letter is in full force and effect, all information contained in any application for such letter or allocation of the Credit is complete and correct in all material respects, and the Project will have eligible basis with respect to the thirty percent (30%) present value credit related to rehabilitation/new construction expenditures (the "**Rehab/NC Basis Amount**") and the thirty percent (30%) present value credit related to acquisition expenditures (the "**Acquisition Basis Amount**") respectively in the amounts shown on Exhibit A-2. The eligible basis takes into account the fact that the Project qualifies for the one hundred thirty percent (130%) factor for eligible basis under Section 42(d)(5)(B) of the Code.

(bb) [Intentionally Omitted]

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

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

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

(ff) Neither the General Partner, nor the Developer, nor any Affiliate of the General Partner or the Developer, has received any fee or any economic benefit with respect to the Project that has not been fully and clearly disclosed to the relevant Authority.

(gg) The General Partner has not entered into or formed a joint venture with and is not acting as an agent of any Person with respect to ownership and operation of the Project or the Partnership and it will maintain its status as a separate and distinct subsidiary of the Sponsor and will observe all limited liability company formalities.

(hh) Prior to the date the rehabilitation expenditures were incurred, the Partnership acquired the Partnership Property by purchase within the meaning of Section 179(d)(2) of the

Code and at the time of the acquisition, the Partnership and the seller were not related Persons within the meaning of Sections 267(b), 707(b), and 42(d)(2)(D) of the Code.

(ii) The Partnership Property was not previously placed in service by the Partnership or by a Person who was a related person within the meaning of Section 267(b), 707(b), or 179(d)(2) of the Code) determined in accordance with Section 42(d)(2)(D) of the Code with respect to the Partnership as of the time the Partnership Property was previously placed in service.

(jj) All the Credit Units have been subsidized continuously by the HAP since at least 2014 and will continue to be subsidized by the HAP following the acquisition by the Partnership of the Project.

5.11 Covenants of the General Partner

The General Partner covenants to the Limited Partner that for the Term:

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

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

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

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

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

(f) The General Partner shall promptly inform the Limited Partner of any litigation, action, investigation, event, or proceeding that is pending or, to the best of its knowledge, is threatened which, if adversely resolved, could (i) have an adverse effect on the Partnership or the

Partnership Property; (ii) have a material adverse effect on the ability of the General Partner or any of its Affiliates to perform their respective obligations under this Agreement; (iii) have an adverse effect on any adjacent property, which would have a material adverse effect on the Partnership Property or the Partnership's investment in the Partnership Property; (iv) have a material adverse effect on the financial condition of the General Partner or any Guarantor; or (v) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

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

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

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

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

(k) Neither the General Partner nor any of its Affiliates nor the Partnership shall enter into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such charges or fees relating to the Construction Loan or the Loans, other than those approved by the Limited Partner; except with respect to the Construction Loan and the Sponsor Loan(s), in no event shall the General Partner, its Affiliates, or the Partnership enter into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Partnership or any of its Partners or Affiliates

to personal liability or economic risk of loss as to the Loans nor shall the General Partner make any loan that shall be personally enforceable by any lender of the Loans or that may in any way affect allocation of the Projected Credit to the Limited Partner.

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

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

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

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

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

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

(m) The General Partner will not cause or allow restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents and the Project Documents and under Section 42 of the Code and any other applicable provision of law.

(n) The General Partner will cause all of (i) the Partnership Property, (ii) the fixtures, maintenance supplies, tools, equipment and like property owned or to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, and (iii) the

rents, revenues and profits earned from the operation of the Project, to be free and clear of all security interests and encumbrances except for the Mortgages described herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(bb) The General Partner shall at all times during the Compliance Period and Extended Use Period rent the Credit Units to Qualifying Tenants, charge such tenants rental rates no greater than permitted under Section 42 of the Code, and in all other respects comply with the

provisions of Section 42 of the Code and Treasury Regulations thereunder and any state or local law necessary to qualify for the Credit with respect to those Credit Units.

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

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

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

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

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

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

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

(jj) The General Partner shall elect to begin the Credit Period in 2017.

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

(ll) The General Partner shall cause the Partnership to depreciate the "residential rental property" (as defined in Code Section 168(e)(2)) contained within the Partnership Property over a twenty-seven and one-half (27.5) year term.

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

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

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

(pp) The Partnership Property will qualify for a property tax abatement for the Compliance Period.

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

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

(ss) The General Partner shall not file an election for the Partnership to elect out of first year bonus depreciation under Section 168(k) for the personal property and site improvements on the Partnership Property.

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

(uu) If the General Contractor is in default under the Construction Contract, the General Partner shall act in the best interests of the Partnership in enforcing the Partnership's rights and remedies under the Construction Contract within thirty (30) days of such default. If the General Partner fails in such regard, the Limited Partner shall have the right to enforce on behalf of the Partnership the Partnership's rights and remedies under the Construction Contract.

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

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

1. Definitions:

Anti-Corruption Laws: All laws, rules, statutes, codes and regulations of any governmental entity applicable to the General Partner, its Affiliates or the Partnership concerning or relating to corruption or bribery, including laws prohibiting an offer, payment, promise to pay, or authorization of the payment or

giving of money or anything else of value, to anyone, while knowing or believing that all or some portion of the money or thing of value will be offered, given, promised to, or retained by a Government Official or any other person for the purposes of obtaining or retaining business, securing any improper advantage or the improper performance of that person's or Government Official's function, or misuse of that person's or Government Official's position.

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

2. There has been no violation by the General Partner or its Affiliates of Anti-Corruption Laws in connection with the execution of the transaction documents.
3. Without limitation, the General Partner and its Affiliates (i) are in compliance with Anti-Corruption Laws, and (ii) shall remain in compliance with Anti-Corruption Laws.
4. No action, suit or proceeding is pending or, to the General Partner's knowledge, threatened, relating to any Anti-Corruption Laws.
5. The General Partner shall notify the Limited Partner if it becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation.
6. Upon request by the Limited Partner, the General Partner will provide information verifying its compliance with Anti-Corruption Laws.

5.12 No Compensation

Except as provided in the Fee Agreements, the General Partner and its Affiliates shall not be entitled to receive any compensation in connection with its performance of its duties as General Partner.

5.13 Obligation to Complete Construction

(a) The General Partner shall diligently pursue and complete the construction and/or rehabilitation of the Partnership Property or cause the same to be completed in a good and workmanlike manner, defect-free, free and clear of all mechanics', materialmen's, or similar liens or claims of liens, and shall equip the Partnership Property or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the Plans and Specifications and the terms and requirements of this Agreement, the Loan Documents and the Project Documents, and shall provide for, or cause to be provided for, all other actions and performance required to arrive at the Completion Date and shall meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits for all the Units in the Project and any commercial

and/or community space. The General Partner or its Affiliates shall timely obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the construction and/or rehabilitation, use, occupancy, and operation of the Partnership Property and the Project or a specified portion thereof. All improvements constructed or to be constructed on the Partnership Property shall be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Partnership Property.

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

The General Partner shall forward, on a monthly basis, all executed Construction Contract change orders, which shall be signed by the Architect and the General Contractor, to the Limited Partner. The General Partner shall not approve any change order without the Consent of the Limited Partner which change order (together with any related change orders) (i) exceeds Fifty Thousand Dollars (\$50,000), (ii) extends by more than five (5) days the schedule in the Construction Contract, (iii) materially reduces the quality of construction materials, (iv) alters the design of the Project, (v) materially changes the scope of the work for the Project, (vi) adversely affects the appearance, structural integrity or quality of such work, (vii) reduces the floor area of the building or the aggregate number of rooms or units, or (viii) would result in the aggregate amount of change orders not approved by the Consent of the Limited Partner exceeding One Hundred Thousand Dollars (\$100,000) or the aggregate amount of all change orders exceeding an amount equal to fifty percent (50%) of the hard cost contingency in the approved construction budget. Notwithstanding the foregoing, the General Partner must obtain the Consent of the Limited Partner as to any change order which has not been approved by the Architect. In the event that the Limited Partner fails to provide such Consent to the General Partner within ten (10) business days of receipt by the Limited Partner of a change order request, the Limited Partner shall be deemed to have consented to the change order, provided that the General Partner has complied with the terms of this paragraph.

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

(b) If the Designated Proceeds are insufficient to:

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

- (ii) Arrive at the Completion Date in conformity with the Loan Documents;
- (iii) Discharge all Partnership liabilities and obligations arising out of any casualty not covered by insurance proceeds;
- (iv) Meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits;
- (v) Pay or provide for all requirements of the ongoing business operations of the Partnership applicable to the period prior to the later of (y) the Stabilization Date, or (z) Loan Conversion;
- (vi) Pay or provide for all amounts necessary to correct defects, including all latent defects, discovered within one (1) year after the later of (y) the Completion Date and (z) for each Unit, initial occupancy of such Unit, including all obligations, expenses, costs, liabilities, or expenditures in respect thereof, applicable to the period prior to such date;
- (vii) Arrive at the Stabilization Date; and
- (viii) Achieve Loan Conversion;

then, in any of such events, the General Partner shall directly pay all funds ("**Development Advances**") that shall be necessary to accomplish the foregoing at such time as those costs and expenses become due and payable. If the Designated Proceeds are insufficient at any time to meet the payments required under this Section 5.13(b), the General Partner shall be required to furnish promptly funds needed to meet such requirements, and such funds shall be returned to the General Partner from any Designated Proceeds or from any upward adjuster which thereafter become available. If Designated Proceeds are not sufficient to return all such funds paid by the General Partner, then the shortfall shall be treated as a Development Advance pursuant to this Section. This is a guaranty of payment, not of collection. Any such Development Advances shall be deemed to be costs of the General Partner and not of the Partnership.

5.14 Operating Deficit Contributions

If, at any time or from time to time after the later of (i) the Stabilization Date, or (ii) Loan Conversion, an Operating Deficit exists, then the General Partner shall contribute funds (an "**Operating Deficit Contribution**") to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit. The General Partner's obligation to make Operating Deficit Contributions after such date to fund Operating Deficits which are not funded from the Operating Reserve, shall be limited to the "**Maximum Operating Deficit Contribution**," as shown on Exhibit A-2. The obligation of the General Partner to make Operating Deficit Contributions shall terminate on the date that the following have occurred simultaneously: (i) the Project has operated at the Required Debt Service Coverage determined by audited financial statements for a period of at least two (2) consecutive Fiscal Years, which two (2) year period shall have commenced no earlier than two (2) years after the first day of the year in which the later of the Stabilization Date is achieved and Loan Conversion occurs; (ii) the HAP rental subsidy is in full force and effect; and (iii) the balance in the Operating Reserve equals or

exceeds the Operating Reserve Amount and the balance in the Section 8 Reserve equals or exceeds \$238,000 but only if the Section 8 Reserve was required to be funded pursuant to Exhibit A-6(iii). Operating Deficit Contributions shall be repayable, without interest, solely from Cash Flow or as provided in Article VIII hereof.

5.15 [Intentionally Omitted]

5.16 Dealing with Affiliates; Fees

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

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

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

5.17 Obligation to Purchase Interest of Limited Partner

(a) The General Partner shall be obligated, as provided in Section 5.17(b), to purchase the Limited Partner's Interest for the total one hundred ten percent (110%) of Capital Contributions made to date by the Limited Partner plus interest at the Prime Rate plus two percent (2%) (such interest beginning to accrue with respect to any Installment of the Limited Partner's Capital Contribution on the date on which such Installment is made), if:

(i) the Partnership has not satisfied the 50% Bond Calculation by the end of the first year of the Credit Period;

(ii) the Project/rehabilitation expenditures have not been placed in service in accordance with the requirements of Section 42 of the Code by December 31, 2018 or the Partnership does not receive IRS Form(s) 8609 by October 1 of the calendar year following the first year of the Credit Period;

(iii) at any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, any Loan is in default, after the expiration of any applicable notice and cure period, or an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

(iv) the failure of the Project to achieve the minimum set-aside test or the rent restriction test under Section 42(g) of the Code prior to the end of the first year of the Credit Period;

(v) Loan Conversion is not achieved by January 1, 2019;

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

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

(viii) the Credit reflected on IRS Form(s) 8609 is less than seventy percent (70%) of the Annual Credit Allocation.

(b) Upon the occurrence of any of the events specified in Section 5.17(a), the General Partner shall, within ten (10) days thereafter, give Notice to the Limited Partner of the occurrence of such event and of the General Partner's obligation to purchase the Limited Partner's Interest. The Limited Partner, by Consent of the Limited Partner, may, by Notice to the General Partner given (i) not later than sixty (60) days after the General Partner's Notice, or (ii) at any time following the occurrence of any of such events if the General Partner has failed to give the required Notice, elect to require the General Partner to purchase the Limited Partner's Interest, notwithstanding that the Limited Partner may have actual knowledge of the occurrence of any such event. If the Limited Partner elects to have its Interest purchased, the General Partner shall purchase such Interest within ten (10) days after Notice from the Limited Partner of its election to have its Interest purchased. The Limited Partner may unconditionally waive at any time its right to require the General Partner to purchase its Interest by reason of the application of any of the numbered clauses of Section 5.17(a). The Limited Partner's election not to have its Interest purchased by reason of the application of one such clause shall not constitute a waiver with respect to any future obligation of the General Partner to purchase its Interest by reason of the application of any other such clause.

5.18 Reserves

The General Partner shall cause the Partnership to establish the reserves described on Exhibit A-6.

5.19 Proposed Budget

The General Partner has delivered to the Limited Partner a copy of the budget for the current Fiscal Year. No later than December 1 of each year, the General Partner shall submit to the Limited Partner a budget (the "**Proposed Budget**") for the ownership and operation of the Project, reflecting the reasonably projected income and expenses for the following calendar year. The Limited Partner shall review the Proposed Budget to determine the reasonableness of the projected figures. The Proposed Budget, as approved by the Limited Partner, shall become the "**Budget**" for the following year. During the period that a budget is not approved, the General Partner shall continue to operate the Project in accordance with the latest approved Budget

assuming a 2% increase in each line item (except for uncontrollable costs such as real estate taxes, insurance premiums, utilities, debt service) until a new Budget is approved by the General Partner and the Limited Partner.

5.20 Action for Breach

The representations, warranties and covenants in Sections 5.10 and 5.11 are being made by the General Partner to the Limited Partner in consideration for the investment in the Partnership by the Limited Partner. Upon the occurrence of any breach of any representation, warranty, covenant or agreement contained herein, the General Partner shall diligently attempt to cure such breach. If such breach is not susceptible to cure, or if the General Partner fails to pursue a cure diligently, or if within sixty (60) days no cure has been achieved, then the Limited Partner may pursue any available legal or equitable remedy against the General Partner, without being required to dissolve the Partnership and notwithstanding the availability of any other remedy; *provided, however*, that with respect to any breach that results solely in a loss or reduction of the Credit, if such breach occurred despite the General Partner's good faith, diligent efforts to prevent such breach, the Limited Partner shall be limited to its remedies under Sections 3.03, 5.17, and 9.02.

ARTICLE VI

Rights and Obligations of the Limited Partner

6.01 Management of the Partnership

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

6.02 Limitation on Liability of the Limited Partner

Except as provided in Section 3.02(g), the liability of the Limited Partner shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. Except as otherwise provided in this Agreement, the Limited Partner shall not have any other liability to contribute money to, or in respect of the liabilities, obligations, debts or contracts of the Partnership, nor shall the Limited Partner be personally liable for any liabilities, obligations, debts or contracts of the Partnership. The Limited Partner shall not be obligated to make loans to the Partnership.

6.03 Outside Activities

Nothing herein contained in this Agreement shall be construed to constitute the Limited Partner hereof the agent of any other Partner hereof or to limit in any manner the Limited Partner in the carrying on of its own businesses or activities. The Limited Partner may engage in and

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

6.04 Execution of Amendments

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

6.05 Inspection of the Project

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

ARTICLE VII

Allocations of Profits and Losses

7.01 Maintenance of Capital Accounts

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

7.02 Profits and Losses

(a) After giving effect to the special allocations set forth in Section 7.03, the Net Profits, Net Losses, Loss and credits of the Partnership shall be allocated one-hundredth of one percent (0.01%) to the General Partner and ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner; *provided, however*, that Partnership gross income shall be allocated to the General Partner in the amount of Net Cash Flow distributed to the General Partner under Section 8.01, and *provided, further* that Gain shall be allocated among the Partners as follows:

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

(ii) The balance, among the Partners so that, to the extent possible, the ratio of (x) the balance of the Limited Partner's Capital Account in excess of the balance described in Section 7.02(a)(i) to (y) the balance in the General Partner's Capital Account in excess of the unrepaid portion of any Operating Deficit Contribution, Credit Adjuster Advance or Additional Advance is ten (10) to ninety (90).

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

7.03 Special Allocations and Limitations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The special allocations set forth in Sections 7.03(a), (b), (c), and (e) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations shall be taken into account in allocating other profits, losses and other items of income, gain, loss and deduction to the Partners so that, to the extent possible, the net amount of such allocations of profits and losses and other items shall be equal to the amount that would have been allocated to each Partner had the Regulatory Allocation not occurred. In the event that in any year the Regulatory Allocations alter the allocations of tax items to the Partners, to the extent possible, depreciation deductions shall nevertheless be allocated ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner and one one-hundredth of one percent (0.01%) to the General Partner.

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

(i) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial fair market value (as used as book value of the property by the Partnership). In the event the book value of any Partnership property is adjusted upon: (i) acquisition of a Partnership interest by any Person in exchange for a capital contribution; or (ii) any non-pro rata distribution to Partners of Partnership property other than cash; subsequent allocations of income, gain, loss, and deduction with respect to such asset shall

take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value in the same manner as under Section 704(c) of the Code. Allocations pursuant to this Section 7.03 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Profits or Net Losses, other items, or distributions pursuant to any provision of this Agreement.

(j) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Treasury Regulation Section 1.752-3(a)(3), the General Partner's interest in Partnership profits shall equal one-hundredth of one percent (0.01%) and the Limited Partner's interest in Partnership profits shall equal ninety-nine and ninety-nine/one-hundredths percent (99.99%).

(k) In the event the General Partner makes an Operating Deficit Contribution in a particular year, the General Partner shall be specially allocated the expenses paid by the proceeds of such Operating Deficit Contribution, but in no event shall the General Partner be allocated any depreciation deductions; *provided, however*, that no such allocation will be made to the extent it would result in any portion of the Partnership Property being treated as tax-exempt use property under Section 168(h) of the Code or cause the General Partner to be a related Person within the meaning of Section 42(d)(2)(D) of the Code.

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

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

(n) In the event that any fee payable to any General Partner or any Affiliate shall be determined to be a non-deductible, non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall be allocated to such General Partner an amount of gross income equal to the amount of such distribution; *provided, however*, that no such allocation will be made to the extent it would result in any portion of the Partnership Property being treated as tax-exempt use property under Section 168(h) of the Code or cause the General Partner to be a related Person within the meaning of Section 42(d)(2)(D) of the Code.

(o) Nonrecourse deductions as defined in Treasury Regulation Section 1.704-2(b)(1) for any Fiscal Year shall be allocated ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner and one-hundredth of one percent (0.01%) to the General Partner.

(p) Any taxable income realized by the Partnership as a result of any grant or discharge of indebtedness shall be allocated one hundred percent (100%) to the General Partner; *provided, however*, that no such allocation will be made to the extent it would result in any portion of the Partnership Property being treated as tax-exempt use property under Section 168(h) of the Code or cause the General Partner to be a related Person within the meaning of Section 42(d)(2)(D) of the Code.

ARTICLE VIII

Cash Distributions

8.01 Distributions of Net Cash Flow

Net Cash Flow, to the extent available, shall be distributed to and among the Partners, within seventy-five (75) days after the close of each Fiscal Year, ninety percent (90%) to the General Partner and ten percent (10%) to the Limited Partner.

8.02 Distributions of Capital Proceeds

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

- (a) To the Limited Partner in an amount equal to the Credit Deficiency;
- (b) To the Limited Partner in the amount of the maximum federal corporate income tax liability that would be imposed on the Limited Partner and its partners from the transaction giving rise to Sale or Refinancing Proceeds;
- (c) To the Limited Partner in the amount of any unpaid Investor Services Fee;
- (d) To pay any unpaid Development Fee;
- (e) To the General Partner to repay any unrepaid portion of any Operating Deficit Contribution, Credit Adjuster Advance or Additional Advance;
- (f) To pay any unpaid Partnership Administration Fee; and
- (g) The balance, ninety percent (90%) to the General Partner and ten percent (10%) to the Limited Partner.

ARTICLE IX

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

9.01 Admission of Successor or Additional General Partners

(a) The General Partner shall not have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer, or assign all or any portion of its Interest, without the Consent of the Limited Partner, other than to a current owner of the General Partner or to a family member, for estate planning purposes, provided, that in each case the participation and control of the General Partner by Community Development Partners is not diminished. In the event that the Consent of the Limited Partner has been obtained by the General Partner, the General Partner shall designate one or more persons to be its successor. In no event shall the Interests of the other Partners be affected thereby. The designated successor General Partner shall be admitted as such to the Partnership upon approval of the Limited Partner of such successor General Partner and upon satisfying the conditions of this Article IX and Section 15.01. Any voluntary withdrawal by the General Partner from the Partnership or any sale, transfer, or assignment by the General Partner of its Interest shall be effective only upon the admission in accordance with this Section 9.01(a) and Section 15.01 of a successor General Partner.

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

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

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

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

(a) The Limited Partner, by Consent of the Limited Partner, shall have the right to remove a general partner of the Partnership as the General Partner for any of the following reasons (each a "**Removal Default**"):

(i) The General Partner has committed an act or acts of gross negligence, willful misconduct, substantial mismanagement of the Project or Partnership, malfeasance, fraud,

or an act or acts outside the scope of its authority, or has breached its fiduciary duties as the General Partner;

(ii) The General Partner has breached any representation, warranty, agreement or covenant contained in this Agreement which breach has or is likely to have a material adverse effect on the Partnership or the Limited Partner; *provided, however*, if such breach is capable of being cured and the General Partner effects such cure within sixty (60) days after Notice from the Limited Partner, a Removal Default shall not exist;

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

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

(v) The General Partner or the Partnership has taken any action or failed to take any action that (A) is likely to cause the termination of the Partnership for federal income tax purposes, (B) is likely to cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violates any federal or state securities laws, (D) is likely to cause the Partnership to fail to qualify as a limited partnership under the Act, (E) is likely to cause a material reduction in the tax benefits or a material increase in the tax liability of the Limited Partner for which the General Partner is responsible to make a Credit Adjuster Advance and the General Partner fails to make the Credit Adjuster Advance in a timely manner in violation of Section 3.03, or (F) is likely to cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions; *provided, however*, with respect to any action or failure to act that is likely to cause any of the aforementioned events (each a "**Prohibited Event**"), if such action or failure to act is capable of being cured such that the Prohibited Event is no longer likely to occur, and the General Partner diligently proceeds to effect such cure within sixty (60) days after Notice from the Limited Partner, but in any event prior to the occurrence of the Prohibited Event, a Removal Default shall not exist;

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

(vii) The occurrence of material construction cost overruns, and/or Operating Deficits, unless such overruns and/or Operating Deficits are funded in accordance with Section 5.13 and/or 5.14 and in such a manner so as not to materially adversely affect the Project and the allocation of Credits to the Limited Partner;

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

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

(x) The construction schedule set forth in the Project Documents is delayed by more than one hundred eighty (180) days except due to a Force Majeure;

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

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

(xiii) Except as otherwise permitted in this Agreement, the conveyance by the shareholders, partners or members of the General Partner, the Developer or the Guarantor of any change in ownership, or change in control of the General Partner, the Developer or the Guarantor, without the Consent of the Limited Partner; or

(xiv) The occurrence of any other event which, under the Act, requires the removal of the General Partner.

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

(b) Notwithstanding the right to remove the General Partner pursuant to Section 9.02(a), in the event of a Removal Default, the Limited Partner shall, in addition to all other rights and remedies which the Limited Partner may have under this Agreement or otherwise available at law or in equity, and at Limited Partner's sole discretion, have the right to cause its designee to be admitted as a managing General Partner with the rights and obligations set forth in Section 5.01. Such admission shall occur immediately upon written notice of such designation from the Limited Partner, whereupon the designee shall hold a Percentage Interest as a General Partner of .009% and the General Partner shall hold a Percentage Interest as a General Partner equal to .001%. Upon such admission of the Limited Partner's designee as a General Partner, the designee General Partner shall file an amended Certificate of Limited Partnership indicating the designee as a General Partner. The exercise of the Limited Partner's rights to cause its designee to be admitted as a managing General Partner shall not preclude (1) its rights to remove the

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

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

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

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

owner and payee of each such loan, and the Partnership shall have no further obligation for payments to the General Partner, Sponsor or Affiliate under such loan.

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

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

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

(h) If (i) a default shall occur by the Management Agent under the Management Agreement which default could reasonably have a material adverse effect on any Limited Partner or the Partnership, and which default gives the Partnership the right to terminate the Management Agreement (a "**Management Agreement Default**") and (ii) the General Partner does not terminate the Management Agreement within ten (10) days of the Partnership's right to do so, the Limited Partner may, by Consent of the Limited Partner, require the General Partner to terminate the Management Agreement. If the General Partner does not terminate the Management Agreement within five (5) days of the Limited Partner's request, the Limited Partner shall have the right, on behalf of the Partnership, to terminate the Management Agreement. If the Management Agreement is terminated as provided in this Section 9.02(h), the General Partner shall proceed to retain a new Management Agent, and the new Management Agent and the new Management Agreement shall be subject to the Consent of the Limited Partner. In addition, the General Partner shall, either on its own or upon the written request of the Limited Partner, promptly terminate the Management Agreement if cause for such termination exists under the Management Agreement. As used herein, "cause" shall include, but not be limited to, any one of the following: (i) the failure of the Management Agent to perform, keep or fulfill any of its duties under the Management Agreement or to comply with the covenants, undertakings, obligations or conditions set forth in the Management Agreement, and the continuance of any such default for a period of thirty (30) days after notice of such failure (except in the event of Management Agent's willful misconduct, in which case no notice shall be

required), (ii) the Management Agent has operated the Project in a manner so as not to qualify as a “qualified low-income housing project” under Section 42(g)(1) of the Code, (iii) failure to materially comply with the record keeping, tenant qualification and rental requirements of the regulatory agreement, and Code Section 42 and the regulations, rulings and policies related thereto, (iv) any serious problem or repair requiring immediate action by the Management Agent which has not been remedied, (v) material mismanagement of the Project. “Cause” shall also include the following unless such occurrences are beyond the control of the Management Agent: (i) failure of the Project to generate at least 90% of the Projected Credits in any calendar year, (ii) the occurrence of a vacancy rate for the Project in excess of ten percent (10%) for any six (6) consecutive month period, or (iii) the occurrence of Operating Deficits for three (3) consecutive months.

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

9.03 Event of Bankruptcy of a General Partner

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

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

9.04 Liability of a Removed or Withdrawn General Partner

Any General Partner who for any reason voluntarily or involuntarily withdraws or is removed from the Partnership or sells, transfers, or assigns its Interest shall be and remain liable for all obligations, liabilities, and guarantees incurred by it as a General Partner and for all acts

and/or omissions occurring prior to the time when the withdrawal, removal, sale, transfer, or assignment becomes effective. Notwithstanding anything to the contrary in this Agreement, the General Partner shall be and remain liable for any obligation or liability to the Limited Partner and the Partnership that may arise at any time under Section 5.13 regardless of whether the General Partner is a general partner in the Partnership.

9.05 Restrictions on Transfer of General Partner's Interest

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

9.06 Continuation of the Business of the Partnership

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

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

ARTICLE X

Assignability of Interests of Limited Partner

10.01 Substitution and Assignment of a Limited Partner's Interest

(a) A Limited Partner may not sell, transfer, assign, pledge, or otherwise dispose of all or any part of its Interest without the Consent of the Limited Partner and the Consent of the General Partner, the granting or denying of which shall not be unreasonably withheld, and the payment by such Limited Partner or its assignee of all costs of such assignment including the costs of filing the amended certificate, if applicable; *provided, however*, the Limited Partner shall have (i) the absolute right to transfer up to one hundred percent (100%) of its Interest to any entity in which Enterprise serves as general partner, managing member or, directly or indirectly, controls the general partner or managing member, without obtaining the Consent of the General Partner, or (ii) the right to transfer up to one hundred percent (100%) of its Interest to any entity after the payment of its entire Capital Contribution obligation without obtaining the Consent of the General Partner (a "*Permitted Transfer*"). The General Partner, at the sole expense of the assigning Limited Partner, shall cooperate in good faith to effect a Permitted Transfer as expeditiously as possible, including without limitation the execution of appropriate amendments to, or updates of, the Project Documents and Loan Documents and/or any other documents which the assigning Limited Partner reasonably determines necessary or appropriate to accomplish such Permitted Transfer, including, but not limited to, any amendments, updated corporate opinion, authorizing resolutions of the General Partner and any other documents reasonably deemed necessary and appropriate by the Limited Partner. The Partnership shall not be required to recognize any such assignment until the instrument conveying such Interest has been delivered to the General Partner for recordation on the books of the Partnership. If an assignee of the Limited Partner pursuant to this Section 10.01(a) does not become a Substitute Limited Partner pursuant to Section 10.01(b), the Partnership shall not recognize the assignment, and the assignee shall not have any rights hereunder or any rights exercisable against the Partnership to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner would have been entitled if no such assignment had been made by the Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if there were no assignment.

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

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

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

(iii) The assignor or assignee pays to the Partnership all costs and expenses incurred by the Partnership in connection with such substitution, including, without limitation,

legal fees and costs incurred in the review and processing of the assignment, and in amending, if necessary, the Partnership's then current Agreement; and

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

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

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

(e) Beginning after the end of the Credit Period, the Limited Partner shall have the option to (i) withdraw from the Partnership without the Consent of the General Partner, or (ii) require the General Partner or its designee to purchase the Limited Partner's entire Interest in the Partnership for one thousand dollars (\$1,000.00). The General Partner agrees that the Partnership will continue to use and operate the Property as affordable housing in accordance with the requirements of Section 42 of the Code for the remainder of the Compliance Period. In the event of a transfer of the Limited Partner's Interest in accordance with this section, the Limited Partner and the assignee shall execute and deliver such instruments, in form and substance satisfactory to the General Partner and the Limited Partner, as may be necessary to effect such transfer.

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

Partnership by Wincopin Circle LLLP. In the event that Wincopin Circle LLLP shall default under the terms of a Wincopin Loan and the lender thereunder shall exercise its remedies under such pledge, then such lender or any entity to which such lender may transfer Wincopin Circle LLLP's Interest shall become a Permitted Transferee and shall be admitted to the Partnership as a Substitute Limited Partner. Wincopin Circle LLLP shall cause a copy of the fully executed Transfer Agreement to be delivered to the General Partner.

ARTICLE XI

Management Agent

11.01 General Partner to Engage Management Agent

The General Partner shall have responsibility for engaging a management agent (which may be an Affiliate of the General Partner) acceptable to the Limited Partner and, to the extent required by the applicable Project Documents, the approval of any Mortgagee or governmental authority having jurisdiction over the Project. The Management Agent shall manage and operate the Partnership Property in accordance with this Agreement and in accordance with the applicable Project Documents. The Property Management Agreement attached as Exhibit F shall provide that if the General Partner is removed pursuant to Section 9.02, or if the General Partner withdraws from the Partnership, and the Management Agent is an Affiliate of such removed or withdrawing General Partner, the Property Management Agreement will terminate upon written notice from the Limited Partner or from any designee General Partner designated under Section 9.02(b). Any removal of the Management Agent in accordance with Article IX hereof or hiring of a new Management Agent shall be made only upon obtaining the consents or approvals, if any, required by the Loan Documents, the Project Documents or this Agreement. If the General Partner shall at any time select a management agent other than the Management Agent, such successor to the Management Agent may (subject to the Consent of the Limited Partner and to any required consent or approval of the Mortgagees) be an Affiliate of the General Partner, but shall not be the General Partner. The Management Agent shall be entitled to receive such management fees as are included in the Budget and that comply with the applicable Project Documents. Any successor Management Agent shall be entitled to receive such management fees as may be agreed upon between the General Partner and such successor Management Agent consistent with the Budget, and that comply with the applicable Project Documents.

ARTICLE XII

Dissolution of Partnership

12.01 Dissolution

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

(a) The dissolution, liquidation, withdrawal, removal and/or Event of Bankruptcy of a General Partner, under such circumstances where no other remaining General Partner desires to continue the Partnership; *provided, however*, that the Partnership shall not be dissolved as

aforesaid if the Limited Partner shall, within the maximum number of days permitted by the Act, elect to continue the Partnership and the Partnership business, and shall designate a successor General Partner, which upon its admission to the Partnership shall immediately obtain all of the General Partner's rights to receive Net Cash Flow, Sale and Refinancing Proceeds, and the unpaid portion of any fees pursuant to this Agreement, to the extent not already earned by the General Partner, for a purchase price of One Hundred Dollars (\$100);

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

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

(d) The expiration of the Term; or

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

12.02 Distribution of Partnership Assets

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

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

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

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

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

12.03 Termination of the Partnership

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

ARTICLE XIII

Accounting and Reports

13.01 Bank Accounts

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

13.02 Books of Account

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

13.03 Reports

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

(i) *Quarterly Financial Reports of the Partnership.* As soon as available and in any event not later than thirty (30) days after the end of the first, second and third quarters of each year, to be completed and transmitted electronically to the Limited Partner via the designated reporting website:

(A) unaudited financial statements of the Partnership, certified by the General Partner as presenting fairly the financial condition of the Partnership at the date of such statements, including (1) the balance sheet as of the end of such quarter, and (2) the year-to-date

statement of operations, if any. Such unaudited financial statements shall be prepared in accordance with generally accepted accounting principles applied on a consistent basis; and

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

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

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

(B) copies of (1) the rent rolls for the Project indicating the rent, family size, family income and area median income for each tenant, (2) the bank statements, (3) status report and narrative description of material developments, and (4) vacancy report.

(iii) *Annual Financial Statements of the General Partner, the Guarantor and the Sponsor.*

(A) *[FROM FOR-PROFIT SPONSORS AND GUARANTORS:]* As soon as available and in any event not later than one hundred eighty (180) days after the end of the Sponsor's and the Guarantor's fiscal year, (y) prepared on a "consolidating" basis (or with supplemental consolidating schedules attached), the audited financial statements of the Sponsor and the Guarantor as of the end of each such fiscal year, including the balance sheets, related statement of operations, statement of changes in Partners' Capital Accounts or retained earnings, and statements of cash flows, with the report of a certified public accountant thereon to the effect that such statements present fairly the financial position at the end of such year and the result of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis, and (z) the Sponsor's and the Guarantor's federal tax return, including all forms and schedules, as well as all statements and Forms K-1. *[FROM INDIVIDUAL GUARANTORS:]* As soon as available and in any event not later than two hundred seventy (270) days after the end of the Guarantor's calendar year, a

statement of financial position, certified by such individual, and the Guarantor's federal tax return, including all forms and schedules, as well as all statements and Forms K-1.

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

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

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

(vi) *Notice of Defaults, IRS Proceedings and Significant Developments.* Immediately upon receipt thereof (A) notice of any default under any Loan or financial obligation of the Partnership, (B) notice of any IRS proceeding involving the Partnership, or (C) any payment or draw made under any operating deficit guaranty, construction completion guaranty, performance bond or letter of credit, and any other significant developments affecting the Partnership, its business or assets.

(vii) *Construction and Lease-up Progress.* With each construction draw submitted to the Limited Partner (regardless of whether such draw requires an equity Installment), a report on the progress of construction in the form attached as Exhibit K to this Agreement. If the General Partner determines that the actual amount with respect to any line item in the then approved budget for the development of the Project is or likely will be less than the amount of such line item as set forth in the then approved budget for the development of the Project (a "*Cost Savings*"), the General Partner will notify the Limited Partner of such Cost Savings and such Cost Savings will be utilized only as approved by the Limited Partner and by any lender or any Authority whose approval to such use is required.

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

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

(ix) *Cost Certification.* As soon as available, and in no event later than sixty (60) days after the Completion Date, the Cost Certification prepared by the Accountants.

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

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

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

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

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

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

(d) In the event that the Partnership's annual audited financial statements or tax returns provided for in Sections 13.03(a)(ii) and (iv) are not provided within the time frames set

forth therein, the General Partner shall be obligated to pay to the Limited Partner the sum of One Hundred Dollars (\$100) per day, as liquidated damages, for each day from the date upon which such statements or returns are due until the date upon which such statements or returns are provided to the Limited Partner in a form acceptable to the Limited Partner. In the event the statements or returns are not provided on a timely basis, the Limited Partner may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Limited Partner.

13.04 Tax Matters Partner

(a) The Tax Matters Partner shall have and perform all of the duties required under the Code with respect to a "tax matters partner" (as such term is defined in Section 6231(a)(7) of the Code) and a "partnership representative" (as such term is defined in Section 6223(a) of the Code, as modified by the Bipartisan Budget Act of 2015 (the "*Budget Act*")), including the obligations under Section 5.03(c) and the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within five (5) calendar days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS, the Tax Matters Partner shall forward to each Partner a photocopy of all such correspondence or communication(s). The Tax Matters Partner shall, within five (5) calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(b) The Tax Matters Partner shall not without the Consent of the Limited Partner:

(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 items);

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any Partnership tax item(s);

(iii) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

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

(v) Intervene in any action brought by any other Partner for judicial review of a final adjustment; or

(vi) Take any other action not expressly permitted by this Section 13.04 on behalf of the Partners or the Partnership in connection with any administrative or judicial tax proceeding or under Subchapter C of Chapter 63 of the Code (as then in effect).

(c) In the event of any partnership-level proceeding instituted by the IRS pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Partner shall consult with the Limited Partner regarding the nature and content of all action and defense to be taken by the Partnership in response to such proceeding. The Tax Matters Partner also shall consult with the Limited Partner regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Partnership (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Partnership or otherwise).

(d) The Tax Matters Partner will consult with the Limited Partner prior to engaging counsel to represent the Partnership in any action, proceeding or filing concerning any Partnership tax item, including, without limitation, all elections required or allowed under the Code or the Treasury Regulations.

(e) The General Partner, in its role as "partnership representative" of the Partnership, shall be bound by the obligations of and restrictions on the Tax Matters Partner under this Agreement.

(f) For any taxable year that Subchapter 63C of the Code, as amended by the Budget Act (as so amended, "***New Subchapter 63C***") applies to the audit of any tax return of the Partnership (an "***Affected Tax Return***"), and notwithstanding anything herein to the contrary:

(i) Subject to the receipt of the Consent of the Limited Partner, the partnership representative of the Partnership, shall have the authority to duly and timely elect under Code Section 6226 to require each Person who was a Partner during the taxable year of the Partnership that was audited to personally bear any tax, interest and penalty resulting from adjustments based on such audit and shall notify each such Person (and the IRS) of its share of such audit adjustments; *provided, however*, that such election shall not require the Consent of the Limited Partner if the General Partner has paid, or is deemed under this Agreement to have paid, in full any Credit Adjuster Advance relating to such audit adjustments.

(ii) If, after taking into account Section 13.04(f)(i), for any reason the Partnership is liable for any tax, interest or penalty as a result of such an audit, each Person who was a Partner during the taxable year of the Partnership that is the subject of such audit shall pay to the Partnership an amount equal to such Person's proportionate share of such liability, based on the amount each such Person should have borne (computed at the tax rate used to compute the Partnership's liability) had the Partnership's tax return for such taxable year reflected the audit adjustment, and the expense for the Partnership's payment of such tax, interest, addition to tax and penalty been specially allocated to such Persons (or their successors) in such proportions; *provided, however*, that if and to the extent that the Partnership's liability results from a loss, disallowance or recapture of Credits for which a Credit Adjuster Advance is due to such Person and has not been paid, the amount otherwise payable by such Person to the Partnership under this Section 13.04(f)(ii) shall be reduced by the amount of the unpaid Credit Adjuster Advance payable to such Person.

(iii) Unless prohibited by any applicable Treasury Regulations, notices or other rules or guidance issued by the IRS, the partnership representative shall not, without the Consent of the Limited Partner, take any action described in Section 13.04(b) above with respect to the Affected Tax Return.

(iv) The Partners acknowledge and agree that the provisions of this Section 13.04(f) shall continue to apply even after a Person ceases to be a Partner for any reason.

(g) The General Partner shall cooperate with the other Partners in good faith to amend this Agreement if the Limited Partner determines that an amendment to this Agreement is required after promulgation of Treasury Regulations or other guidance or rules issued by the IRS implementing New Subchapter 63C in order to maintain the intent of the Partners with respect to the obligations and limitations of the Person who is acting as the “partnership representative” of the Partnership and the responsibility for the federal income tax obligations of the Partnership.

(h) The Tax Matters Partner shall not elect to have the provisions of New Subchapter 63C apply to the Partnership for any Partnership taxable year beginning on or before December 31, 2017.

ARTICLE XIV

Buyout Option and Right of First Refusal

14.01 Buyout Option

Beginning after the end of the Compliance Period and ending two years thereafter, and only if at such time or times the General Partner has satisfied all obligations under this Agreement to the Limited Partner, the General Partner is not in default hereunder or under any of the Project Documents, the Loan Documents or this Agreement and no Event of Bankruptcy has occurred or is impending with respect to the General Partner or the Guarantor, the General Partner shall have the option (the "**Buyout Option**"), for the General Partner or an Affiliate to purchase the Limited Partner's entire Interest in the Partnership for the "**Buyout Price**." The Buyout Price shall equal the greater of (i) the fair market value of the Limited Partner's Interest (the "**LP Interest FMV**") as of the date of the Buyout Notice, calculated subject to the assumption that the Project will continue to be operated as low-income housing for at least fifteen (15) years after the end of the Compliance Period, and at least through the end of the Extended Use Period, or (ii) One Dollar (\$1) plus all federal, state and local taxes attributable to such sale, including those incurred or to be incurred by the partners, direct or indirect, of the Limited Partner ("**Buyout Taxes**").

Additionally, the General Partner shall have the option to purchase the Limited Partner's Interest for the Buyout Price beginning after the first calendar year following the Credit Period if, in addition to satisfaction of the conditions above, (i) the Limited Partner (a) approves such exercise, in its sole and absolute discretion, or (b) determines, in its sole and absolute discretion, that the Partnership will provide the Limited Partner an internal rate of return calculated utilizing the same methodology as the Projections were calculated, but revised to reflect the actual

delivery of Credits and losses to the Limited Partner through the exercise of the Buyout Option, in an amount at least equal to the internal rate of return as shown on the Projections, even after the exercise of the Buyout Option, (ii) the Limited Partner determines that an exercise of the Buyout Option after the Partnership has received all Credits available to it will not result in any negative tax consequences to the Limited Partner, (iii) to the extent required by the Limited Partner in its sole and absolute discretion, the General Partner provides adequate protection against the possibility of tax credit recapture prior to the end of the audit period applicable to the Compliance Period, which protection may include, but shall not be limited to, a guaranty or indemnification from a credit-worthy entity acceptable to the Limited Partner, and (iv) the General Partner and/or Partnership shall pay to the Limited Partner all unpaid fees, loans, credit adjuster distributions and credit adjuster payments owed to the Limited Partner.

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

The Limited Partner shall have thirty (30) days after receipt of the Buyout Notice in which either to accept the computation of the LP Interest FMV or to notify the General Partner of its desire to appoint a second appraiser to compute the LP Interest FMV. In the event that the Limited Partner fails to notify the General Partner within the aforesaid thirty (30)-day period that it desires to appoint a second appraiser, it shall be deemed to have accepted the computation of the LP Interest FMV. In the event that the Limited Partner notifies the General Partner of its desire to appoint a second appraiser, the Limited Partner shall appoint such appraiser within thirty (30) days after it notifies the General Partner of its election, and the two appraisers shall together appoint a third appraiser within fifteen (15) days after the appointment of the second appraiser. The three appraisers so appointed shall each determine the LP Interest FMV within thirty (30) days after the appointment of the third appraiser, and the LP Interest FMV shall be the average of the three appraisers' determinations; provided that if one or more of the appraisers' determinations is more than ten percent (10%) higher or lower than the average of the three determinations, such appraiser's determination shall be disregarded in determining the LP Interest FMV, and provided, further, that if none of the appraisers' determinations is equal to or less than ten percent (10%) higher or lower than the average of the three determinations, the LP Interest FMV shall be the middle of the three determinations. The closing of the sale of the Limited Partner's Interest to the General Partner shall occur within thirty (30) days after the Limited Partner consents (or has deemed to consent) to the computation of the Buyout Price. The entire Buyout Price shall be paid to the Limited Partner at the closing in cash or immediately available funds. All costs associated with the exercise of the Buyout Option other than the Limited Partner's attorney fees, including the costs of the appraiser appointed by the

General Partner, the Accountants' fees and any filing fees and transfer taxes attributable to the Buyout shall be paid by the General Partner.

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

14.02 [Intentionally Omitted]

14.03 Required Purchase Right

Subject to requirements of the Authority, the General Partner, at the request of the Limited Partner, agrees to submit a written request to the Authority to find a buyer for the Project or the Limited Partner's Interest pursuant to a qualified contract under Section 42(h)(6)(E)(i)(II) of the Code, but only in the event the Buyout Option provided in Section 14.01 is exercised within two years after the end of the Compliance Period. Except as provided above, any proposal approved by the Limited Partner must be accepted by the General Partner.

14.04 Right of First Refusal of Limited Partner

In the event that a Limited Partner receives any consents required in Section 10.01 hereof to transfer its Interest, any non-transferring Limited Partner shall have a first right of refusal to buy such Interest on the same terms as offered to the proposed transferee.

ARTICLE XV

Miscellaneous Provisions

15.01 Amendments to Agreement

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

(b) No amendments shall be adopted pursuant to this Section 15.01 unless the adoption of such amendment does not affect the limited liability of the Limited Partner under the Act or the status of the Partnership as a partnership for federal income tax purposes, or cause loss or recapture of the Credit for any partner that has not transferred its Partnership Interest.

(c) In making any amendments, there shall be prepared and timely filed for recordation by the General Partner all documents and certificates required, if any, to be prepared

and filed under the Act and under the laws of any other jurisdiction in which the Partnership is then formed or qualified.

(d) The proposal of an amendment may only be made:

(i) By the General Partner, upon Notice to the Limited Partner which shall include (A) the text of the amendment, and (B) a statement of the purpose of the amendment.

(ii) By the Limited Partner, upon Notice to the General Partner which shall include (A) the text of such amendment, and (B) a statement of the purpose of the amendment.

(e) Amendments to this Agreement shall become effective only upon the Consent of the General Partner and the Consent of the Limited Partner unless such Consent has been given under the terms of this Agreement. Consent may be withheld in the sole discretion of any Partner.

15.02 Notices

All Notices to be given under this Agreement shall be sent to the Persons shown on Exhibit A-5. Any Partner may change its Notice address by providing Notice thereof to all other Partners.

15.03 [Intentionally Omitted]

15.04 Action for Breach

The representations, warranties, covenants, agreements, and duties of the General Partner contained in this Agreement are being made in order to induce, and in consideration of, the Limited Partner's acquisition of its Interest. Upon the breach of any representation, warranty, covenant, agreement, or duty, the Limited Partner, if decided by Consent of the Limited Partner, may pursue any available legal or equitable remedy against the General Partner without being required to dissolve the Partnership and notwithstanding the availability of any other remedy.

15.05 Consent and Voting

No vote or Consent of the Limited Partner shall ever be construed to make the Limited Partner liable as a general partner or cause the Limited Partner to be liable for Partnership obligations.

15.06 Survival of Representations

All representations, warranties, and indemnifications contained herein shall survive the dissolution and final liquidation of the Partnership.

15.07 Entire Agreement

This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

15.08 Applicable Law

It is the intention of the parties hereto that all questions with respect to the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the United States of America and the laws of the State of Nevada, without regard to Nevada's internal conflict of laws principles.

15.09 Severability

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable statutes, laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law. In the event that any provision of this Agreement or the application thereof shall be invalid or unenforceable, the Partners agree to negotiate (on a reasonable basis) a substitute valid or enforceable provision providing for substantially the same effect as the invalid or unenforceable provision.

15.10 Binding Effect

When entered into by the parties hereto, this Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective spouses, heirs, executors and administrators, personal and legal representatives, successors and assigns.

15.11 Counterparts

This Agreement and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

15.12 Successor Statutes and Agencies

Any reference contained in this Agreement to specific statutory or regulatory provisions or to specific governmental agencies or entities shall include any successor statute or regulation, or agency or entity, as the case may be.

15.13 No Implied Waiver

No failure on the part of any Partner to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

15.14 Incorporation by Reference

Each document attached hereto as an exhibit is incorporated herein by reference and an occurrence of a default under an exhibit hereto shall constitute a default under this Agreement.

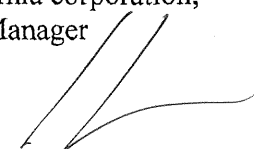
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

BGCG LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Signature Page

BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

BGCG LP
FIRST AMENDED AND RESTATED AGREEMENT
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By: 


Robert Budman
Principal

BGCG LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Signature Page

WINCOPIN CIRCLE LLLP,
Limited Partner

By: Wincopin GP, LLC,
General Partner

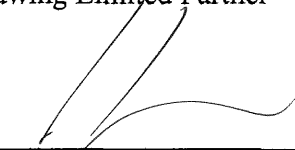
By: 
Name: Bruce I. Rothschild
Title: Vice President

BGCG LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Signature Page

CDP Developers, LLC,
Withdrawing Limited Partner

By:



Eric Peine

Manager

BGCG LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Exhibit A
Partners; Percentage Interests;
Capital Contribution Commitments

	Percentage Interests	Capital Contributions*
<u>General Partner</u>		
BGCG GP LLC	0.01%	\$100
<u>Limited Partner</u>		
Wincopin Circle LLLP	99.99%	\$11,536,620
TOTALS	100%	\$11,536,720

* The Capital Contribution of the Limited Partner will be paid in Installments as described on the following Exhibit A-1 pro rata in accordance with the Interests of the Limited Partner upon the last to occur of the receipt and approval by the Limited Partner, to the satisfaction of the Limited Partner, of all conditions for such Installment and the date associated with such Installment. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications in the exact form attached as Exhibit A-7, in accordance with Section 3.02(c). In addition, the amounts of the Capital Contributions are subject to adjustment as provided in this Agreement.

BGCG LP

**FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP**

**Exhibit A-1
Capital Contribution Installments**

Installment	Amount of Installment	Conditions for Capital Contribution
<u>First</u>	\$1,487,152	Admission Date.
<u>Second</u>	\$238,000	<p>During Construction within ten (10) days after receipt of a written draw request acceptable to the Investor Member which shall include:</p> <ul style="list-style-type: none">(a) AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13;(b) lien waivers signed by General Contractor on all amounts expended by it through the current draw as shown on the current AIA G702, in a form acceptable to the Investor Member;(c) a draw schedule through the current draw detailing actual sources and uses to date and amounts remaining for each;(d) acceptable detail support for all soft costs not included in the general construction contract;(e) Exhibit K; and(f) such other items as the Investor Member may reasonably require (including, but not limited to, an Independent Construction Inspector's Report to be obtained by the Investor Member); <i>provided, however</i>, no payment will be made until the earlier of (i) full funding of the Third Loan, (ii) the Completion Date, or (iii) after thirty (30) days from the Admission Date without the Investor Member's receipt of copies of all loan documents for loans closed on or before the Admission Date and the Owner's title insurance policy.
<u>Third</u>	\$571,333*	<p>Latest of:</p> <ul style="list-style-type: none">(a) Completion Date (including, without limitation, receipt of temporary certificates of occupancy for one hundred percent (100%) of the Units, if required, receipt of a certificate of substantial completion signed by the architect of record, documenting that the buildings have been completed in accordance with the relevant Project Documents), and such other items as the Limited Partner may reasonably require, including, without limitation, the Independent Construction Inspector's Report;(b) final release of lien from General Contractor, evidencing that the General Contractor has been paid in full and final AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13 or, if not available, partial lien release detailing amount paid to date, amounts remaining to be paid, and confirmed

Installment	Amount of Installment	Conditions for Capital Contribution
		<p>sources to pay and current AIA form G702 and G703;</p> <p>(c) draft Cost Certification, which report shall include the Project's eligible basis, matching sources and uses, and calculation of annual Credit, and calculation of the 50% test for bond-financed transactions;</p> <p>(d) copies of all insurance binders on the Partnership Property, including the owner's title policy;</p> <p>(e) evidence that application for tax abatement for the Property has been filed with the appropriate party in a timely manner (only if funding of the Third Loan occurs);</p> <p>(f) an updated title report for the Project, evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;</p> <p>(g) evidence of satisfactory radon testing required by the procedures detailed in Exhibit A-9;</p> <p>(h) an updated source and use schedule for the Project that confirms the Partnership will have sufficient funds available to achieve Loan Conversion;</p> <p>(i) 20 Year HAP Contracts renewal and any other operating or rental subsidy agreements;</p> <p>(j) all required annual and quarterly reporting items in accordance with Section 13.03;</p> <p>(k) evidence that all Partnership reserve accounts required on Exhibit A-6 have been established;</p> <p>(l) the satisfaction of all the conditions to all prior Capital Contributions; or</p> <p>(m) January 1, 2018.</p>
<u>Fourth</u>	\$4,614,648*	<p>Latest of:</p> <p>(a) Final Cost Certification (before submission to the Authority), certified by the Accountant, which report shall include the Project's eligible basis, matching sources and uses, calculation of annual Credit, and calculation of the 50% test for bond-financed transactions, certified by the Accountant;</p> <p>(b) Projected Credits prepared pursuant to Sections 3.03(a) and 3.03(c);</p> <p>(c) the initial achievement of 100% Qualified Occupancy;</p> <p>(d) permanent certificates of occupancy for 100% of the Units, if required;</p> <p>(e) if not previously provided, final release of lien from General Contractor, evidencing that the General Contractor has been paid in full and final AIA forms G702 and G703, including all change orders not previously submitted</p>

Installment	Amount of Installment	Conditions for Capital Contribution
		<p>and approved to the extent required under Section 5.13;</p> <p>(f) a copy of the Extended Use Agreement with recording information from the city/county in which the Property is located;</p> <p>(g) the Partnership's tax returns (including K-1s) and audited financial statements for 2017;</p> <p>(h) all initial Tenant Income Certifications (including first and last page of lease and third-party confirmation);</p> <p>(i) an updated source and use schedule for the Project that confirms the Partnership will have sufficient funds available to achieve Loan Conversion;</p> <p>(j) a final as-built ALTA/NSPS Land Title Survey, a draft of which will be submitted for review and approval prior to issuance of final, which includes the following certificate in substantial form: "This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2016 minimum standard detail requirements, and includes items 2, 3, 4, 6(b), 7(a), 7(b)(1), 7(c), 8, 9, 11, 13, 14, 16, 17, 18, 20 and 21 (the "As-Built Survey")";</p> <p>(k) all required annual and quarterly reporting items in accordance with Section 13.03;</p> <p>(l) the satisfaction of all the conditions to all prior Capital Contributions; or</p> <p>(m) April 1, 2018.</p>
<u>Fifth</u>	\$4,253,552*	<p>Latest of:</p> <p>(a) achievement of the Stabilization Date;</p> <p>(b) the satisfaction of all the conditions to all prior Capital Contributions;</p> <p>(c) Loan Conversion (which may be achieved concurrent with this Installment) and delivery of (i) all executed loan documents related thereto and (ii) an updated title report evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby</p> <p>(d) evidence of property tax abatement for the Project (only if funding of the Third Loan occurs); or</p> <p>(e) April 1, 2018.</p>
<u>Sixth</u>	\$371,935*	<p>Latest of:</p> <p>(a) a draft IRS Form 8609 with Parts I and II completed, before submission to the IRS, and the executed IRS Form 8609 as submitted to the IRS;</p> <p>(b) the Partnership's tax returns (including K-1s) and audited financial statements for the first year of the Credit Period if not previously provided;</p>

Installment	Amount of Installment	Conditions for Capital Contribution
		(c) the satisfaction of all the conditions to all prior Capital Contributions; or
		(d) July 1, 2018.
TOTAL	\$11,536,620	

Note: Defined terms used in this Exhibit A-1 have the meanings set forth in the Partnership Agreement. No Installment will be paid unless all required reporting items have been satisfied.

Equity being disbursed pursuant to "an acceptable written draw request" in the construction period Installments above will be disbursed based on construction values actually added to the Project, as evidenced by approved AIA Form G702 and G703 and separate invoice amounts. Scheduled amounts for such payments during the Installment as are set forth in the Projections Exhibit are not an indication that such equity amounts will be disbursed on those dates unless the above values have been proved by the applicable draw request and are not otherwise projected to be paid for from other funding sources.

Pursuant to Exhibit K, the General Partner is required to provide the Limited Partner with a schedule of all draws from other sources even if no Capital Contribution Installment is requested from the Limited Partner for such draw. The requirement of reports pursuant to Exhibit K is a condition of each Additional Capital Contribution made under this Exhibit A-1 during the construction of the Project.

*In the event the Third Loan is funded prior to the Completion Date, the amounts of the Third through Sixth Installments shall be as follows:

Third Installment:	\$1,500,332
Fourth Installment:	\$4,614,648
Fifth Installment:	\$3,324,553
Sixth Installment:	\$ 371,935

BGCG LP
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Exhibit A-2
Fixed Dollar Amounts

Reference Term	Section Reference		Amount
Annual Credit Allocation	5.10(aa)		\$1,003,184
LIH Target Amount	3.03(a)		\$10,030,840
Lease-up Projection	3.03(c)(i)	2017	\$679,951
		2018	\$1,003,084
Maximum Operating Deficit Contribution	5.14		\$1,180,000
Operating Reserve Amount	5.14		\$395,000
Owner's Title Policy Amount	2.01		\$28,557,869
Rehab/NC Basis Amount	5.10(aa)		\$19,031,347
Acquisition Basis Amount	5.10(aa)		\$11,931,122

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Exhibit A-3
Loans to the Project

Mortgage Priority	Lender	Loan Amount
	Nevada Housing Division (the " <i>Bond Loan</i> " or the " <i>Construction Loan</i> ")	\$21,115,000
First	Nevada Housing Division (the " <i>First Loan</i> ")	\$13,140,000*
Second	Seller (the " <i>Second Loan</i> ")	\$1,000,000
Third	City of Las Vegas (the " <i>Third Loan</i> ")	\$500,000**
	TOTAL PERMANENT LOANS	\$14,640,000

* Which amount may be increased up to \$13,569,000 upon the full funding of the Third Loan and with the Consent of the Limited Partner.

** Subject to completion of environmental review.

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Exhibit A-4
Fees; Priority; Uses of Cash Flow

Fees

<u>Fee</u>	<u>Governing Agreement</u>	<u>Fee Recipient</u>
Development Fee	Development Services Agreement	Developer
Property Management Fee	Property Management Agreement	Management Agent
Investor Services Fee	Investor Services Agreement	Limited Partner
Partnership Administration Fee	Partnership Administration Agreement	General Partner

Payments contingent on Cash Flow shall be made in the following order of priority:

First, to the Limited Partner, an amount equal to the Credit Deficiency;

Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership, assuming the Limited Partner is subject to the maximum corporate federal income tax rate then in effect;

Third, to pay the Investor Services Fee in accordance with the Investor Services Agreement, attached hereto as Exhibit I;

Fourth, from and after the Sixth Installment of the Limited Partner's Capital Contribution to fund the Operating Reserve up to the Operating Reserve Amount;

Fifth, to pay any deferred portion of the Property Management Fee in accordance with the Property Management Agreement;

Sixth, 25% of remaining Cash Flow to repay Seller Loan and 75% to pay the Deferred Development Fee, if any, in accordance with the Development Services Agreement, attached hereto as Exhibit C provided once the Deferred Development Fee is repaid in full, 75% of the remaining Cash Flow shall repay the Seller Loan;

Seventh, to the General Partner to repay any Operating Deficit Contribution;

Eighth, to pay the Partnership Administration Fee in accordance with the Partnership Administration Agreement, attached hereto as Exhibit E; and

Any remaining Cash Flow shall constitute Net Cash Flow which is distributable to the Partners in accordance with Section 8.01 of this Agreement.

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Exhibit A-5
Notice Addresses

General Partner

BGCG GP LLC
c/o Community Development Partners
3416 Via Oporto, Suite 301
Newport Beach, California 92663
Telephone: (949) 467-1344
Attention: Eric A. Paine

With a copy to:

BLVD Capital LLC
215 South La Cienega Boulevard
Suite 203
Beverly Hills, California 90211
Telephone: (323) 302-9610
Attention: Robert Budman
Patrick Luke

With a copy to:

Tim Nash
Kutak Rock LLP
8601 North Scottsdale Road
Suite 300
Scottsdale, Arizona 85253
Telephone: (480) 429-4882

Limited Partner*

Wincopin Circle LLLP
c/o Enterprise Community
Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Telephone: (410) 964-0552
Facsimile: (410) 772-2630
Attention: Asset Management

With a copy to:

Email: brothschild@enterprisecommunity.com
Attn: General Counsel

With a copy to:

Kenneth S. Gross, Esq.
Gallagher Evelius & Jones LLP
218 North Charles Street, Suite 400
Baltimore, Maryland 21201
Telephone: (410) 727-7702
Facsimile: (410) 468-2786

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

BGCG LP

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**Exhibit A-6
Partnership Reserves**

The General Partner shall establish the following reserves in the name of the Partnership:

(i) *Operating Reserve.* An Operating Reserve equal to the Operating Reserve Amount to be funded in the amounts of \$204,515 and \$190,485 upon the payment of the Fifth and Sixth Installments of the Limited Partner's Capital Contribution, respectively. In addition, the General Partner shall fund the Operating Reserve from Cash Flow (calculated for this sole purpose prior to deducting contributions to the Operating Reserve) in order to maintain, to the extent possible, a balance at all times in the Operating Reserve equal to the Operating Reserve Amount. The Operating Reserve shall be deposited in an interest-bearing account in a bank approved by the Limited Partner. No withdrawal may be made from the account without the Consent of the Limited Partner. In the event funds are withdrawn from the account without required consent, Enterprise has the right to take sole control of the Operating Reserve, or to withdraw the balance in the Operating Reserve and deposit it into a new account which shall be established in the name of the Partnership. The General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Operating Reserve as outlined above in the event of a default by the General Partner under this Exhibit A-6. Interest earned on the Operating Reserve shall be added to the Operating Reserve. The General Partner may use funds in the Operating Reserve only (a) after the later of (y) the Stabilization Date, or (z) Loan Conversion, and (b), with the Consent of the Limited Partner, for any Partnership purpose, but only to the extent the revenues of the Partnership are insufficient to accomplish such purposes. The Operating Reserve shall be maintained throughout the Term of the Partnership; provided, however, upon termination of the Compliance Period, the General Partner may disburse the balance in the Operating Reserve as Cash Flow if the Project is operating at the Required Debt Service Coverage for the prior 12 months, the General Partner is not in default under the Partnership Agreement, and the General Partner has satisfied all obligations under this Agreement to the Limited Partner. Upon termination and winding up of the Partnership, subject to the provisions of Section 12.02, the balance in the Operating Reserve shall be used to (a) pay any tax (including exit and transfer taxes imposed) on the Partnership, Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or (b) for other uses approved by the Limited Partner.

(ii) *Replacement Reserve.* A Replacement Reserve to be funded beginning the second full month after the Completion Date through calendar year 2025, in the amount of Three Hundred Fifty Dollars (\$350) per unit per year, prorated for a partial year, increasing at three percent (3%) annually, and beginning in calendar year 2026 funded in the amount of Eight Hundred Twenty-Five Dollars (\$825) per unit per year, increasing at three percent (3%) annually. The General Partner may request the Limited Partner to modify the 2026 increase in

the Replacement Reserve funding based on a current capital needs assessment provided to the Limited Partner. The Limited Partner shall make the determination whether the 2026 increase will be modified in its sole and absolute discretion. The Partnership shall utilize amounts in the Replacement Reserve to fund major repair, capital expenditures and replacement of capital items in the Project. The Partnership may not utilize the Replacement Reserve for any capital expenditure which causes total withdrawals from the Replacement Reserve during any calendar year to exceed Ten Thousand Dollars (\$10,000) unless the Partnership has obtained the Consent of the Limited Partner to make such an expenditure. The Replacement Reserve shall be deposited in an interest-bearing bank account. In the event funds are withdrawn from the account without required consent, Enterprise has the right to take sole control of the Replacement Reserve, or to withdraw the balance in the Replacement Reserve and deposit into a new account which shall be established in the name of the Partnership. The General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Replacement Reserve as outlined above in the event of a default by the General Partner under this Exhibit A-6. Interest earned on the Replacement Reserve shall be added to the Replacement Reserve. Upon any sale of the Project, amounts in the Replacement Reserve shall be utilized to make any capital expenditures, repairs or improvements in connection with such sale or other uses approved by the Limited Partner.

(iii) *Section 8 Reserve.* In the event the Third Loan has not been fully advanced to the Partnership by the Completion Date, a Section 8 Reserve equal to \$238,000 shall be funded upon payment of the Limited Partner's Second Installment of its Capital Contribution. The Section 8 Reserve shall be deposited in an interest-bearing account in a bank approved by the Limited Partner. No withdrawal may be made from the account without the Consent of the Limited Partner. In the event funds are withdrawn from the account without required consent, Enterprise has the right to take sole control of the Section 8 Reserve, or to withdraw the balance in the Section 8 Reserve and deposit it into a new account which shall be established in the name of the Partnership. The General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Section 8 Reserve as outlined above in the event of a default by the General Partner under this Exhibit A-6. Interest earned on the Section 8 Reserve shall be added to the Section 8 Reserve. The General Partner may use funds in the Section 8 Reserve only (a) after the later of (y) the Stabilization Date, or (z) Loan Conversion, and (b), with the Consent of the Limited Partner, to fund Operating Deficits, but only to the extent the revenues of the Partnership and the Operating Reserve are insufficient to accomplish such purposes. The Section 8 Reserve shall be maintained throughout the Term of the Partnership; provided, however, upon termination of the Compliance Period, the General Partner may disburse the balance in the Section 8 Reserve as Cash Flow if the Project is operating at the Required Debt Service Coverage for the prior 12 months, the General Partner is not in default under the Partnership Agreement, and the General Partner has satisfied all obligations under this Agreement to the Limited Partner. Upon termination and winding up of the Partnership, subject to the provisions of Section 12.02, the balance in the Section 8 Reserve shall be used to (a) pay any tax (including exit and transfer taxes imposed) on the Partnership, Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or (b) for other uses approved by the Limited Partner.

(iv) *Investment of Reserve Accounts.* Funds in the reserve accounts shall be deposited in a banking institution whose deposits are insured by an agency of the federal government. If funds in Partnership reserve accounts deposited in any banking institution exceed Two Hundred Fifty Thousand Dollars (\$250,000), the Partnership accounts shall be deposited in a commercial bank having combined capital and surplus of not less than Two Hundred Fifty Million Dollars (\$250,000,000). The General Partner (or the Management Agent, as directed by the General Partner) may invest funds in the reserve accounts in domestic bank certificates which are insured by an agency of the federal government; in direct obligations of the federal government; in federal government agencies with an AA rating or better, federally guaranteed agencies, or in repurchase agreements which are direct obligations of the federal government or federal agencies, or which are specifically collateralized by federal government obligations; or in short term commercial paper receiving one of the two highest ratings from Moody's or Standard and Poor's. Any exceptions to the above policy must be approved by Enterprise. The General Partner (or the Management Agent as directed by the General Partner) shall select investment vehicles and maturities on such investment so as to maximize the Partnership's return taking into account the anticipated need for available cash in the reserve account(s). The term of any investment shall not exceed five (5) years.

BGCG LP

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**Exhibit A-7
Notice Certifications**

As a condition of payment of the Additional Capital Contribution requested by the Additional Capital Contribution Notice dated [_____], the General Partner hereby certifies that the following representations and warranties remain true, correct, and not misleading as of the date set forth below. The following certifications (i) - (xiii) in this Exhibit A-7 are hereinafter referred to as "*Notice Certifications*."

(i) *Occupancy*. After the occurrence of the Completion Date, each Credit Unit is either (A) occupied by Qualifying Tenants or (B) held available for occupancy by Qualifying Tenants at the time of payment of each Additional Capital Contribution, and the operation of the Project and each Unit in all respects complies with the provisions of Section 42 of the Code.

(ii) *No Defaults; Documents in Force; No Jeopardizing Events*. No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any Loan Document, Project Document or the Agreement; the Loan Documents, the Project Documents and the Agreement are in full force and effect; and no event has occurred and is continuing that materially jeopardizes or is likely to materially jeopardize the ability of the Partnership to continue to operate the Project as housing eligible for the Credit.

(iii) *No Liens*. The Partnership owns the Partnership Property, the Project, and each of the Units free and clear of any liens (including mechanics' liens), charges, or encumbrances other than matters set forth in the Title Policy.

(iv) *No Bankruptcies*. No Event of Bankruptcy has occurred and is continuing, and no event has occurred that, with the passage of time, could become an Event of Bankruptcy, with respect to the General Partner or any of its Affiliates.

(v) *No Breach*. The General Partner is not in breach in any material respect of any provision of the Agreement to be observed or performed by it including, but not limited to, all representations, warranties, and covenants given by the General Partner, pursuant to this Agreement and all representations and warranties herein remain true and correct in all material respects.

(vi) *Advances Paid*. All Credit Adjuster Advances, Additional Advances, Development Advances, Operating Reserve deposits, Replacement Reserve deposits, Operating Deficit Contributions and any other deposits, advances, or contributions required to be made by

the General Partner or its Affiliates pursuant to this Agreement (and any exhibits attached hereto) have been made.

(vii) *Environmental.* To the best knowledge of the General Partner after due inquiry, the Partnership Property contains no, and is not adversely affected by the presence of, any Environmental Hazard, except as stated below, nor is it in violation of any federal, state, or local law, regulation, rule, or ordinance, and no violation of any Environmental Law has occurred or is continuing. The General Partner has not received any notice from any source whatsoever of the existence of any Environmental Hazard or of a violation of any federal, state, or local law, regulation, rule or ordinance with respect to the Partnership Property. If any Environmental Hazard (including lead-based paint and asbestos) was found to exist or be present, it has been, or will be prior to the Completion Date, either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, rules and regulations, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents.

(viii) *Document Compliance.* All documents required by Section 13.03 of the Agreement to be provided to the Limited Partner as of such date have been delivered to the Limited Partner.

(ix) *No Audit.* There is no ongoing audit by the IRS in which the IRS is asserting, by means of a thirty day letter, that the Credit available to the Partnership for any taxable year is less than ninety-five percent (95%) of the amount of Credit claimed by the Partnership for that year or that all or a portion of the Credit claimed with respect to any prior taxable year(s) must be recaptured pursuant to Section 42(j) or other relevant sections of the Code, or is unavailable to the Partnership.

(x) *Conformity with Laws.* The Project conforms in all material respects with applicable law.

(xi) *Prior Qualification.* The Partnership qualified for, and subject to adjustment as provided in the Agreement, has received all prior Additional Capital Contributions.

(xii) *All Prerequisites Satisfied.* The preconditions to payment of the Additional Capital Contribution described on Exhibit A-1 to the Agreement have occurred.

(xiii) *Sources and Uses in Balance.* The Partnership will have sufficient funds available from all sources to complete construction and convert all Loans to permanent status. **[DELETE AFTER LOAN CONVERSION.]**

BGCG GP LLC

Date

By:

Name:

Title:

BGCG LP
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Exhibit A-8
Significant Accounting Information

<u>Information Required</u>	<u>Data</u>
Taxpayer Identification Numbers	
Partnership	81-4041689
Limited Partner	52-2331442
Quarterly Reporting Deadlines	
1st Quarter	04/15/xx
2nd Quarter	07/15/xx
3rd Quarter	10/15/xx
Annual Reporting Deadline	
Draft tax return and audited financial statements	02/15/xx
Final tax return and audited financial statements	03/01/xx
EReporting and tax return and financial statement prep guide website address	
http://www.enterprisecommunity.com/financing-and-development/asset-management/reporting	
Depreciable lives (federal tax purposes)	
Building	27.5 years
FF&E	5 years
Site Improvements	15 years
Depreciable lives (financial reporting purposes)	
Building	40 years
FF&E	5 years
Site Improvements	15 years
Other elections required	
Elect to begin Credit Period in 2017.	

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**Exhibit A-9
Radon Testing Procedures**

	PROCEDURES
When to Test:	<p>>Every project to produce test results of less than 4 pCi/L <i>after substantial completion and before lease-up of the units (see Exceptions below for REHAB Projects)</i>.</p> <p>>In the event of a failing test, proof of mitigation and further testing resulting in a test result of less than 4 pCi/L will be required.</p>
Where to Test:	<p><u>Single family home(s)</u> - each home: basement and 1st floor living space;</p> <p><u>Townhouses</u> - Basement and 1st floor living space of each home >Only units that fail need mitigation, not the entire block of units</p> <p><u>Multi-story building</u> - Basement/garage/crawl space & 25% of first floor in various locations in the building, including but not limited to, 25% of the living space units</p> <p><u>Multi-story buildings, scattered sites</u> - (same as above for each building)</p>
Minimum Requirements:	<p>>Include testing in at least one basement/crawl space, one bedroom, and one other living area</p> <p>>Exclude testing hallways, bathrooms, laundry room and kitchen</p>
Testing Requirements:	<p>>Testing to be performed by a qualified, licensed testing company.</p> <p>>If a State does not have licensing requirements, a qualified testing company shall mean any company whose primary business is that of a radon testing and remediation.</p> <p>Radon test and report must comply with EPA guidelines.</p>

	PROCEDURES
Exceptions ?	<p>1) We will accept "non-action" radon results done as part of the acquisition environmental review (on a case-by-case basis) provided the following:</p> <ul style="list-style-type: none"> a) REHAB: No work is performed with respect to the foundation, grading, below slab plumbing, etc. b) Exceptions must be pre-approved by Construction Monitoring. Provide supporting documentation.
Occupant Notification?	Yes
If remediation or mitigation is required:	>A radon report meeting the foregoing requirements must be submitted after mitigation.

	State Radon Reference Web Address
Alabama	www.adph.org
Alaska	www.hss.state.ak.us/dph
Arizona	www.azdhs.gov
Arkansas	www.healtharkansas.com
California	www.dhs.ca.gov
Colorado	www.cdphe.state.co.us
Connecticut	www.pdh.state.ct.us
Delaware	www.dhss.delaware.gov/dhss/dph/hsp
District of Columbia	http://dchealth.dc.gov
Florida	www.doh.state.fl.us
Georgia	www.dnr.state.ga.us/environ/home_files/mainpage.cgi
Hawaii	http://hawaii.gov/health
Idaho	www.idahohealth.org
Illinois	www.epa.state.il.us
Indiana	www.in.gov/isdh
Iowa	www.idph.state.ia.us/eh/radon
Kansas	www.kdheks.gov
Kentucky	http://chfs.ky.gov/dph/info/phps/radongas
Louisiana	www.dhh.louisiana.gov
Maine	www.maine.gov/dhhs/eng/rad/radon/hp_radon
Maryland	www.dhms.state.md.us
Massachusetts	www.mass.gov/dph
Michigan	www.michigan.gov/deq
Minnesota	www.health.state.mn.us/index
Mississippi	www.msdc.state.ms.us
Missouri	www.dhss.mo.gov
Montana	www.dphhs.state.mt.us
Nebraska	www.hhs.state.ne.us

	State Radon Reference Web Address
Nevada	http://health2k.state.nv.nv.us
New Hampshire	www.des.state.nh.us/EOH/radon
New Jersey	www.nj.gov/dep/rpp.index.htm
New Mexico	www.nmenv.state.nm.us/nmrcb/radon
New York	www.health.state.ny.us/nysdoh/radon/radonhom
North Carolina	www.dhhs.state.nc.us/docs/division.htm
North Dakota	www.health.state.nd.us/AQ/IAQ/radon
Ohio	www.odh.ohio.gov/odhprograms/rp/envrad/indrad.aspx
Oklahoma	www.deq.state.ok.us/radon
Oregon	www.dhs.state.or.us/publichealth
Pennsylvania	www.dep.state.pa.us/brp
Rhode Island	www.health.ri.gov
South Carolina	www.scdhec.net/environment/envserv/radon.htm
South Dakota	www.state.sd.us/denr/DES/AirQuality/aarad.htm
Tennessee	http://tdec.net/ea/radon
Texas	www.dshs.state.us/radiation/radon.shtm
Utah	www.radon.utah.gov
Vermont	http://healthvermont.gov/enviro/rad/radon.sapx
Virginia	www.vdh.virginia.gov/epidemiology/radiologicalhealth/radon
Washington	www.doh.wa.gov/ehp/ts/IAQ/htm
West Virginia	www.wvdhhr.org/oehs
Wisconsin	www.dhfs.state.wi.us
Wyoming	http://wdh.state.wy.us/PHSD/radon/index.html

Exhibit B

DESCRIPTION OF PARTNERSHIP PROPERTY

[Attached]

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF CLARK, STATE OF NEVADA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOTS ONE (1), TWO (2), THREE (3) FOUR (4) AND FIVE (5) IN BLOCK ONE (1) OF JUDY RICH TRACT NO. 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 5 OF PLATS, PAGE 2, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, BEING FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

A PORTION OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D. B. & M., CLARK COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING AT THE SOUTHEAST CORNER OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.B. & M., CLARK COUNTY, NEVADA;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 1247.48 FEET TO A POINT;
THENCE NORTH 04°00'05" EAST A DISTANCE OF 843.71 FEET TO A POINT;
THENCE NORTH 04°00'46" EAST A DISTANCE OF 162.66 FEET TO A POINT;
THENCE NORTH 04°00'21" EAST A DISTANCE OF 25.01 FEET TO THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 04°00'21" EAST A DISTANCE OF 127.52 FEET TO A POINT;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 171.37 FEET TO A POINT;
THENCE ALONG A CURVE TO THE NORTHWEST, HAVING A RADIUS OF 110.00 FEET, A CENTRAL ANGLE OF 25°12'04" WITH AN ARC LENGTH OF 48.38 FEET TO A POINT;
THENCE NORTH 62°03'45" WEST A DISTANCE OF 52.84 FEET TO A POINT;
THENCE SOUTH 27°56'15" WEST A DISTANCE OF 124.66 FEET TO A POINT;
THENCE ALONG A CURVE TO THE SOUTHEAST, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" WITH AN ARC LENGTH OF 31.42 FEET TO A POINT;
THENCE SOUTH 62°03'45" EAST A DISTANCE OF 32.67 FEET TO A POINT;
THENCE ALONG A CURVE TO THE SOUTHEAST, HAVING A RADIUS OF 75.00 FEET, A CENTRAL ANGLE OF 25°12'04" WITH AN ARC LENGTH OF 32.99 FEET TO A POINT;
THENCE SOUTH 87°15'49" EAST A DISTANCE OF 245.19 FEET TO THE TRUE POINT OF BEGINNING.**

ALSO SHOWN AS PARCEL NO. 3A ON THAT CERTAIN RECORD OF SURVEY RECORDED FEBRUARY 2, 1956 IN BOOK 82 AS INSTRUMENT NO. 68980 OF OFFICIAL RECORDS IN FILE 5 OF SURVEYS, PAGE 85.

PARCEL 2:

LOTS ONE (1), TWO (2), THREE (3), FOUR (4) AND FIVE (5) IN BLOCK TWO (2) OF JUDY RICH TRACT NO. 2, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 5 OF PLATS, PAGE 2, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA, BEING FURTHER DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

A PORTION OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D. B. & M., CLARK COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

**COMMENCING AT THE SOUTHEAST CORNER OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.B. & M., CLARK COUNTY, NEVADA;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 1247.48 FEET TO A POINT;
THENCE NORTH 04°00'05" EAST A DISTANCE OF 843.71 FEET TO A POINT;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 339.77 FEET TO A POINT;
THENCE NORTH 62°03'45" WEST A DISTANCE OF 100.00 FEET TO A POINT;
THENCE NORTH 27°56'15" EAST A DISTANCE OF 20.91 FEET TO A POINT;
THENCE NORTH 62°03'45" WEST A DISTANCE OF 25.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 62°03'45" WEST A DISTANCE OF 117.05 FEET TO A POINT;
THENCE NORTH 27°56'15" EAST A DISTANCE OF 300.11 FEET TO A POINT;
THENCE SOUTH 62°03'45" EAST A DISTANCE OF 117.05 FEET TO A POINT;
THENCE SOUTH 27°56'15" WEST A DISTANCE OF 300.11 FEET TO THE TRUE POINT OF BEGINNING. ALSO**

SHOWN AS PARCEL NO. 2A ON THAT CERTAIN RECORD OF SURVEY RECORDED FEBRUARY 2,

1956 IN BOOK 82 AS INSTRUMENT NO. 68980 OF OFFICIAL RECORDS IN FILE 5 OF SURVEYS, PAGE 85.

PARCEL 3:

A PORTION OF THE SOUTHEAST QUARTER (SE 1/4) OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D. B. & M., CLARK COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.B. & M., CLARK COUNTY, NEVADA;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 1247.48 FEET TO A POINT;
THENCE NORTH 04°00'05" EAST A DISTANCE OF 843.71 FEET TO A POINT;
THENCE NORTH 04°00'46" EAST A DISTANCE OF 10.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 04°00'46" EAST A DISTANCE OF 127.65 FEET TO A POINT;
THENCE NORTH 87°15'49" WEST A DISTANCE OF 244.09 FEET TO A POINT;
THENCE ALONG A CURVE TO THE NORTHWEST, HAVING A RADIUS OF 125.00 FEET, A CENTRAL ANGLE OF 25°12'04" WITH AN ARC LENGTH OF 54.98 FEET TO A POINT;
THENCE NORTH 62°03'45" WEST A DISTANCE OF 32.67 FEET TO A POINT;
THENCE ALONG A CURVE TO THE SOUTHWEST, HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90°00'00" WITH AN ARC LENGTH OF 31.42 FEET TO A POINT;
THENCE SOUTH 27°56'15" WEST A DISTANCE OF 124.66 FEET TO A POINT;
THENCE SOUTH 62°03'45" EAST A DISTANCE OF 52.81 FEET TO THE SOUTHEAST, HAVING A RADIUS OF 90.00 FEET, A CENTRAL ANGLE OF 25°12'04" WITH AN ARC LENGTH OF 39.59 FEET TO A POINT;
THENCE SOUTH 87°15'49" EAST A DISTANCE OF 317.62 FEET TO THE TRUE POINT OF BEGINNING.

ALSO SHOWN AS PARCEL 1A ON THAT CERTAIN RECORD OF SURVEY RECORDED FEBRUARY 2, 1956 IN BOOK 82 AS INSTRUMENT NO. 68980 OF OFFICIAL RECORDS IN FILE 5 OF SURVEYS, PAGE 85.

PARCEL 4:

THE WEST FORTY-EIGHT (48) FEET OF LOT SEVEN (7) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL 5:

THE EAST FORTY-EIGHT (48) FEET OF LOT SIX (6) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL 6:

THE WEST TWELVE (12) FEET OF LOT SIX (6) AND THE EAST THIRTY-SIX (36) FEET OF LOT FIVE (5) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL 7:

THE WEST TWENTY-FOUR (24) FEET OF LOT FIVE (5) AND THE EAST TWENTY-FOUR (24) FEET OF LOT FOUR (4) IN BLOCK TWO (2) OF JUDY RICH TRACT AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL 8:

THE WEST THIRTY-SIX (36) FEET OF LOT FOUR (4) AND THE EAST TWELVE (12) FEET OF LOT THREE (3) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCEL 9:

THE WEST FORTY-EIGHT (48) FEET OF LOT THREE (3) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 27, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA.

PARCELS 4 THROUGH 9 ALSO BEING DESCRIBED AS FOLLOWS:

A PORTION OF THE SOUTHEAST QUARTER (SE ¼) OF SECTION 4, TOWNSHIP 21 SOUTH, RANGE 61 EAST, M.D.B. & M., CLARK COUNTY, NEVADA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF LOT EIGHT (8) IN BLOCK TWO (2) OF JUDY RICH TRACT, AS SHOWN BY MAP THEREOF ON FILE IN BOOK 4 OF PLATS, PAGE 17, IN THE OFFICE OF THE COUNTY RECORDER OF CLARK COUNTY, NEVADA;
THENCE NORTH 87°13'15" WEST A DISTANCE OF 12.00 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 87°13'15" WEST A DISTANCE OF 288.11 FEET TO A POINT;
THENCE NORTH 02°44'11" EAST A DISTANCE OF 132.99 FEET TO A POINT;

**THENCE ALONG A CURVE TO THE SOUTHEAST HAVING A RADIUS OF 125.00 FEET, A CENTRAL ANGLE OF 16°53'44", WITH AN ARC LENGTH OF 36.86 FEET TO A POINT;
THENCE SOUTH 87°15'49" EAST A DISTANCE OF 251.78 FEET TO A POINT;**

THENCE SOUTH 02°44'11" WEST A DISTANCE OF 127.82 FEET TO THE TRUE POINT OF BEGINNING.

APN: 162-04-810-001 thru 008, 162-04-806-001, 162-04-811-010 thru 015

Exhibit C

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (this "**Agreement**"), dated and effective as of the 3rd day of February, 2017, is made by and between BGCG LP, a limited partnership formed under the laws of the State of Nevada (the "**Partnership**"), and COMMUNITY DEVELOPMENT PARTNERS, a California nonprofit corporation, and BLVD CAPITAL LLC, a Delaware limited liability company (together, the "**Developer**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a two hundred one (201) unit residential project in twenty-one (21) buildings located in Las Vegas, Nevada (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership desires that the Developer provide certain services with respect to the development of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby appoints the Developer to render services in overseeing the development of the Project for the Partnership as herein contemplated and the Developer hereby accepts such appointment. The term of this Agreement shall begin on the date hereof and shall end on the end of the Compliance Period for the first building to start the Credit.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, the Developer shall have the authority and obligation to:

(a) Obtain construction financing on behalf of the Partnership in an amount sufficient to fund the construction of the Project pursuant to the Projections.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and Plans and Specifications as may be required in connection with the construction of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, Plans and Specifications or other items prepared or obtained.

(e) Obtain a construction contract (the "**Construction Contract**") in an amount not to exceed the amount provided therefor pursuant to the Projections from a reputable general contractor (the "**General Contractor**"), which may be an affiliate of Developer, which Construction Contract shall require the General Contractor to post a payment and performance bond in the full amount of the Construction Contract or letter of credit in an amount acceptable to the Partnership.

(f) Perform or cause to be performed, in a diligent and efficient manner, general administration and supervision of construction of the Project, including but not limited to the following:

(i) administration and supervision of the activities of the General Contractor and all other contractors, subcontractors and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules pursuant to which all phases of construction are to be completed on or before the Completion Date and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion, for defects in construction and to assure compliance with the Plans and Specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the General Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the Projections and the Plans and Specifications and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the Plans and Specifications.

(h) Cause the Project to be completed on or before the Completion Date in a manner consistent with good workmanship, in compliance with the following:

(i) the Plans and Specifications;

(ii) all obligations of the Partnership under any documents executed by the Partnership under the Loan Documents; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction of the Project.

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and workers' compensation insurance required by law or by the Limited Partner with the Partnership named as an additional insured, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

3. **Accrual Schedule.** The Development Fee shall be earned as follows:

(a) Seven Hundred Twenty Thousand Dollars (\$720,000) shall be earned upon the execution of this Agreement.

(b) The balance of the Development Fee shall be earned upon the Completion Date.

(c) Once a portion of the Development Fee has been earned, it shall be payable by the Partnership in all events.

4. **Development Fee.**

(a) For development services to be performed under this Agreement, the Partnership shall pay the Developer a fee in the amount of Three Million Six Hundred Twenty-Nine Thousand Dollars (\$3,629,000) (the "**Development Fee**") in accordance with the payment schedule (the "**Development Fee Payment Schedule**") attached as Schedule 1 hereto. The parties to this Agreement specifically acknowledge that the Limited Partner's Additional Capital Contributions may be adjusted in accordance with the provisions of the Partnership Agreement, including without limitation Section 3.03, and that such adjustment may cause a revision of the Development Fee Payment Schedule. In the event the Limited Partner's Additional Capital Contributions and the Development Fee Payment Schedule are so revised, the Limited Partner shall cause a copy of the revised Development Fee Payment Schedule and Projections to be delivered to the Developer. If the Developer shall disagree as to any amount in the revised Development Fee Payment Schedule and Projections, the Developer shall give Notice and an explanation to the Limited Partner of such disagreement within twenty (20) days after receipt of such revised Development Fee Payment Schedule and Projections. Failure by the Developer to respond within such twenty (20) day period shall be deemed approval by the Developer. The

Partnership shall pay each Developer fifty percent (50%) of each installment of the Development Fee.

(b) Any amount of the Development Fee, including the Deferred Development Fee, that has not been paid in full on or before the last day of the Compliance Period for the first building in the Project placed in service for purposes of Code Section 42, shall be paid no later than such date.

(c) The Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Project, obtaining an allocation of Credits or securing Project financing other than construction financing; it being the understanding between the parties hereto that all such listed activities are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership.

(d) In the event that less than fifty percent (50%) of the aggregate basis of any building included in the Project and the land on which the building is located (including an allocable portion of the development fee hereunder) is, at any time, up to and including the last day of the first year of the Credit Period, financed from the proceeds of tax-exempt bonds, then the Development Fee shall automatically be reduced, to the extent necessary to cause the amount of such tax-exempt bond proceeds to be greater than fifty percent (50%) of such aggregate basis.

5. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

6. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

7. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

8. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

9. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

10. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada, without regard to principles of conflicts of laws.

11. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

12. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

13. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

14. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

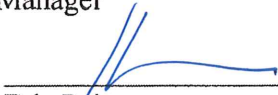
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

The parties hereto have executed this Development Services Agreement as of the date first above written.

BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

The parties hereto have executed this Development Services Agreement as of the date first above written.

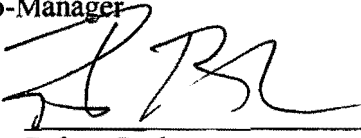
BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

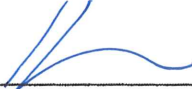
By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: 

Robert Budman
Principal

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation,
Developer

By:



Eric Paine
Chief Executive Officer

BLVD CAPITAL, LLC,
a Delaware limited liability company,
Developer

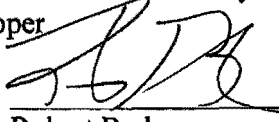
By:

Robert Budman
Principal

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation,
Developer

By: _____
Eric Paine
Chief Executive Officer

BLVD CAPITAL, LLC,
a Delaware limited liability company,
Developer

By:  _____
Robert Budman
Principal

Schedule 1

Development Fee Payment Schedule

- (a) \$1,507,264 from Capital Contributions as follows:
- (i) \$210,131 on the Admission Date;
 - (ii) \$571,333 on the due date of the Limited Partner's Third Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement;
 - (iii) \$544,350 on the due date of the Limited Partner's Fifth Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement;
 - (iv) \$181,450 on the due date of the Limited Partner's Sixth Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement; and
- (b) \$2,121,736 (the "*Deferred Development Fee*") with interest at six and five -tenth percent (6.5%) from Cash Flow to the extent available for payment of such fee pursuant to Exhibit A-4 of the Partnership Agreement and from capital proceeds under Section 8.02 of the Partnership Agreement;

provided, however, in the event the Third Loan is funded prior to the Completion Date, the Development Fee payment schedule shall be as follows:

- (a) (i) \$210,131 on the Admission Date;
- (ii) \$238,000 on the due date of the Limited Partner's Second Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement;
 - (iii) \$1,500,332 on the due date of the Limited Partner's Third Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement;
 - (iv) \$544,350 on the due date of the Limited Partner's Fifth Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement;
 - (v) \$181,450 on the due date of the Limited Partner's Sixth Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement; and
- (b) \$954,737 (the "*Deferred Development Fee*") with interest at six and five-tenth percent (6.5%) from Cash Flow to the extent available for payment of such fee pursuant to Exhibit A-4 of the Partnership Agreement and from capital proceeds under Section 8.02 of the Partnership Agreement.

Exhibit D

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "**Agreement**" or "**Guaranty**"), dated and effective as of the 3rd day of February, 2017, is made by and between BGCG LP, a limited partnership formed under the laws of the State of Nevada (the "**Partnership**"), and COMMUNITY DEVELOPMENT PARTNERS, a California corporation, BLVD CAPITAL LLC, a Delaware limited liability company, ROBERT BUDMAN, a California resident, ERIC PAINE, a California resident, and PATRICK LUKE, a California resident (collectively, the "**Guarantor**"), for the benefit of the Limited Partner.

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a two hundred one (201) unit residential project in twenty-one (21) buildings located in Las Vegas, Nevada (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Limited Partner is simultaneously acquiring a limited partnership interest in the Partnership pursuant to the Partnership Agreement. As a result of the admission of the Limited Partner to the Partnership and the Limited Partner's contribution of capital to the Partnership in accordance with the terms of the Partnership Agreement, the Guarantor or its affiliates expect to receive substantial benefits, including, without limitation, certain fees relating to the construction and development of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Guaranty Obligation.** To induce the Limited Partner to acquire an interest in the Partnership, to enter into the Partnership Agreement and to become the Limited Partner of the Partnership, the Guarantor hereby unconditionally, jointly and severally, guarantees to the Limited Partner, commencing on the date of this Guaranty Agreement, the due and punctual performance by the General Partner and the Developer of all of their obligations under the Partnership Agreement, as the same may be amended from time to time, with or without the consent of, or notice to, the Guarantor and the Development Services Agreement, as the same may be amended from time to time, with or without the consent of, or notice to, the Guarantor (collectively referred to herein as the "**Obligations**").

2. **Covenant of Guarantor.** The Guarantor shall furnish the Limited Partner a current and accurate financial statement within one hundred eighty (180) days following the end of each calendar or fiscal year of such Guarantor (as applicable) and at such other times (and together with such other financial information) as the Limited Partner may reasonably request from time to time.

3. **Obligations of the Guarantor.** The Guarantor hereby agrees that its Obligations hereunder shall be unconditional (and shall not be subject to any advance, set-off, counterclaim or recoupment whatsoever), irrespective of the regularity or enforcement of any Project Document, the Partnership Agreement, the Development Services Agreement or this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse of the Limited Partner against the undersigned. The undersigned hereby waives diligence, presentment and demand for payment, protest, any notice of any assignment hereunder in whole or in part or of any default hereunder or under any Project Document, or the Partnership Agreement or the Development Services Agreement, and all notices with respect to this Guaranty, the Partnership Agreement, the Development Services Agreement or the Project Documents. No waiver by the Limited Partner of any of its rights under the Project Documents, the Partnership Agreement, the Development Services Agreement or this Guaranty and no action by the Limited Partner to enforce any of its rights under this Guaranty or failure to take, or delay in taking, any such action shall affect the Guarantor's Obligations hereunder.

The Obligations of the Guarantor hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by, (i) any amendment or modification of or addition or supplement to the Partnership Agreement, the Development Services Agreement] or any of the Project Documents, except insofar as such amendment, modification, addition or supplement shall directly affect any Obligation hereunder (and the Limited Partner shall have affirmatively consented thereto), (ii) any extension, indulgence or other action or inaction in respect of the Partnership Agreement, the Development Services Agreement or the Project Documents, or any exercise or nonexercise of any right, remedy, power or privilege in respect of such documents or this Guaranty, (iii) any default by the Guarantor under, or any illegality or unenforceability of, or any irregularity or defect in, the Partnership Agreement, the Development Services Agreement, the Project Documents or any provision of this Guaranty, (iv) any event of bankruptcy, insolvency, reorganization or similar proceeding involving or affecting the Partnership, the General Partner or the Guarantor, or (v) any other circumstances, whether or not the undersigned or the Limited Partner shall have actual or constructive notice or knowledge thereof. The undersigned hereby waives to the fullest extent permitted by law, any and all notices and defenses to which it may be entitled by law to its Obligations hereunder, including, without limitation, notice of acceptance of this Guaranty, and any requirement of diligence on the part of the Limited Partner or any other parties to the Partnership Agreement, the Development Services Agreement or Project Documents.

4. **[Intentionally Omitted]**

5. **Term.** This Agreement shall commence as of the date hereof and shall terminate when the General Partner and the Developer have satisfied in full their Obligations pursuant to the Partnership Agreement and the Development Services Agreement and the Guarantor shall have satisfied in full its Obligations pursuant to this Agreement. The Obligations of the Guarantor shall remain in full force and effect notwithstanding the removal of the General Partner in accordance with the Partnership Agreement.

6. **Representation.** The Guarantor represents that it will maintain sufficient funds to be able to satisfy its Obligations under this Agreement.

7. **Intended Beneficiary.** The parties intend that the Partnership and the Limited Partner of the Partnership, and its successors, assigns or transferees, each be a direct beneficiary of this Agreement and that the Partnership and the Limited Partner and its successors, assigns or transferees in such capacity may enforce the Guarantor's Obligations hereunder. No person other than the Partnership and the Limited Partner, its successors, assigns or transferees and the parties to this Agreement may directly or indirectly rely upon or enforce the provisions of this Agreement, whether as a third party beneficiary or otherwise.

8. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement, as the same may be amended from time to time, with or without the consent of, or notice to, the Guarantor.

9. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and assigns. No party may assign this Agreement without the consent of the other party.

10. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

11. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

12. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

13. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada, without regard to principles of conflicts of laws.

14. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

15. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

16. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one

agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

17. **Guaranty of Payment.** Notwithstanding any other provision of this Agreement:

(i) this Agreement constitutes a guaranty of payment, not solely a guaranty of collection; and

(ii) the guaranty in this Agreement is primary and not conditional.

18. **Representations.** Each Guarantor hereby represents for itself that:

(i) there is no action, suit, proceeding or investigation (pending or threatened) involving the Guarantor, or which could materially, adversely affect the Guarantor's assets, operation or conditions, financial or otherwise; and

(ii) the execution, delivery and performance by the Guarantor of this Agreement, the Project Documents and the Loan Documents, as applicable, and the carrying out of the transactions contemplated thereby, are not in violation of or in conflict with nor do they constitute a default under (a) any provision of any applicable law, statute, ordinance or rule or regulation; (b) any agreement indenture or instrument to which the Guarantor is a party; (c) any license or permit or (d) any judgment, decree or order of a court of competent jurisdiction, all as may be applicable to the Guarantor.

19. **Notices.** All Notices to be given under this Agreement shall be sent to the Persons shown below. Any party may change its Notice address by providing Notice thereof to all other parties.

If to Guarantor:

Community Development Partners
3416 Via Oporto, Suite 301
Newport Beach, CA 92663
Telephone: (949) 467-1344
Email: epaine@communitydevpartners.com
Attention: Eric Paine

BLVD Capital LLC
215 South La Cienega Boulevard
Suite 203
Beverly Hills, California 90211
Email: rob@blvdcapitalinvestment.com
Attention: Robert Budman

If to Partnership:

BGCG LP
3416 Via Oporto, Suite 301
Newport Beach, CA 92663
Telephone: (949) 467-1344
Email: epaine@communitydevpartners.com
Attention: Eric Paine

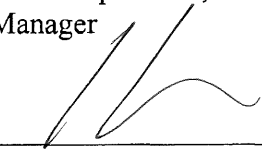
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

The parties hereto have executed this Guaranty Agreement as of the date first above written.

BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

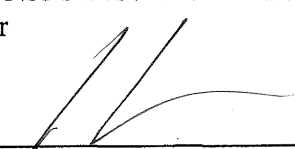
By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

COMMUNITY DEVELOPMENT PARTNERS,
Guarantor

By: 
Eric Paine
Chief Executive Officer

BLVD CAPITAL LLC,
Guarantor

By: _____
Robert Budman
Principal

The parties hereto have executed this Guaranty Agreement as of the date first above written.

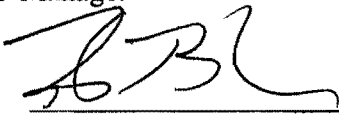
BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

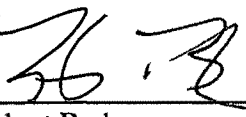
By: 

Robert Budman
Principal


COMMUNITY DEVELOPMENT PARTNERS,
Guarantor

By: _____
Eric Paine
Chief Executive Officer

BLVD CAPITAL LLC,
Guarantor

By: 

Robert Budman
Principal



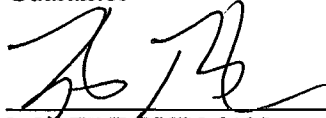
ERIC PAINE
Guarantor

ROBERT BUDMAN
Guarantor

PATRICK LUKE
Guarantor

ERIC PAINE

Guarantor



ROBERT BUDMAN

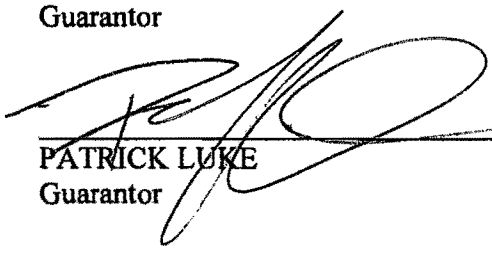
Guarantor

PATRICK LUKE

Guarantor

ERIC PAINE
Guarantor

ROBERT BUDMAN
Guarantor



PATRICK LUKE
Guarantor

Exhibit E

PARTNERSHIP ADMINISTRATION AGREEMENT

THIS PARTNERSHIP ADMINISTRATION AGREEMENT (this "**Agreement**"), dated and effective as of the 3rd day of February, 2017, is made by and between BGCG LP, a limited partnership formed under the laws of the State of Nevada (the "**Partnership**") and BGCG GP LLC, a California limited liability company (the "**Administrator**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a two hundred one (201) unit residential project in twenty-one (21) buildings located in Las Vegas, Nevada (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership has agreed to make certain payments to Administrator as an inducement for the efficient administration of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Services.** Subject to the applicable provisions of the Partnership Agreement, the Administrator shall:

(a) Provide any and all supervisory services designed to cause the Project to operate efficiently, including reviewing and evaluating programs, policies and procedures instituted by the Management Agent for advertising and tenant recruitment, screening and selection;

(b) Investigate and make recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, depositories, custodians, agents for collection, insurers, insurance agents and banks) if necessary at any given time; and

(c) Formulate programs for owner, tenant, public and government relations.

2. **Partnership Administration Fee.** Subject to the applicable terms and conditions of the Partnership Agreement and the Loans and Project Documents and, assuming there is no Removal Default under Section 9.02 of the Partnership Agreement, beginning in the later of (i) 2017, or (ii) the first calendar year the Partnership receives rental income (the "**Initial Year**"), the Partnership shall pay to the Administrator, over the term of this Agreement, an annual Partnership Administration Fee of Twenty-Five Thousand Dollars (\$25,000). After the Initial Year, the Partnership Administration Fee shall increase at the rate of three percent (3%) per year. The Partnership Administration Fee for the Initial Year shall be prorated for the number of

months the Partnership has rental income. The Partnership Administration Fee shall be payable from Cash Flow available for payment of such fee pursuant to Exhibit A-4 of the Partnership Agreement. If not paid, the Partnership Administration Fee shall accrue without interest from year to year and shall be payable out of the next available Cash Flow or Capital Proceeds.

3. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement. The occurrence of a default by the General Partner under the Partnership Agreement shall constitute a default by the Administrator and the Partnership shall have no further obligations under this Agreement. Upon the removal of the General Partner in accordance with the Partnership Agreement, at the election of the Limited Partner, this Agreement shall terminate and the Partnership shall have no further obligations hereunder.

4. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, personal representatives, successors and assigns. No party may assign this Agreement without the consent of the other party.

5. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

6. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

7. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

8. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada, without regard to principles of conflicts of laws.

9. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

10. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

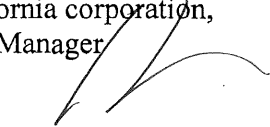
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

The parties hereto have executed this Partnership Administration Agreement as of the date first above written.

BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

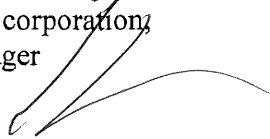
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Chief Executive Officer

By: BLVD Capital, LLC
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its Co-Manager

By: _____
Robert Budman
Principal

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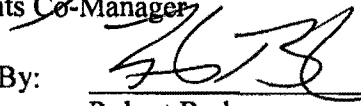
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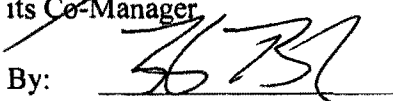
Robert Budman
Principal

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a California limited liability company,
Administrator

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: 

Robert Budman
Principal

Exhibit F
PROPERTY MANAGEMENT AGREEMENT

[Attached]

PROFESSIONAL MANAGEMENT AGREEMENT



Cornerstone Residential, LLC
1525 North Main Street, Suite 105
Bountiful, Utah 84010
801/296-6002 (telephone)
801/296-6025 (fax no.)
smartin@horizon-living.com (email)
www.cornerstoneresidentialmgt.com

PROPERTY NAME Baltimore Gardens and Cleveland Gardens
PROPERTY OWNER BCGG LP
MANAGER Cornerstone Residential, LLC
TERM One Year
PROFESSIONAL FEES As Outlined
EXPENDITURE LIMIT \$1,000.00
SPECIAL PROVISIONS As Outlined



Equal Opportunity Employer
Equal Housing Opportunity

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RECITALS

THIS AGREEMENT, (hereinafter referred to as the “AGREEMENT”), IS MADE AND ENTERED INTO this second day of December, 2016 , (the “EFFECTIVE DATE”), by and between BGCG LP (hereinafter referred to as the “OWNER”), having its principal place of business at 215 S. La Cienega Boulevard, Suite 203, Beverly Hills, CA 90211, and Cornerstone Residential, LLC, (a Utah Limited Liability Company), (hereinafter referred to as the “MANAGER”), having its principal place of business at 1525 North Main Street, Suite 105, Bountiful, Utah 84010.

The OWNER has in its portfolio these certain parcels of real property commonly known as the Baltimore Gardens and Cleveland Gardens (the “PROPERTY”) located at 316 West Baltimore Avenue, Las Vegas, NV 89102, consisting of the land, buildings and other improvements constituting an apartment community.

SECTION 1 APPOINTMENT OF MANAGING MANAGER

1.1 APPOINTMENT AND ACCEPTANCE

OWNER hereby employs MANAGER as a sole and exclusive MANAGER and representative of the OWNER for the purposes of leasing, management, and the operation of the PROPERTY. Based thereon, in consideration of the mutual terms, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the OWNER and MANAGER agree that their respective authorities, duties and responsibilities with respect to the PROPERTY shall be as follows:

1.2 MANAGEMENT STANDARDS

The MANAGER shall use its best efforts and perform all measures necessary for the orderly management of the PROPERTY. In furtherance thereof, MANAGER shall use diligence to lease and rent the said premises, to enforce collection of rentals, and to comply with all other covenants contained in this Agreement and in accordance with industry standards.

1.3 TERM

The initial term of this AGREEMENT, hereinafter referred to as the "INITIAL TERM," shall be for a period of One Year commencing on the Effective Date. This AGREEMENT will automatically renew every thirty (30 days) after the expiration of the INITIAL TERM, unless this AGREEMENT is terminated as provided herein. (See Section 16.1).

1.4 MANAGEMENT OFFICE

OWNER shall provide adequate space on the PROPERTY for a management office, for the use of MANAGER to conduct the business of the management of the PROPERTY. OWNER shall pay all reasonable expenses related to such office as provided in the PLAN (defined below), including, but not limited to furnishings, equipment, postage, office supplies, electricity, other utilities and telephone services.

1.5 APARTMENT FOR ONSITE STAFF

OWNER, at its sole discretion, shall provide a suitable apartment unit(s) within the PROPERTY for the use of the PROPERTY resident manager and such assistant PROPERTY managers or PROPERTY maintenance personnel as MANAGER and OWNER may deem reasonable under the circumstances and as provided in the PLAN (see 1.6). MANAGER, with the prior approval of the OWNER, shall be entitled to provide such on-site staff (employees) with such rental and utility concessions (reductions in rent or utility charges) as MANAGER and the OWNER may deem necessary and appropriate under the circumstances.

1.6 BUDGET AND BUSINESS PLAN

OWNER and MANAGER have established a budget and business plan for the operation and management of the PROPERTY (the "PLAN"). The PLAN shall act as a general guide for the management of the PROPERTY by MANAGER, and shall be updated and revised annually to reflect changes in conditions and actual PROPERTY operations. Any expenditure not specifically set forth in the PLAN shall require OWNER's advance written approval, except as provided in Section 4.2 hereof.

SECTION 2 BANK ACCOUNTS

2.1 OPERATING ACCOUNTS

MANAGER shall establish custodial bank accounts, hereinafter the OPERATING ACCOUNT or OPERATING ACCOUNTS, for deposit and disbursement of PROPERTY funds collected by MANAGER on behalf of the OWNER which shall be separate and apart from the MANAGER's funds in a state or nationally chartered financial institution approved by OWNER where the deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Association.

These custodial bank accounts, known herein as the OPERATING ACCOUNT or OPERATING ACCOUNTS, established under this AGREEMENT shall at all times be in the PROPERTY's name but under the MANAGER's control. MANAGER's designees shall be the only parties authorized to draw upon such OPERATING ACCOUNTS. MANAGER shall be required to notify OWNER of any designees who shall have access to the OPERATING ACCOUNTS. No amounts deposited in any OPERATING ACCOUNTS established under this AGREEMENT shall in any event be co-mingled with any other funds. MANAGER shall have the authority to draw upon these OPERATING ACCOUNTS for any payments approved by the OWNER either explicitly or by prior acceptance of the PLAN, that MANAGER must make in order to discharge any liabilities or obligations incurred pursuant to this AGREEMENT and for the payment of MANAGER's management fees.

2.2 SECURITY DEPOSIT ACCOUNT

MANAGER shall, as required by law, maintain a separate interest-bearing SECURITY DEPOSIT ACCOUNT for resident security deposits. Said SECURITY DEPOSIT ACCOUNTS shall be maintained in accordance with applicable state laws. MANAGER shall have the authority to draw upon this SECURITY DEPOSIT ACCOUNT for the disbursement of security deposits in accordance with applicable law and the terms of the various lease agreements. OWNER must provide approval prior to any refunds of security deposits to residents.

2.3 FIDELITY BOND

MANAGER shall cause all personnel who handle or are responsible for the safekeeping of any monies of the PROPERTY to be covered by a fidelity bond. Such bonds shall be secured at the MANAGER's expense. Said bond will be a blanket bond covering all such personnel and other employees of the MANAGER. MANAGER's fidelity bond shall be for at least \$200,000 dollars with an A+ rated insurance company.

2.4 MANAGER'S OBLIGATION TO ADVANCE PAYMENTS

All purchases and other obligations approved by OWNER, either explicitly or by prior acceptance of the PLAN, incurred in connection with the operation of the PROPERTY shall be the sole cost and expense of OWNER. All such purchases shall be made by MANAGER solely on behalf of OWNER and not as a principal. MANAGER shall be under no duty to utilize or apply MANAGER's own funds for the payment of any such debt or obligation. In the event that there are insufficient funds in the OPERATING ACCOUNT, MANAGER may, after approval by OWNER, advance its own funds for such purpose in which event OWNER shall promptly repay to MANAGER all such sums expended, within 30 calendar days of request, together with

interest at the rate of eight percent (8%) per annum, compounded monthly, calculated from the date of MANAGER's advancement of funds to date of repayment from OWNER.

2.5 INTEREST ON OPERATING AND TRUST ACCOUNTS

Where permitted by law, and where feasible, MANAGER shall deposit PROPERTY funds into OPERATING ACCOUNTS that are interest-bearing accounts. All interest earned on such funds shall belong to OWNER, except where state law requires interest earned on security deposits to be paid to a tenant and shall not be considered part of "GROSS MONTHLY RECEIPTS" of the PROPERTY as hereinafter defined.

SECTION 3 COLLECTION OF RENTS AND OTHER RECEIPTS

3.1 MANAGER'S AUTHORITY

MANAGER shall collect all rents, charges and other amounts received in connection with the management and operation of the PROPERTY. All security deposits shall be deposited into the SECURITY DEPOSIT ACCOUNT, described herein. All other receipts shall be deposited into an OPERATING ACCOUNT.

3.2 DELINQUENT COLLECTION

MANAGER shall collect delinquent rents and other receipts which become past due through collection techniques in accordance with the federal, state and local laws. MANAGER shall have the power to sign and serve notices to residents in breach of their lease or rental agreement as MANAGER may deem necessary and proper. MANAGER, with OWNER'S approval, may also sue for and recover any delinquent rents or damages or sue for possession of the premises, or may attach garnish or levy upon the property of any delinquent resident. MANAGER may settle compromise and adjust said court action representing OWNER as a MANAGER with a beneficial interest.

3.3 POWER OF ATTORNEY

All court costs, legal fees and associated collection costs are to be paid by the OWNER from the OPERATING ACCOUNT. OWNER hereby authorizes and entitles MANAGER to act on his behalf, subject to the restrictions imposed in this AGREEMENT, with power of attorney to resolve matters dealing with security deposits, delinquent collection of rents, establishment of recurring operating contracts (as approved by the budget, and subject to limitations set forth in this AGREEMENT) and the on-going management and operations of the PROPERTY. This power of attorney is limited to and exclusively restricted to those powers dealing with the professional management and operations of the PROPERTY.

3.4 SECURITY DEPOSITS

MANAGER shall collect, deposit and disburse each resident's security deposit in accordance with the terms of each resident's lease. MANAGER shall act on OWNER's behalf in compliance with applicable state or local laws concerning the OWNER's responsibility for security deposit collection and disposition.

SECTION 4 DISBURSEMENTS FROM OPERATING ACCOUNT

4.1 OPERATING EXPENSES

From the OPERATING ACCOUNT, MANAGER is hereby authorized to pay or reimburse MANAGER for all expenses and costs of operating the PROPERTY set forth in the PLAN and for all sums due to MANAGER under this AGREEMENT, including Manager's compensation which is described and set forth in Section 1.6 hereof, which are approved by OWNER, either explicitly or in accordance with the approved PLAN.

4.2 EXPENDITURE LIMITATION

MANAGER shall not make any non-recurring or unbudgeted expenditure nor make any contractual, one-time or recurring obligation exceeding \$1,000 without the prior written consent of the OWNER. The expenditure limitation threshold may be adjusted, but MANAGER will be informed in writing of any threshold changes. MANAGER must obtain OWNER approval to exceed the monthly budget. MANAGER must obtain at least 3 bids for any expense or ongoing obligation over \$3,000. Notwithstanding such limitations imposed by the preceding statement, the MANAGER after making reasonable efforts to gain approval from the OWNER, may, on behalf of the OWNER, without prior consent, expend any amount or incur any contractual obligation in any amount to deal with emergency situations which may involve material danger to life and/or the PROPERTY or materially threaten the safety of the PROPERTY or any part thereof. During emergency situations MANAGER must make initial attempt to contact OWNER representative (Nikhil Nardhani-323-302-9610 Ext. 201) prior to approving any purchase. If no contact can be made then MANAGER shall make reasonable efforts to limit costs.

4.3 DEBT SERVICE

OWNER shall give MANAGER advance written notice of at least fifteen (15) days if OWNER desires MANAGER to make any additional monthly or recurring payments (such as mortgage indebtedness, taxes of any kind, special assessments or other insurance premiums) out of the proceeds of the OPERATING ACCOUNT for the PROPERTY.

4.4 NET PROCEEDS

To the extent that funds are available, and after maintaining the cash contingency reserve amount in the operating account, MANAGER shall transmit all cash balances to the OWNER on an annual basis along with the monthly financial statements (see Section 5). Such periodic cash balances shall be remitted to the OWNER REPRESENTATIVE (see Section 14).

4.5 PRIORITY OF PAYMENT

Should collected funds (excluding security deposits deposited into trust accounts) be insufficient to satisfy the current debts and obligations of the PROPERTY, such debts and obligations shall be paid in the following order: PROPERTY payroll, including state and federal payroll taxes; charges by utility companies (including but not limited to: gas, electric, water, sewer, garbage and cable television); management fees and other management expenses; other PROPERTY expenses for which MANAGER has contracted and for which MANAGER is or may be liable for payment; underlying secured real property debt; other required payment, including payments to reserve accounts. Where the terms of any loan security agreement with OWNER conflict with the terms of this section, the terms of such loan security agreement shall control.

SECTION 5 FINANCIAL AND OTHER REPORTS

5.1 OPERATING BUDGETS

In order for the OWNER to anticipate and plan for the cash requirements of the PROPERTY's operation, MANAGER shall submit to the OWNER within thirty (30) days prior to the inception of on-site management an annual operating budget including recommended capital expenditures.

MANAGER shall prepare and submit to the OWNER on or before an agreed upon time or at least sixty (60) days prior to the calendar year's end, a recommended annual operating budget for the following budget year showing all anticipated receipts and expenditures. All expenses anticipated in the budget must be approved by the OWNER and it shall be the responsibility of the OWNER to provide sufficient funds for MANAGER to meet the expenses contemplated in the approved budget. Such budget shall be deemed approved and accepted by OWNER upon written acceptance by OWNER.

5.2 WEEKLY AND MONTHLY REPORTS

MANAGER shall maintain accurate, complete and separate records of the PROPERTY in accordance with generally accepted accounting standards and procedures showing income and expenditures relating to the operation of the PROPERTY. MANAGER shall furnish the OWNER a weekly report, in the OWNER'S format, detailing the PROPERTY's advertising, traffic, rental activity and current occupancy status along with an updated collections report and account balances. MANAGER shall furnish to the OWNER a monthly PROPERTY balance sheet, PROPERTY general ledger and a detailed statement of all PROPERTY receipts and disbursements, including income/operating statements, rent roll and schedule of tenant receivables with narrative explanation, a narrative variance report, a HUD billing report, and a special claims billing report. MANAGER shall render this monthly PROPERTY financial statement to the OWNER on or before the 20th day of each month for the previous monthly period. MANAGER shall, upon a mutually acceptable schedule, prepare and submit to OWNER such PROPERTY reports as are agreed upon by both parties. MANAGER shall utilize Yardi Voyager property management software and provide OWNER 24/7 read-only access to the software for the PROPERTY. MANAGER shall utilize OWNER'S account tree for the accounting. MANAGER shall have a regular recurring weekly call regarding property operations and a monthly financial review call with the OWNER.

5.3 OWNER'S RIGHT TO AUDIT

OWNER shall have the right at any reasonable time through his attorney or accountant or other representative, or in person, to inspect the records kept by the MANAGER pertaining to the PROPERTY, including but not limited to: all checks, bills, invoices, statements, vouchers, cash receipts, leases, rent rolls, tenant lists, correspondence and all other records dealing with the management and operation of the PROPERTY. The cost of such audit shall be paid by the OWNER from the OPERATING ACCOUNT.

SECTION 6 ADVERTISING AND MARKETING

6.1 ADVERTISING

The MANAGER is authorized to advertise the PROPERTY and vacant units within the PROPERTY for rent using periodicals, signs, plans, brochures, displays or other such media as the MANAGER may deem proper and advisable within the constraints of the approved operating budget. MANAGER shall post for-rent advertisements on Craigslist no less than two times per week and shall use any other free advertising venues popular in the local market as the primary advertising sources.

MANAGER is authorized to place signs on the Property advertising that units are available for rent, provided such signs comply with applicable laws. The cost of such advertising shall be paid out of the OPERATING ACCOUNT, in accordance with the advertising budget in the PLAN or as approved by OWNER. MANAGER shall have the right to publish advertisements that share space with other properties managed by MANAGER, if previously approved by OWNER. However, the costs of such shared advertising shall be prorated among the various projects. All advertising shall make clear that the MANAGER is the manager and not the OWNER of the premises. All advertising/marketing materials will include FHEO/HUD logo and wheelchair accessible logos.

SECTION 7 LEASING

7.1 AUTHORITY TO LEASE

MANAGER shall use all reasonable efforts to keep the PROPERTY rented by procuring tenants for the PROPERTY. It is acknowledged that there is no guarantee relating to performance by MANAGER. MANAGER is authorized to negotiate, prepare and execute all rental agreements, including all renewals and extensions of rental agreements, and to cancel and modify existing rental agreements subject to the PLAN. MANAGER shall execute all rental agreements as MANAGER for the OWNER. All costs for leasing shall be paid out of the OPERATING ACCOUNT, in accordance with the leasing budget in the PLAN or as approved by OWNER. The form of the rental agreement shall be agreed upon by OWNER and MANAGER, and be acceptable to the lender for the PROPERTY.

In leasing the PROPERTY, MANAGER will adhere to federal, state and local housing laws generally, including HUD rules relating to project based Section 8 housing, and the provisions of Section 42 of the Internal Revenue Code specifically including, without limitation (i) the minimum set-aside requirement, (ii) the income restrictions, (iii) the rent restrictions, (iv) the extended use agreement, (v) requirements of any other regulatory agreement, (vi) the requirements in Section 42(g)(2)(D) that the next available unit must be rented to a low-income tenant if income rises above 140 percent of income limit; (vii) rules and regulations regarding qualification for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code, when units are vacant; and (viii) other rules and regulations, including those of the Nevada Housing Division ("Agency") (collectively referred to herein as the "Regulatory Requirements").

7.2 LEASE ENFORCEMENT

All tenancies shall be pursuant to written rental agreements for lease terms and at rental rates approved in the annual operating budget, and by the HUD rent schedule. MANAGER is authorized to establish and change or revise rents, fees or deposits with respect to the PROPERTY, subject to any applicable income and rent restrictions for the PROPERTY (and any

contrary instruction by OWNER), which are set forth in the AGREEMENT, HUD documents, or PLAN. MANAGER is further authorized to cause credit, criminal and personal references of prospective residents to be investigated.

MANAGER is authorized to institute, in OWNER's name or in the name of MANAGER, all legal actions or proceedings for the enforcement of any rental term, for the collection of rent or other income due to the PROPERTY, or for the eviction or dispossession of tenants or other persons from the PROPERTY. MANAGER is authorized to sign and serve such notices as MANAGER and OWNER deem necessary for the enforcement of rental agreements, including the collection of rent and other income. MANAGER may settle, compromise and release such legal actions or suits or to reinstate such tenancies without the prior consent of OWNER, unless specifically instructed by the OWNER. Any monies for such settlements paid out by MANAGER shall be an operating expense of the PROPERTY. Reasonable attorney's fees, filing fees, court costs and other necessary expenditures incurred in the connection with such action shall be paid out of the PROPERTY OPERATING ACCOUNT or shall be reimbursed directly to MANAGER by OWNER. All funds recovered from tenants shall be deposited into the PROPERTY OPERATING ACCOUNT. MANAGER, with OWNER's approval, may select the attorney or attorneys to handle any and all such litigation.

7.3 LEASE RATES

In accordance with the provisions of the PLAN or as otherwise directed by OWNER, MANAGER may establish and set or revise all rents, fees or other deposits and all other charges collectible with respect to the PROPERTY within HUD requirements. MANAGER shall, within the provisions of the PLAN, have authority to implement such promotions and concessions as it deems appropriate to fulfill the PLAN.

SECTION 8 PROPERTY EMPLOYEES

8.1 MANAGER'S AUTHORITY TO HIRE

MANAGER is authorized to hire, supervise, discharge and pay all servants, contractors or other personnel necessary to be employed in the management, maintenance and operation of the PROPERTY. MANAGER shall designate such duties and pay such compensation as deemed necessary by MANAGER and approved by the OWNER in the annual operating budget. MANAGER shall have the exclusive right to manage the personnel on the basis of budgets and job standards approved by the OWNER. It is agreed that all such employees are employees of the MANAGER or private employee leasing agency. Compensation and benefits of all employees shall be administered by the MANAGER or employee leasing agency at the cost of the PROPERTY.

Notwithstanding the foregoing or anything to the contrary in this AGREEMENT, MANAGER shall not contract with parties having an identity of interest with MANAGER, or its employees without disclosure and the OWNERS's prior written consent. Any approved identity of interest contracts must have a 30-day cancellation clause, whereby OWNER may terminate any such contract, with or without cause, with 30-days prior notice, without penalty or any termination fee.

MANAGER or its employees shall not receive any benefits, either monetary or non-monetary, from any vendors or other companies or individuals the PROPERTY is associated with or contracts.

8.2 OWNER PAYS EMPLOYEE EXPENSES

MANAGER shall pay for all PROPERTY and on-site payroll costs out of the OPERATING ACCOUNT including, but not limited to wages and salaries, bonuses, fringe benefits, all local, state and federal taxes and assessments (including but not limited to social security taxes, unemployment insurance and workers' compensation insurance) and all other expenses payable on account of such PROPERTY or on-site employees. The cost of on-site personnel shall not be charged against the MANAGER's monthly management fee and shall be deemed operating expenses of the PROPERTY. MANAGER shall discharge any employee, or contractor whose discharge is demanded in writing by OWNER. Salaries and benefits of any corporate employee including Regional Property Managers or Vice Presidents working on the PROPERTY shall not be regarded as on-site employees and shall not be paid by the PROPERTY. State unemployment insurance will be reimbursed to MANAGER at the market entry rate of each state and will be reviewed on an annual basis. The cost of on-site personnel shall not be charged against the MANAGER's monthly management fee and shall be deemed operating expenses of the PROPERTY.

Notwithstanding the above, OWNER will have authority to specify and limit on-site staff. The reimbursement of any employee benefits (such as fringe benefits, "paid time off" or health insurance) in 8.1 and 8.2 does not extend beyond the term of the AGREEMENT.

8.3 SOLICITATION OF MANAGER'S EMPLOYEES

Until such time as the MANAGER ceases to do business as a property manager or until the expiration of one year immediately following the termination of this AGREEMENT (regardless of which party initiates such termination), whichever first occurs, the OWNER shall not or on behalf of any other person, firm, partnership, corporation or other business entity, directly or indirectly, solicit or accept any property management services from any former employee of the MANAGER who was employed by the MANAGER during the term of this AGREEMENT or any firm, partnership, corporation or other business entity owned by or employing a former employee of the MANAGER. This covenant shall survive termination of this AGREEMENT. This Section 8.3 does not apply to onsite employees.

8.4 WORKER'S COMPENSATION INSURANCE AND TAXES

MANAGER shall, at OWNER's expense, maintain Worker's Compensation Insurance covering all liability of MANAGER and the PROPERTY under established Worker's Compensation laws and all other federal and state labor laws whether such laws provide that such insurance shall be obtained from a third-party carrier or from a state fund and whether such payments shall be denominated as insurance premiums or taxes.

8.5 HOLD HARMLESS FOR LABOR LAWS

MANAGER shall be responsible for compliance with all applicable state or federal labor laws. MANAGER shall indemnify, defend and hold OWNER harmless from all claims, investigations and suits or from MANAGER's actions or failures to act, with respect to any alleged or actual violation of state or federal labor laws.

SECTION 9 MAINTENANCE, CONTRACTS, UTILITIES AND SERVICES

9.1 MAINTENANCE AND DECORATING EXPENSES

MANAGER is authorized within the limitations of the AGREEMENT to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the PROPERTY in its present condition or for the operating efficiency of the PROPERTY and all alterations required to comply with lease requirements, governmental regulations or insurance requirements. MANAGER is also authorized within the limitations of the AGREEMENT to decorate the PROPERTY and to purchase or rent on OWNER's behalf all equipment, tools, appliances, materials, supplies, uniforms and other items necessary for the management, maintenance or operation of the PROPERTY. Such maintenance and decorating expenses shall be paid out of the operating account. MANAGER shall not make any non-recurring or unbudgeted expenditure nor make any contractual obligation exceeding \$1,000.00 without the prior written consent of the OWNER.

9.2 FEES FOR WORK PERFORMED BY MANAGER'S EMPLOYEES

With OWNER's prior written approval, MANAGER may cause repairs and replacement work to be performed by employees for MANAGER who are not otherwise employees of the PROPERTY. OWNER shall pay to MANAGER a reasonable fee for such services based upon the current hourly charges made and assessed by MANAGER for the performance of such services. Such charges shall be approximately equal to MANAGER'S direct and indirect expenses associated with the employment of such person. Such charges shall be reasonable and shall not be more than charges made by qualified independent contractors performing similar work, under similar circumstances, in the same geographical area as the PROPERTY.

Notwithstanding the foregoing or anything to the contrary in this AGREEMENT, MANAGER shall not contract with parties having an identity of interest with MANAGER or its employees without disclosure and the OWNER'S prior written consent. Any approved identity of interest contracts must have a 30-day cancellation clause, whereby OWNER may terminate any such contract, with or without cause, with 30-days prior notice, without penalty or any termination fee.

9.3 UTILITY EXPENSES

Within the limitations set forth in this AGREEMENT, MANAGER shall be authorized to negotiate and execute contracts on behalf of the OWNER for utilities (including but not limited to electricity, gas, telephone, fuel, water and other such services), repairs, maintenance, minor alterations and other services as the MANAGER shall deem necessary or prudent for the operation of the PROPERTY. All utility deposits shall be the OWNER's responsibility except that MANAGER may pay same from operating account. All contracts and purchases shall be executed in the name of and shall be at the expense of the OWNER.

9.4 STRUCTURAL CHANGES PROHIBITED

The MANAGER shall have no authority to make any structural changes in a building, or portion thereof located on the PROPERTY or to make any major alterations or additions to any building or equipment located thereat unless prior written approval is obtained from the OWNER, except that the MANAGER shall be permitted in such emergency situations posing danger to life and/or to the PROPERTY which are necessary for the preservation and safety of

the PROPERTY or any portion thereof within the limitations set forth in this AGREEMENT, including Section 4.2.

SECTION 10 INSURANCE

10.1 PROPERTY AND LIABILITY INSURANCE

MANAGER must obtain and keep in force at its expense adequate insurance for professional liability, contractual indemnity, and errors and omissions, in amounts acceptable to OWNER, but in no event, less than \$1,000,000 per occurrence. Each policy shall be from an insurance company rated "A" VIII or higher by the A.M. Best Insurance Guide.

OWNER shall obtain and keep in force a minimum of \$1,000,000 (one million dollars) in liability insurance against physical damage and against liability for loss, damage or injury to the PROPERTY or persons which might arise out of the occupancy, management, operation or maintenance of the premises. Any premium or deductible required under such insurance policies shall be at OWNER's expense. MANAGER shall be covered as an additional insured on all liability insurance maintained with respect to the PROPERTY.

If OWNER fails to keep in force adequate insurance against physical damage and against liability for loss, damage or injury to the PROPERTY, MANAGER may, but shall not be obligated to, place said insurance and charge the costs thereof to the OPERATING ACCOUNT. All policies shall provide the notice of default or cancellation to be sent to the MANAGER as well as to the OWNER.

MANAGER shall promptly investigate and make a full written report on all accidents, claims and potential claims for damages relating to the ownership, operation and maintenance of the PROPERTY, including any damage to or destruction of the PROPERTY and the estimated cost of repair, and shall meet and fulfill all requirements applicable to the loss or claim imposed under the insurance policy or policies covering the loss or claim.

SECTION 11 RELATIONSHIP OF MANAGER TO OWNER

The relationship of the parties to this AGREEMENT shall be that of principal and MANAGER and all duties to be performed by MANAGER under this AGREEMENT shall be for and on behalf of the OWNER, in the OWNER's name, and for the OWNER's account. In taking any action under this AGREEMENT, MANAGER shall be acting only as an MANAGER for the OWNER and nothing in this AGREEMENT shall be construed as creating a partnership, joint venture or other relationship between the parties to this AGREEMENT except that of principal and MANAGER or as requiring MANAGER to bear any portion of losses arising out of or connected with the ownership or operation of the PROPERTY. MANAGER shall not be considered as a direct employee of the OWNER. Neither party shall have the power to bind nor obligate the other except as expressly set forth in this AGREEMENT, except that MANAGER is authorized to act with such additional authority and power which may be necessary to carry out the spirit and the intent of this AGREEMENT, as restricted herein.

11.1 LOW INCOME HOUSING TAX CREDIT (LIHTC)/HOME/HUD

- A. MANAGER acknowledges the OWNER's objective of obtaining Tax Credits for the PROPERTY. MANAGER represents and warrants that it is familiar with Section 42 of the Code and the requirements thereto including without limitation (i) the minimum set-aside requirement, (ii) the income restrictions, (iii) the rent restrictions, (iv) the extended use agreement, (v) of any other regulatory agreement, (vi) the requirements in Section 42(g)(2)(D) that the next available unit must be rented to a low-income tenant if income rises above 140 percent of income limit; (vii) rules and regulations regarding qualification for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code, when units are vacant; and (viii) other rules and regulations, including those of the Nevada Housing Division ("Agency") (collectively referred to herein as the "Regulatory Requirements"). MANAGER agrees to operate the Property in a manner which meets the Regulatory Requirements, including but not limited to the following:
- 1) To cause the apartment units in the Property to be leased to suitable tenants who comply with all regulations regarding eligibility of the Property for the Tax Credits;
 - 2) To obtain from all tenants in the Property the right to receive annual reports from such tenants concerning their incomes and family sizes and any other information needed to verify eligibility;
 - 3) To execute a lease for any rental unit in respect of which Tax Credits have been allocated to the OWNER only upon first obtaining certification from the tenant, and such other information as may be necessary for the MANAGER to determine income criteria for low-income housing, that he or she satisfies the income criteria for low-income housing;
 - 4) To prepare for OWNER's signature, and then to file in a proper manner, the annual certifications required by the provisions of law referred to in Code Section 42(g)(4); and
 - 5) To cause the Property to be operated in a manner that complies with all other statutes, regulations and agreements which must be complied with in order for OWNER to obtain the Tax Credits with respect to a mixed-income LIHTC Property.

- B. MANAGER acknowledges that due to the OWNER'S objective of obtaining Tax Credits, a renovation funded by Tax Credits will take place during approximately the first year of ownership. During this period, MANAGER will be required to perform additional duties not necessarily typical during normal operations of the PROPERTY including managing tenant relocations within the property, coordinating with the construction team, and other duties as required.
- C. MANAGER acknowledges that OWNER will receive funding from the HOME program, and as a result, may be subject to additional operating or affordability requirements. MANAGER will operate the PROPERTY in accordance with any HOME restrictions.
- D. MANAGER acknowledges the PROPERTY is subject to a HUD Section 8 HAP Contract and will operate the PROPERTY in accordance within applicable regulations and restrictions. Further, MANAGER will be responsible, unless otherwise instructed by the OWNER for preparing for any HUD-required inspections, audits or requirements including REAC inspections and MOR inspections. MANAGER shall perform special claims billing no less than quarterly.
- E. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of the Project Owner's/Management Agent's Certification, or other good cause, thirty days after HUD has mailed the OWNER a written notice of its desire to terminate the Management Agreement.
- F. In the event of default under the Mortgage, Note, or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately upon HUD's issuance of a notice of termination to the Owner and Agent.
- G. If HUD exercises this right of termination, I, the Owner, agree to promptly make arrangements for providing management that is satisfactory to HUD.
- H. If there is a conflict between the Management Agreement & HUD's rights and requirements, HUD's rights & requirements will prevail.
- I. If the Management Agreement is terminated, I, the Agent, will give to the Owner all of the project's cash, trust accounts investments and records within thirty (30) days of the date the Management Agreement is terminated.

SECTION 12 INDEMNIFICATION AND BINDING

12.1 INDEMNIFICATION BY OWNER

A. Indemnification for Injuries to Person and Property: Irrespective of whether OWNER is negligent, OWNER shall indemnify, defend and save MANAGER harmless from any and all claims, proceedings or liability including but not limited to pollution or environmental and all costs and expenses thereof (including but not limited to, fines, penalties and reasonable attorney fees), for injuries or damages including economic losses, to persons and OWNER including any employee of OWNER or PROPERTY including but not limited to, those relating to or arising out of the premises of the PROPERTY or in any manner resulting from or arising out of the performance by MANAGER of its services under this AGREEMENT, except for that which is caused by the willful misconduct, gross negligence, breach of fiduciary duty and breach of the Management AGREEMENT by the MANAGER.

B. Indemnification for Violation of Law: Except as provided in 12.2.A, OWNER shall indemnify, defend and save MANAGER harmless from any and all claims, proceedings or liabilities as well as all costs and expenses thereof (including but not limited to, fines, penalties and reasonable attorney fees) involving an alleged or actual violation by OWNER of any statute, rule or regulation pertaining to the premises, PROPERTY, the management or the operation of the PROPERTY, except to the extent that such a claim, proceeding or liability resulted from the willful misconduct, gross negligence, breach of fiduciary duty and breach of the Management AGREEMENT by MANAGER. OWNER will immediately assume the duty to defend if any of the allegations potentially fall within this indemnity obligation.

C. General Provisions: Nothing contained in Section 12 shall relieve the OWNER of its Obligation under Section 13 of this AGREEMENT.

12.2 INDEMNIFICATION BY MANAGER

A. Indemnification for Employment Claims: Subject to Paragraph 12.2.B, MANAGER shall indemnify, defend and save OWNER harmless from any and all claims, suits and investigations caused by MANAGER's breach of the AGREEMENT or its gross negligence, breach of fiduciary duty or willful misconduct in proceedings or liabilities relating to PROPERTY employees and all costs and expenses thereof (including but not limited to, fines, penalties and reasonable attorney fees) arising out of the alleged or actual violation by MANAGER of labor, employment or discrimination laws.

B. Reimbursement for Benefits Owed: OWNER shall reimburse MANAGER for payments made by MANAGER to any PROPERTY employee, where the PROPERTY employee claims, for whatever reason, previously unpaid wages, including but not limited to, overtime compensation, fringe benefits and other forms of compensation, which are held to be payable to the PROPERTY employee by any court or administrative agency having jurisdiction over the matter or by reason of any settlement made by MANAGER with the knowledge and approval of the OWNER. This reimbursement shall not be applicable where such claims are caused by the willful misconduct, gross negligence of the MANAGER or by MANAGER's breach of the AGREEMENT.

C. Leasing Indemnification: MANAGER shall indemnify, defend and save OWNER harmless from and against: (a) any claims for leasing commissions, compensation or brokerage fees or other charges made against OWNER, other than those approved and agreed to by OWNER, and provided that the claim is made by a broker, MANAGER, finder or other party who dealt with or was engaged by MANAGER in connection with the leasing of the PROPERTY; (b) any claim other than injury to persons or property made against OWNER arising out of the negligence of MANAGER or caused by the MANAGER's breach of the Management AGREEMENT or willful misconduct in performing leasing activities of the PROPERTY; or (c) any claims made against OWNER for the failure of MANAGER to abide by fair housing statutes, rules or regulations which pertain to the leasing or renting of apartment units of the PROPERTY; provided however, this leasing indemnification shall not be applicable where MANAGER has followed the instructions of OWNER with regard to the selection of tenants for the PROPERTY; and in following such OWNER's instructions, MANAGER is alleged to have violated any such fair housing statute, rule or regulation.

12.3 WAIVER OF CLAIMS

OWNER hereby waives any and all claims against MANAGER including MANAGER's employees, MANAGERS, general partners and affiliates, for damage or injury to any property in, upon or about the PROPERTY, including but not limited to, the premises of the PROPERTY, whether

caused by peril, accident, theft or from any other cause whatsoever, other than solely caused by the willful misconduct of MANAGER.

12.4 SCOPE OF INDEMNITY

Any party's duty to indemnify any other party, as provided for in Section 12 hereof, shall include the obligation to defend the indemnified party in any such action. All costs and expenses of such defense shall be borne by the indemnifier. In the event the indemnitee deems it necessary or expedient to procure legal representation in such proceeding in order to protect the indemnitee's rights therein, all costs and expenses of such defense (including but not limited to reasonable attorney's fees) shall be borne by the indemnitor. The indemnitor waives for itself and for its insurance carriers any rights of subrogation which the indemnitor's insurance carriers may have against the indemnities.

SECTION 13 MANAGER ASSUMES NO LIABILITY

MANAGER assumes no liability whatsoever for any acts or omissions of the OWNER or any previous owners of the PROPERTY or any previous management or other MANAGER of either. MANAGER assumes no liability for any failure of or default by any resident in the payment of any rent or other charges due OWNER or in the performance of any obligations owed by any resident to OWNER pursuant to any lease or otherwise. Nor does MANAGER assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this AGREEMENT is in effect. Any such regulatory violations or hazards discovered by MANAGER shall be brought to the attention of the OWNER by the MANAGER in writing.

SECTION 14 OWNER'S REPRESENTATIVE AND NOTICES

The OWNER agrees to designate an individual who shall represent and communicate with the MANAGER on all matters relating to the management of the PROPERTY whose decisions and direction shall be binding upon the OWNER. All reports, communications and cash payments that the MANAGER is required to make to the OWNER shall be delivered or given to such designated individual.

Any notices, demands, consents and reports necessary provided for under this AGREEMENT shall be in writing and shall be addressed as follows to the OWNER'S REPRESENTATIVE as shown below. Email is an acceptable form of notice under this AGREEMENT.

OWNER'S REPRESENTATIVE:

Owner(s)

Patrick Luke
Principal

BLVD Capital, LLC
21 S. La Cienega Blvd., Suite 203
Beverly Hills, CA 90211
Email: pat@blvdcrei.com

MANAGER:

Sheri Martin
Chief Executive Officer
CORNERSTONE RESIDENTIAL, LLC
1525 North Main Street, Suite 105
Bountiful, Utah 84010
Email: smartin@horizon-living.com

SECTION 15 MANAGER'S COMPENSATION AND EXPENSES

15.1 MANAGEMENT FEE

OWNER shall pay MANAGER a management fee equal to Five percent during the first twelve months of the contract, and Four and One Quarter percent thereafter (5% for month 1-12, and 4.25% thereafter) of GROSS MONTHLY RECEIPTS (as defined below). Management fees shall be paid to the MANAGER on or before the last day of each month and shall be deducted from the Gross Monthly Collections, or if Gross Monthly Collections are insufficient, MANAGER shall submit a bill to OWNER which will provide OWNER with 30 days to pay the management fee. MANAGER shall be paid by the OWNER promptly upon receipt of MANAGER's statement.

15.2 DEFINITION OF GROSS MONTHLY RECEIPTS

GROSS MONTHLY RECEIPTS shall be defined as the total gross monthly income received from the operation of the PROPERTY including rents paid by current or former tenants, collected late charges, forfeited security deposits and other sources of income, including net income received from cable or satellite TV, internet, and phone revenue, parking fees, pet fees and deposits, utility billing/reimbursements, and other fees. GROSS MONTHLY RECEIPTS are computed as actual cash proceeds as defined within 15.2, less refundable security deposits. GROSS MONTHLY RECEIPTS shall include insurance proceeds, if any, received as rental revenue or income from insurance on the PROPERTY, in the event of a loss or catastrophe at the PROPERTY. Advance rental payments shall be included in the GROSS MONTHLY RECEIPTS and shall be received and deposited with all other receipts. GROSS MONTHLY RECEIPTS shall not include the special charges or income arising out of the sale of the PROPERTY, settlement of fire or other casualty losses (other than rent or other income loss) and items of a similar nature, or any signing bonuses (e.g., one-time bonus for signing a laundry lease).

15.3 INTEREST ON UNPAID SUMS

Any sums due MANAGER under any provision of this AGREEMENT and not paid within thirty (30) days after such sums have become due as a result of the OWNER'S actions except when any fee due is reasonably disputed, shall bear an interest rate of SIX PERCENT (6%) per annum.

15.4 OTHER ITEMS OF MUTUAL AGREEMENT

OWNER shall not reimburse MANAGER for any corporate expenses, including, but not limited to corporate employees, mileage, or staff training. A list of allowed reimbursable expenses is attached in Exhibit B. Should OWNER wish MANAGER to perform services which are not otherwise governed by the terms and provisions of this AGREEMENT, the parties shall meet to discuss and to agree upon the additional compensation to be paid by OWNER to MANAGER for such additional services.

SECTION 16 TERMINATION

16.1 TERMINATION BY EITHER PARTY

This AGREEMENT may be terminated by either OWNER or MANAGER, with or without cause, upon the provision of thirty (30) days written notice by either OWNER or MANAGER to the other party.

16.2 TERMINATION FOR CAUSE

Notwithstanding the foregoing, this AGREEMENT shall terminate in any event and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination or which accrue pursuant to Section 16.3 as a result of such termination and obligations to insure and indemnify), upon the occurrence of any of the following events:

- A. Breach of AGREEMENT: Thirty (30) days after the receipt of notice by either party to the other specifying in detail the material breach of this AGREEMENT, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period, but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced and/or such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. However, the breach of any obligation of either party hereunder to pay any monies to the other party under the terms of this AGREEMENT shall be deemed to be curable within thirty (30) days.
- B. Excessive Damage: Upon the destruction of, or substantial damage to, the PROPERTY, or any material portion of the PROPERTY by any cause, or the taking of all or a substantial portion of the PROPERTY by eminent domain, in either case making it impossible or impractical to continue operation of the PROPERTY.
- C. Sale of Project: In the event of the sale of the PROPERTY, this AGREEMENT shall terminate upon OWNER providing MANAGER a thirty (30) days advanced written notice of the sale of the PROPERTY, and the resulting termination of this AGREEMENT, but in no event sooner than the final disposition of the PROPERTY.
- D. Default: Each of the following events shall constitute an event of default by the party in respect of which such event occurs:
 - 1. the failure of either party to pay any amounts required to be paid by it hereunder or to perform any of its obligations hereunder for a period of thirty (30) days after the date on which notice of the failure has been given to the defaulting party by the other party;
 - 2. the filing of a voluntary petition in bankruptcy or insolvency or a petition for reorganization under any bankruptcy or similar creditor relief law;
 - 3. the consent to an involuntary petition in bankruptcy or the failure by such party to vacate, within sixty (60) days from the date of entry thereof, any order approving an involuntary petition;

4. the entering of an order, judgment or decree by any court of competent jurisdiction, on the application of a creditor, adjudicating such party as bankrupt or involvement or approving a petition seeking reorganization or appointing a receiver, trustee, conservator or liquidator of all or a substantial part of such party's assets, if such order, judgment or decree shall continue unstayed and in effect for a period of one hundred twenty (120) consecutive days; and
5. The failure to fulfill any of the other covenants, undertakings, obligations or conditions set forth in this AGREEMENT and the continuance of any such default for a period of thirty (30) days after written notice of said failure.

16.3 TERMINATION COMPENSATION

If (i) OWNER terminates this AGREEMENT with less than 30-day notice, for any reason other than for a breach by MANAGER under paragraph 16.2(a) above, then in any such event, OWNER shall be obligated to pay MANAGER as liquidated damages an amount equal to the management fee for the period which is the difference between 30-days notice and the actual notice given, as determined under paragraph 15.1 above, for the calendar month immediately preceding the month in which the notice of termination is given to MANAGER or to OWNER, multiplied by the number of months and/or portions thereof remaining from the termination date until the end of the initial term or subsequent term in which the termination occurred. Such damages, plus any amounts accruing to MANAGER prior to such termination including any prepaid or up-front fees paid by the MANAGER not yet reimbursed, shall be due and payable upon termination of this AGREEMENT. To the extent that funds are available, such sums shall be payable from the operating account with approval by OWNER. Any amount due in excess of the funds available from the operating account shall be paid by OWNER to MANAGER upon demand.

16.4 NON-INTERFERENCE WITH MANAGER'S BUSINESS

OWNER agrees that for a period of one year after termination of this AGREEMENT, OWNER will, under no circumstances hire any of MANAGER's employees of special talent or privy to MANAGER's confidential business information or who have contributed notably to the good-will of MANAGER's business. In the event of an actual or threatened breach of this covenant by OWNER, MANAGER shall be entitled to an injunction restraining OWNER from committing or continuing to commit, any such breach. Nothing herein stated shall be construed as prohibiting MANAGER from pursuing any other remedies available to MANAGER for such breach and threatened breach, including recovery of damages from OWNER. On-site employees are exempt.

SECTION 17 MISCELLANEOUS PROVISIONS

17.1 INDEMNIFICATION SURVIVES TERMINATION

Only such representations and warranties of the parties which are specifically identified and agreed to herein shall survive the termination of this AGREEMENT. All provisions of this AGREEMENT that require OWNER or MANAGER to have insured or to defend, reimburse or indemnify MANAGER or OWNER shall survive any termination; if MANAGER is or becomes involved in any proceedings or litigation by reason of having been OWNER's MANAGER, such provisions shall apply as if this AGREEMENT were still in effect.

17.2 HEADINGS

All headings and subheadings employed within this AGREEMENT and in the accompanying List of Provisions are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this AGREEMENT.

17.3 SEVERABILITY

Every provision of this AGREEMENT is intended to be severable. If any term or provision hereof is unenforceable for any reason whatsoever, such provision shall be severed from the AGREEMENT and shall not affect the validity of the remainder of this AGREEMENT.

17.4 FORCE MAJEURE

Any delays in the performance of any obligation of MANAGER under this AGREEMENT shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather and other similar causes not within the control of MANAGER and any time periods required for performance shall be extended accordingly.

17.5 LITIGATION

This AGREEMENT shall be governed by the laws of the State of Nevada. If legal action is brought in any court of competent jurisdiction by or against either party because of the breach of any condition or AGREEMENT herein contained, or either party seeks to have the AGREEMENT herein invalidated on the part of either party, the prevailing party shall be awarded reasonable attorney's fees and court costs in addition to all other relief.

17.6 ATTEST

This AGREEMENT shall constitute the entire AGREEMENT between the parties hereto and shall pertain to all prior negotiations, representations or agreements. No addition, variance or modification to this AGREEMENT shall be valid and enforceable unless the same shall be reduced to writing and properly acknowledged by the parties.

17.7 ASSIGNMENT

This AGREEMENT may not be assigned without the written consent of the OWNER.

17.7 RIGHTS CUMULATIVE

No right or remedy herein conferred upon or reserved to either of the parties to this AGREEMENT is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this AGREEMENT or now or hereafter legally existing upon the occurrence of an event of default under this AGREEMENT. The failure of either party to this AGREEMENT to insist at any time upon the strict observance or performance of any of the provisions of this AGREEMENT, or to exercise any right or remedy as provided in this AGREEMENT, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this AGREEMENT to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

17.8 OWNER'S REPRESENTATIONS AND WARRANTIES

OWNER represents and warrants that:

- A) OWNER has the full power and authority to enter into this AGREEMENT, and the person executing this AGREEMENT is authorized to do so;
- B) There are no written or oral agreements affecting the PROPERTY other than the LOAN AGREEMENT with the Lender and the Construction Contract with the Contractor; and
- C) All permits for the operation of the PROPERTY have been, or will be secured.

17.9 MANAGER'S REPRESENTATIONS AND WARRANTIES

MANAGER represents and warrants that:

- A) The officers of MANAGER have the full power and authority to enter into this AGREEMENT;
- B) There are no written or oral agreements by MANAGER that will be in conflict with MANAGER's performance under this AGREEMENT; and
- C) Where required, MANAGER will be duly licensed and able to perform all of the duties under this AGREEMENT at the effective date of this AGREEMENT and shall comply with and abide by all laws, regulations, and ordinances.

SECTION 18 AGREEMENT BINDING UPON SUCCESSORS AND ASSIGNS

This AGREEMENT shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

18.1 SIGNATURES

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures on this 2nd day of December, 2016.

OWNER: BGCG, LP

By:



BGQP GP LLC

Patrick Luke

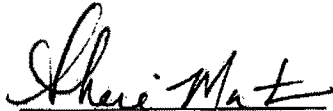
Its:

MEMBER

Address: 215 S. La Cienega Blvd., Suite 203
Beverly Hills, CA 90211

MANAGER: CORNERSTONE RESIDENTIAL, LLC

By:



Sheri Martin

Its:

Chief Executive Officer

Address: 1525 North Main Street, Suite 105
Bountiful, Utah 84010
(801) 296-6005

PROPERTY: Baltimore Gardens and Cleveland Gardens
Apartments

Exhibit G

[INTENTIONALLY OMITTED]

Exhibit H
PROJECTIONS

[Attached]

Exhibit H

PROJECTIONS

H-1 Final Projections

Summary of Project Information

Project Location
 Legal Name: BGGC LP
 Project Name: Baltimore and Cleveland Gardens
 Project Address: 316 W. Baltimore Avenue
 City: Las Vegas
 County: Clark
 State: NV
 Zip: 89102
 HUD Statistical Area: Las Vegas-Henderson-Paradise, NV, USA
 Very Low (50%) Income (Family of Four): \$30,100 2013 \$60,200 2016
 2011 \$63,400 2012 \$64,300 2014 \$58,000 2015 \$59,200 2016 \$59,800
 \$63,100 \$63,100 \$63,100 \$63,100 \$63,100 \$63,100
 Novogradec
 LT AMI trend (%) 1.2%
 Computed 5 yr AMI trend (%) -1.2%

Site/Building Information
 Size of Site (acres):
 Number of Buildings in Project:
 Year Built (Existing Buildings Only)

DATE	# Units	% Units
February 3, 2017	0%	
February 3, 2017	0%	
February 3, 2017	0%	
March 31, 2017	0%	
December 31, 2017	0%	
December 31, 2017	0%	
May 1, 2018	0%	

Timing Assumptions

Partnership Closing Date
 Construction Start Date
 Acquisition Placed in Service Date
 Date First Building Placed in Service
 Construction Completion Date
 Qualified Occupancy (100% of Tax Credit Units)
 Permanent Finance Start Date
 Months during Construction
 Months during Lease Up
 Disposition Year

Sponsor Name

LP	For Profit GP	Non Profit GP
99.9900%	0.0100%	0.0000%
99.9900%	0.0100%	0.0000%
10.0000%	90.0000%	0.0000%
35.0000%	Notes:	
	90.0000%	0.0000%

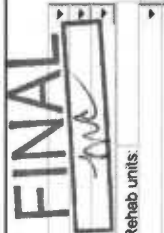
Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?
 Will a 168 (h) (6) Election be made?
 Is there a Commercial Depreciation Override?
 Will there be a Building by Building Override?
 Will there be Soft Cost Allocation?
 Depreciable Life of Building
 Depreciable Life of Furniture, Fixtures, Equipment
 Depreciable Life of Site Work

Assumptions Affecting CF Calculations

Is the property manager an affiliate of the GP?
 Percent of LP net cash flow to be distributed

File Author: Joey Castiberry
 Project ID: 36537



Project Description

Project Location:
 Construction Type:
 For Constr type: Moderate/Substantial Rehab
 For Construction type Mixed:
 Property Type:
 Property Type - Specify if Other:
 Property Type - Specify if Other:
 Scattered Site
 Population Served (Check ONLY if applicable):
 Family
 Senior
 Native American

Special Needs Type (if Applicable):

Deal Financing Type (check only if applicable)

Bond Deal
 Not cash collateralized
 HOPE VI
 Rural Development
 Federally Financed (Other)
 Project Based Section 8
 ACC

Tax Credit Information

Check all that apply	Term (Yrs)	Tax Credit Rate	Notes	Allocation Year	Credit Allocation Year 1	Credit Allocation Year 2	Credit Allocation Year 3
<input checked="" type="checkbox"/>	10	3.24%		2016	386,568		
<input checked="" type="checkbox"/>	10	3.24%			616,616		
<input type="checkbox"/>	1	20.00%					
<input type="checkbox"/>			State Low Income Tax Credits CA				
<input type="checkbox"/>			State Historic Tax Credit				
<input type="checkbox"/>			Other State Credit (Specify)				
<input type="checkbox"/>			Other State Credit (Specify)				
<input type="checkbox"/>			Other Fed Credit (Specify)		0		
<input type="checkbox"/>			Other Fed Credit (Specify)		0		

Basis Boost rate: Is Project located in a: If in a DDA/QCT, Basis Boost Rate (100%-130%):

Qualified Census Tract	% of project eligible for Basis boost	% of project eligible for Basis boost is less than 100%, please explain here.
	100%	

Have Tax Credits Been Allocated to the Project?

Federal Tax Credit Status
 Lock-in Date for Tax Credit %

TC Minimum Set Aside Election:

Additional Income Restrictions:	Additional Income Restrictions:	Additional Income Restrictions:	Additional Income Restrictions:	Source of Income (or Rent) Restriction
0% at	0% at	0% at	0% at	
0% at	0% at	0% at	0% at	
0% at	0% at	0% at	0% at	

Rental Income Assumptions and Applicable Fraction

Project Name: Baltimore and Cleveland Gardens

Residential Rental Income Assumptions

Rent and Income Targeting										Affordability and Marketability Analysis									
Unit Description	No. of BRs	No. of Baths	Average Unit Sq. Ft.	No. of Units	Max. Tenant Income Limit (% AMI)	Max. Income Target for Rent (% AMI)	Utility Allowance	Max. Contract Rent	Actual Contract Rent	Market Rents	Contract Rent % Below	Contract Rent per Sq. Foot	Maximum Tenant Burden %	Minimum Tenant Income	Maximum Tenant Income	Gross Rent Affordability (% AMI)	Contract Rent % Below Max TC Rent	Total Annual Rental Income	Total
Studio 60% BG	0	1.0	332	3	60%	60%	79	553	621	545	-14%	\$1.87	40%	21,000	25,284	66%	-12%	22,356	
1 BR 60% BG	1	1.0	427	94	60%	60%	59	618	683	655	-4%	\$1.60	40%	22,260	27,090	66%	-11%	770,424	
1 BR 60% BG	1	1.0	480	4	60%	60%	59	618	683	655	-4%	\$1.42	40%	22,260	27,090	66%	-11%	32,784	
2 BR 60% BG	2	1.0	741	60	60%	60%	93	720	806	775	-4%	\$1.09	40%	26,970	32,508	66%	-12%	860,320	
3 BR 60% BG	3	1.0	866	3	60%	60%	105	834	980	930	-5%	\$1.13	40%	32,550	37,565	69%	-18%	35,280	
3 BR 60% BG	3	1.0	1,100	1	60%	60%	105	834	980	930	-5%	\$0.89	40%	32,550	37,565	69%	-18%	11,760	
1 BR 60% CG	1	1.0	480	25	60%	60%	31	646	696	655	-6%	\$1.45	40%	21,810	27,090	64%	-8%	208,800	
2 BR 60% CG	2	1.0	640	11	60%	60%	56	757	810	775	-5%	\$1.27	40%	25,980	32,508	64%	-7%	106,920	
TOTAL RENTAL UNITS				201				\$733	\$701	\$701	-5%	\$1.40				66%	-11%	1,768,644	
Staff/Model Units				201						\$1,651,340								147,387	
TOTAL RESIDENTIAL UNITS				201														1,768,644	

Notes:

Commercial Rental Income Assumptions

Description	Square Feet	Rent per Sq. Ft.	Annual Rent
TOTAL	0	\$0	0.0%

Other Income

Description	Dollars/Unit/Month	Monthly Other Income	Annual Other Income
Laundry (Dollars/Unit/Month)	\$5.00	1,005	12,060
Vending (Dollars/Unit/Month)	-	-	0
Other (Dollars/Unit/Month)	-	-	0
Other (Specify)	-	-	0
Other (Specify)	-	-	0
TOTAL	\$5.00	\$1,005	\$12,060

Rent/Expense Escalation & Vacancy Assumptions

Assumption	Residential	Commercial
Projected Annual Rent Increase	2.0%	2.0%
Annual Rent Increase (Yr. 1-2 only)	2.0%	2.0%
Projected Annual Expense Increase	3.0%	3.0%
Annual Expense Increase (Yr. 1-2 only)	3.0%	3.0%
Projected Occupancy in Units	193	0
Projected Total Vacancy Loss, Year 1	5.0%	20.0%
Projected Physical Vacancy Loss Yrs 2-16	4.0%	15.0%
Concessions / Bad Debt Allowance Yrs 2-16	1.0%	5.0%
Vacancy Years 2-16 (Total)	5.0%	20.0%
Interest on Reserve Accounts	2.0%	2.0%
Number of Months of Rent in Year 1	Calculated	11
Number of Months of Expenses in Year 1	11	11

Calculation of Applicable Fraction (Low Income %)

Category	Residential Rent Units	Sq. Ft.
Tax Credit Eligible Units	201	110,252
Non-Tax Cr. Eligible Units	0	0
Total Residential Units	201	110,252

Calc. Applicable Fraction by Calculation Method: Units = 100.00%, Sq. Ft. = 100.00%

Applicable Fraction: (Lesser of 2 methods) **100.00%**

Commercial Rental Spaces (SF): 0
Residential Common Areas (SF): 4,438
Total Project Square Footage: 114,690

Detailed Schedule of Rents and Tax Credits During Lease-Up

Project ID# 36537

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ML

Project Name: Baltimore and Cleve Number of Buildings in Project: **21** **40**

Qualified Occupancy(100% of Tax 12/31/17

Date 1st Bldg Available for Occupancy: 02/03/17 Const Completion Date: 12/31/17
 Projected First Credit Delivery Date: 03/01/17 Projected Stabilization Date: 5/1/2018

Month	Tax Credit Units Leased		Non Tax Credit Units Leased		Cumulative Tax Credit Units Leased	Cumulative Non-tax Credit Units Leased	Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/rehab Tax Credits		Acquisition Tax Credits		Total Tax Credits
	Leased	0	Leased	0								9% or 4%	4%			
Year: 2017																
January-17	0	0	N/A	N/A	0	0	0	0	0	0	0	256	160	416	0	0
February-17	181	0	-	0	181	0	181	132,722	0	132,722	0	0	0	0	0	0
March-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
April-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
May-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
June-17	0	181	-	0	181	0	181	132,722	0	132,722	162	41,415	25,964	67,378	0	0
July-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
August-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
September-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
October-17	0	181	-	0	181	0	181	132,722	0	132,722	161	41,159	25,803	66,962	0	0
November-17	0	181	-	0	181	0	181	132,722	0	132,722	165	42,181	26,444	68,626	0	0
December-17	0	181	-	0	181	0	181	132,722	0	132,722	181	46,272	29,009	75,280	0	0
First Year TOTALS	0	1,459,938	0	1,459,938	181	1,459,938	0	1,459,938	0	1,459,938	1,459,938	417,980	262,039	680,019	417,980	262,039
Year: 2018	Notes: Credits without Excess Basis 19 buildings leased by the end of 2017															
January-18	20	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
February-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
March-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
April-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
May-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
June-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
July-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
August-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
September-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
October-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
November-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
December-18	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
Second Year TOTALS	0	1,768,644	0	1,768,644	201	1,768,644	0	1,768,644	0	1,768,644	1,768,644	616,616	386,568	1,003,184	616,616	386,568
Year: 2019	Notes: Credits without Excess Basis															
January-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
February-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
March-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
April-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
May-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
June-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
July-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
August-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
September-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
October-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
November-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
December-19	0	201	0	0	201	0	201	147,387	0	147,387	201	51,385	32,214	83,599	0	0
Third Year TOTALS	0	1,768,644	0	1,768,644	201	1,768,644	0	1,768,644	0	1,768,644	1,768,644	616,616	386,568	1,003,184	616,616	386,568

Operating Expense and Fee Assumptions

Project ID# 36537

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Project Name: **Baltimore and Cleveland Gardens**

2017

Base Year for Expenses:

Professional Fees	Amount	Per Unit	Inflator
Legal Expenses (Project)	3,000	15	
Audit Expense (Project)	5,500	27	
Bookkeeping Fees/Account Services	-	-	
Other Professional Fees	-	-	
Total Professional Fees	\$8,500	42	3.00%

Administrative Expenses	Amount	Per Unit	Inflator
Advertising & Marketing	1,500	7	
Other Renting Expense	-	-	
Manager or Superintendent Salaries-PR	50,960	254	
Office Salaries-PR	29,120	145	
Administrative Free Rent-PR	-	-	
Payroll Taxes and Benefits-PR	54,912	273	
Office Supplies/Expenses	12,240	61	
Office or Model apartment Rent	-	-	
Management Consultants	-	-	
Telephone and Answering Service	5,376	27	
Miscellaneous Administrative Expenses	19,510	97	
Total Administrative	\$173,618	864	3.00%

Utilities	Amount	Per Unit	Inflator
Fuel Oil / Heating	-	-	
Electricity	24,947	124	
Gas	-	-	
Water/Sewer	82,653	411	
Other Utilities	-	-	
Total Utilities	\$107,600	535	3.00%

Repairs and Maintenance	Amount	Per Unit	Inflator
Janitor and Cleaning Contracts	-	-	
Decorating Contracts	14,880	74	
Elevator Maintenance Contracts	-	-	
Exterminating Contracts	9,648	48	
Grounds Contracts (incl. swimming pool)	12,500	62	
Repair Contracts	35,952	179	
Garbage and Trash Removal	26,343	131	
Snow Removal	-	-	
Heating/Cooling Repairs and Maintenance	-	-	
Cleaning, Grounds, Maintenance-PR	102,960	512	
Operating and Maintenance Free Rent-PR	-	-	
Security Payroll-PR	-	-	
Security Contracts	42,870	213	
Security Free Rent-PR	-	-	
Repair Material and Supplies	-	-	
Vehicle & Maint. Equipment Oper. and Rep.	-	-	
Community Center Expense	-	-	
Misc. Repair & Maintenance Expense	20,100	100	
Total Repairs and Maint.	\$265,253	1,320	3.00%



Taxes and Insurance	Amount	Per Unit	Inflator
Real Estate Taxes	34,885	174	
Less: Abated Taxes	-	-	
Net Real Estate Taxes	\$34,885	174	3.00%

Property and Liability Insurance	39,120	195	
Fidelity Bond Insurance	-	-	
Other Insurance	-	-	
Miscellaneous Taxes, Licenses and Permits	-	-	
Total Other Taxes, Licenses & Insurance	\$39,120	195	3.00%
Total Taxes and Insurance	\$74,005	368	

Property Management Fee	Percent	Amount	PUPY	Inflator	PUPM
Method for calculating Residential PM Fee:					
% of EGI	4.25%	71,896	358		\$29.81
Fee PUPM					
Annual Fee					
Commercial Property Management Fee	0.00%	-	-		
Total Property Management Fee		\$71,896	358	2.00%	

Other Miscellaneous Expenses	Amount	Per Unit	Inflator
Ground Rent	-	-	
Compliance Monitoring	8,040	40	
Services Expenses	-	-	
Other Misc. Expenses	-	-	
Total Misc. Expenses	\$8,040	40	3.00%

Total Operating Expenses	\$708,912	3,527	
Total Net of Real Estate Taxes	674,027	3,353	
Total Net of Real Estate Taxes and Misc Expenses	665,987	3,313	

Annual Contributions To Reserves	Per Unit Per Annum	Total Per Annum	Inflator
Replacement Reserve	350	70,350	3%
Operating Reserve	0	0	3%
Other Reserve (specify)	0	0	3%
Other Reserve (specify)	0	0	3%
Total	779,262	3,877	

Cash Flow Contingent Fees, Expenses and Distributions	Amount	Annual Inflator	Accrue	Cap Amount	% Available Cash Flow
Investor Services Fee	4,000	3.0%	Yes		100%
Partnership Administration Fee	25,000	3.0%	Yes		100%
Tenant Services Fee	0	3.0%	Yes		100%
Total	29,000	3.0%	Yes		100%

Total Operating Expenses (including Annual Contributions to Reserves)	Amount	Annual Inflator	Per Unit
	779,262	3.877	

Priority Cash Flow Distribution to GP?
Gross Income Allocation to GP

Uses of Funds - Project Development Budget

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens Sources-Uses Surplus/(Gap): 0

9,159,321
734,673

Cost Item	3.392%	Residential		Tax Treatment of Assets			Allocation of Depreciable Basis		Historic Credit Basis							
		Total	Cost Per Unit of Total	Depreciable	Non Depreciable	Amortized	Expensed	OK?	Residential Acquisition	Rehab / New Construction	Commercial Acquisition	Rehab / New Construction	Historic Eligible %	Commercial %	Historic Eligible %	Commercial %
A. ACQUISITION COSTS																
Notes: Appraised value of \$13,415,000, \$455,000 (3.39%) of which attributed to land. Land value of \$418,878 represents 3.39% of the purchase price.																
Purchase Price: Land		418,878	2,084		418,878											
Purchase Price: Buildings		11,931,122	59,359	11,931,122			11,931,122									
Title Insurance, Recording, Closing Costs																
Acquisition Legal Fees																
Demolition, Rezing of Buildings																
Holding Costs																
Other Acq (Specify):																
TOTAL ACQUISITION COSTS		\$12,350,000	61,443	11,931,122	418,878		11,931,122									
B. CONSTRUCTION / REHABILITATION COSTS																
Site Work: Off-Site/Non-Depreciable																
Site Work: On-Site Improvements-15 Year Property																
Demolition: Interior		232,959	1,159	232,959												
New Construction: Residential																
New Construction: Commercial		6,042,400	30,062	6,042,400												
Rehabilitation: Residential		401,115	1,996	401,115												
Rehabilitation: Commercial		534,820	2,661	534,820												
Contractor Overhead																
Contractor Profit		62,675	312	62,675												
Payment & Performance Bond		409,890	2,039	409,890												
Appliances		221,000	1,100	221,000												
Furniture, Fixtures and Equipment		80,223	399	80,223												
Other Constr. (specify): Insurance																
Other Constr. (specify):																
Contractors Contingency		200,558	998	200,558												
Construction Contingency		973,680	4,844	973,680												
TOTAL CONSTRUCTION COSTS		\$9,159,321	45,569	9,159,321												
C. PROFESSIONAL FEES & OTHER SOFT COSTS																
Architect Design		200,000	995	200,000												
Architect Supervision																
Engineering																
Geotechnical/Soils Engineering																
Environmental Site Assessment		57,000	284	57,000												
Survey (Boundary/Topo/As-Built)																
Building Permits		75,000	373	75,000												
Utility Tap Fees																
Impact Fees		0		0												
Hazard & Liability Insurance (Construction Period)		50,000	249	50,000												
Real Estate Taxes/ Fees		44,145	220	44,145												
Market Study		15,500	77	15,500												
Appraisal		27,500	137	27,500												
Accounting/Audit																
Cost Certification																
Legal Fees: Real Estate (Developer)		130,000	647	130,000												
Development Consultant Fees		49,500	246	49,500												
Construction Management Fees		75,000	373	75,000												
Developer Fees		3,629,000	18,055	3,629,000												
Developer Overhead																
Soft Cost Contingency		91,331	454	91,331												
Other Soft Cost (specify: Special & Construction Inspections)		47,000	234	47,000												
Other Soft Cost (specify):																
Other Soft Cost (specify):																
Other Soft Cost (specify):																
TOTAL PROFESSIONAL FEES & OTHER SOFT COSTS		\$4,490,976	22,343	4,490,976												

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Cost Item	Residential		Tax Treatment of Assets				Allocation of Depreciable Basis			Historic Credit Basis			
	Total	Cost Per Unit	Percent of Total	Depreciable	Non Depreciable	Amortized	Expensed	Residential		Commercial			
								Acquisition	Rehab / New Construction	Acquisition	Rehab / New Construction		
D. FINANCING COSTS													
Construction Loan Only (CL)													
Loan Points/Fees: CL													
Loan Inspections: CL													
Loan Title & Recording: CL													
Loan Legal (Bank): CL													
Loan Interest: CL													
Other Loan Cost:													
Bridge/Interim Loan Costs													
Permanent Only or Construction/Perm (CL/PL)													
Loan Points/Fees: CL/PL													
Loan Inspections: CL/PL													
Loan Mortgage Insurance (MIP)													
Loan Title & Recording: CL/PL													
Loan Legal (Bank): CL/PL													
Loan Interest: CL/PL													
Cost of Issuance (Bonds)													
FHA Fees													
Ginnie Mae Fees													
Letter of Credit Fees													
Credit Report													
Negative Arbitrage													
Other Loan Cost:													
Bond Underwriter													
Perm Loan Conversion Fee													
TOTAL FINANCING COSTS	\$1,588,278	7,902	5.6%	763,599	-	297,858	526,822		763,599				
E. TAX CREDIT & SYNDICATION COSTS													
Tax Credit Application and Allocation Fees													
Tax Credit Monitoring Fees													
Legal/Organizational Fees (Developer)													
Legal Fees (Investor) % Amortized=>													
Tax Credit Consultant													
Other Syndication Costs:													
TOTAL TAX CREDIT & SYNDICATION COSTS	\$110,691	551	0.4%			110,691							
F. START-UP COSTS, RESERVES & ESCROWS													
Leasing/Marketing Expenses													
Tenant Relocation (Basis Eligible)													
Tenant Relocation (Non Basis Eligible)													
Escrows & Prepaids													
Rent Up Reserve													
Operating Reserves (Capitalized)													
Replacement Reserve (Capitalized)													
Other Reserve:													
Section 8 Reserve													
Other Reserve:													
TOTAL START UP COSTS, RESERVES & ESCROWS	\$858,603	4,272	3.0%	225,603	633,000				225,603				
TOTAL USES OF FUNDS	\$28,557,869	142,079	100.0%	26,570,621	1,051,878	408,549	526,822	11,931,122	14,639,499	0	0	0	0

Baltimore and Cleveland Gardens FINAL

Uses

Calculation of Tax Credits

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens



LIHTC Rehab/New Construction Credits

Total Development Costs	28,557,869
Less:	
Acquisition Costs	12,350,000
Non Depreciable (non-acquisition)	633,000
Amortized	408,549
Expensed	526,822
Commercial	0
Eligible Rehab/N.C. Basis	14,639,498
Less:	
Historic Tax Credits (Residential)	0
Federal Grants	0
Other Ineligible Costs	
Net Eligible Rehab/N.C. Basis	14,639,498
Adjusted for:	
DDA/QCT Basis Boost	130.00%
Applicable Fraction	100.00%
Qualified Rehab/NC Basis	19,031,347
Tax Credit Rate	3.24%
Calculated Rehab/ NC Credit	616,616
Amount Projected/ Allocated	616,616
Annual Rehab/NC Tax Credit	\$616,616
Number of Years of Annual Credit:	10
Total Rehab/NC Credits	\$6,166,160
Unused Tax Credit Basis	0
Unused Tax Credits	0
Notes:	

LIHTC Acquisition Credits

Total Acquisition Costs	12,350,000
Less:	
Land	418,878
Federal Grants	0
Other Non-Eligible Costs	0
Eligible Acquisition Basis	11,931,122
Applicable Fraction	100.00%
Qualified Acquisition Basis	11,931,122
Tax Credit Rate	3.24%
Calculated Acquisition Credit	386,568
Amount Requested/Allocated	386,568
Annual Acquisition Tax Credit	\$386,568
Number of Years of Annual Credit:	10
Total Acquisition Credits	\$3,865,684
Unused Tax Credit Basis	0
Unused Tax Credits	0

NY, UT, MO, HI or GA State Low Income Credits

State of NY, UT,MO, HI or GA only	
Annual State Credit Amount	0
Number of Years of Annual Credit:	0
Total State Low Income Credits	0

Federal Historic Tax Credits

Total Costs Eligible for HTC		Not Eligible
Acquisition		0
Residential Rehab/ NC		0
Commercial Rehab/ NC		0
Federal Historic Tax Credit Basis		0
HTC Rate		20.0%
Historic Tax Credit Amt.	\$0	

State Historic Tax Credits

Total Costs Eligible for HTC		Not Eligible
Acquisition		0
Residential Rehab/ NC		0
Commercial Rehab/ NC		0
State Historic Tax Credit Basis		0
HTC Rate		0.0%
Calc. Historic Tax Credit Amt.	0	
Amount Requested/Allocated	0	
Annual Historic Tax Credit	0	

CA State Low Income Credits only

State of CA only	
Calculated State Credit Amount	0
State Credits Allocated	0
Total CA Low Income Credits	0

Project Name: Baltimore and Cleveland Gardens

Sources-Uses Surplus/(Gap):

(0) BWE¹

Project Loan Information:

Important: Enter Loans in Lien Priority at Sale

Lender Name: Citibank
 Financing Source: Bank/Conventior
 Loan Amount: 13,140,000
 Interest Rate: 5.0100%

Mortgage Insurance Premium: 1.15
 Fixed or Variable: Fixed
 Term (Years): 17
 Amortization: 35

Loan Type: Conventional Must pay
 Fully Amortizing

Loan Repayment Type: 5/1/2018
 Loan First Payment Date: 8
 No. of Months in First Year: 86,400
 Monthly Payment: 796,797
 Annual Payment: 0
 MIP Payment (1st Year): 0
 Non-Recourse Loan?: 0
 Related Party Loan?: No

Federal Loan: No
 Loan Restrictions: No-Recourse, Non-Related Party

Notes: (307,236) 58.5% DDF

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Notes: (307,236) 58.5% DDF

CASH FLOW CONTINGENT LOAN OPTIONS (DO NOT COMPLETE CELLS BELOW FOR LOANS THAT ARE "MUST-PAY")

Percent of Cash Flow Available:	100.00%	25.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Interest Rate Paid (if different)	5.01%	4.46%	6.50%	0.00%	0.00%	0.00%	0.00%
Interest-Only or P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I
Compound Interest-See Eff. Int. Calc. for Simple Int.	Compound	Compound	Compound	Compound	Compound	Compound	Compound

Accrued Interest During Construction: 5/1/2035

Comments: 5/1/2035

Loan Maturity Due Date: 5/1/2035

Construction Loan Information

Construction Loan #	Construction Loan #	Construction Loan #	Cash Flow Priority
1	2	3	1
2	3	4	2
3	4	5	3
4	5	6	4
5	6	7	5
6	7	8	6
7	8	9	7
8	9	10	8
9	10	11	9
10	11	12	10
11	12	13	11
12	13	14	12
13	14	15	13
14	15		14
15			15

Lender Name:	Citibank
Loan Amount:	13,569,000
Interest Rate:	5.01%
Rate is based on:	(Libor + X bps. etc.)
Term (Months):	24
Construction Loan Payoff Date (per draw schedule):	5/1/2018
Maturity Date (per loan documents):	8/1/2019
Allowable Extensions (in months):	6.0

Lender Name:	Citibank
Loan Amount:	7,546,000
Interest Rate:	4.06%
Rate is based on:	(Libor + X bps. etc.)
Term (Months):	30
Construction Loan Payoff Date (per draw schedule):	5/1/2018
Maturity Date (per loan documents):	8/1/2019
Allowable Extensions (in months):	6.0

Lender Name:	Citibank
Loan Amount:	7,546,000
Interest Rate:	4.06%
Rate is based on:	(Libor + X bps. etc.)
Term (Months):	30
Construction Loan Payoff Date (per draw schedule):	5/1/2018
Maturity Date (per loan documents):	8/1/2019
Allowable Extensions (in months):	6.0



Notes	LOAN 1	LOAN 2	LOAN 3	LOAN 4	LOAN 5	LOAN 6	LOAN 7	LOAN 8
Notes: (307,236) 58.5% DDF	Citibank Bank/Conventior 13,140,000 5.0100%	Seller's Note 1,000,000 4.46%	Las Vegas HOME HOME 0 0.00%	DDF 2,121,736 6.50%				
Notes: (307,236) 58.5% DDF	Fixed 17 Term (Years) 35 Amortization	Fixed 17 Term (Years) 17 Amortization	Fixed 30 Term (Years) 30 Amortization	Fixed 15 Term (Years) 15 Amortization	Fixed	Fixed	Fixed	Fixed
Notes: (307,236) 58.5% DDF	Conventional Must pay Fully Amortizing	Contingent Cash Flow Contingent	Contingent Cash Flow Contingent	Deferred Develop. Fee Cash Flow Contingent				
Notes: (307,236) 58.5% DDF	5/1/2018 8 66,400 796,797 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No	12/31/2017 1 0 0 0 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No	5/1/2018 8 0 0 0 0 0 0 No-Recourse Non-Related Party No

Maximum Loan Calculator

FIRST MORTGAGE	912,407
Net Operating Income =	1,115
Required DSCR =	7%
Loan Interest Rate:	30
Loan Amortization:	793,397
Max. Annual Payment	66,116
Max. Monthly Payment	9,937,803
Loan Amount:	
SECOND MORTGAGE	1.10
Required DSCR =	1%
Loan Interest Rate:	30
Loan Term:	36,064
Max. Annual Payment	3,005
Max. Monthly Payment	934,367
Loan Amount:	

Debt

Baltimore and Cleveland Gardens FINAL

Sources and Uses Summary

Project ID# 36537

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FINAL

Project Name: Baltimore and Cleveland Gardens

Permanent Loan Sources

Lender Name	Int. rate	Term	Amortization	Amount	Amount/Unit	% of Total Dev Cost
Citibank	5.01%	17	35	13,140,000	65,373	46%
Seller's Note	4.46%	17	17	1,000,000	4,975	4%
Las Vegas HOME	0.00%	30	30	0	0	0%
DDF	6.50%	15	15	2,121,736	10,556	7%
					0	
					0	
					0	
					0	

LIMITED PARTNER EQUITY

	11,536,620	57,396	40%
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Notes:

Other Sources

	Financing Source	Amount	
NOI During Construction	Other	759,413	3%
GP Capital Contribution		100	0%
		0	
		0	
		0	
		0	
		0	
		0	
		0	
		0	

TOTAL SOURCES OF FUNDS:

	28,557,869	142,079	26,730,992
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TOTAL USES OF FUNDS:

	28,557,869	142,079	28,293,421
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FUNDING SURPLUS/<GAP>

Baltimore and Cleveland Gardens FINAL	(0)	(0)	(1,562,429)
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S&USum

Project Name:	Baltimore and Cleveland Gardens																	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
RENTAL INCOME																		
Gross Potential Rental Income - Tax Credit Units	102%	1,459,938	1,804,017	1,840,097	1,876,899	1,914,437	1,952,726	1,991,780	2,031,616	2,072,248	2,113,693	2,155,967	2,199,087	2,243,068	2,287,930	2,333,688	2,380,362	0
Gross Potential Rental Income - Non-Tax Credit Units	102%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Potential Rental Income - Other (Specify)		1,459,938	1,804,017	1,840,097	1,876,899	1,914,437	1,952,726	1,991,780	2,031,616	2,072,248	2,113,693	2,155,967	2,199,087	2,243,068	2,287,930	2,333,688	2,380,362	0
Total Gross Potential Rental Income		1,459,938	1,804,017	1,840,097	1,876,899	1,914,437	1,952,726	1,991,780	2,031,616	2,072,248	2,113,693	2,155,967	2,199,087	2,243,068	2,287,930	2,333,688	2,380,362	0
Other Income - Residential	102%	11,055	12,301	12,547	12,798	13,045	13,292	13,539	13,786	14,033	14,280	14,527	14,774	15,021	15,268	15,515	15,762	0
Less Econ. Vac. Loss (Yrs 2-16)	5.00%	73,550	90,816	92,632	94,448	96,264	98,080	99,896	101,712	103,528	105,344	107,160	108,976	110,792	112,608	114,424	116,240	0
Gross Potential Rental Income - Commercial	102%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Econ. Vac. Loss (Yrs 2-16)	20.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income		1,387,443	1,725,502	1,760,012	1,813,117	1,867,739	1,905,094	1,943,196	1,982,060	2,021,701	2,062,135	2,103,378	2,145,445	2,188,354	2,232,121	2,276,763	2,322,121	0
EXPENSES																		
Inflation		7,792	8,755	9,018	9,289	9,568	9,855	10,151	10,456	10,770	11,093	11,426	11,769	12,122	12,486	12,861	13,247	0
Professional Fees	103%	159,150	178,827	184,192	189,718	195,410	201,272	207,310	213,529	219,934	226,533	233,329	240,329	247,539	254,965	262,614	270,492	0
Administrative Expenses	103%	98,633	110,828	114,153	117,578	121,105	124,738	128,480	132,334	136,304	140,393	144,605	148,943	153,411	158,013	162,753	167,636	0
Total Utilities	103%	243,149	273,211	281,407	289,849	298,544	307,500	316,725	326,227	336,014	346,094	356,477	367,171	378,186	389,532	401,218	413,255	0
Total Repairs and Maint.	103%	0	35,932	37,010	38,120	39,264	40,442	41,655	42,905	44,192	45,518	46,884	48,291	49,740	51,232	52,769	54,352	0
Total Real Estate Taxes	103%	35,860	40,284	41,503	42,748	44,030	45,351	46,712	48,113	49,556	51,043	52,574	54,151	55,776	57,449	59,172	60,947	0
Total Other Taxes and Insurance	103%	69,872	73,334	74,801	76,297	77,822	79,379	80,966	82,588	84,238	85,922	87,641	89,394	91,181	93,005	94,865	96,762	0
Total Property Management Fee		7,370	8,281	8,529	8,785	9,049	9,320	9,600	9,888	10,185	10,491	10,806	11,130	11,464	11,808	12,162	12,527	0
Other Miscellaneous Expenses	103%	621,826	729,462	750,613	772,384	794,792	817,857	841,599	866,038	891,194	917,087	943,742	971,178	999,419	1,028,460	1,058,414	1,089,216	0
Total Expenses		5.0%	775,617	996,040	1,009,400	1,022,829	1,036,324	1,049,882	1,063,494	1,077,158	1,090,866	1,104,614	1,118,393	1,132,200	1,146,026	1,159,864	1,173,707	0
NET OPERATING INCOME			392,383	750,613	813,617	843,919	872,914	901,212	929,518	957,810	986,097	1,014,343	1,042,585	1,070,837	1,099,084	1,127,336	1,155,588	1,183,840
SCHEDULED ADDITIONS TO RESIDENTIAL REPLACEMENT RESERVE			48,307	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,789	94,539	97,369	100,278	103,257	106,306	109,425	0
Scheduled Additions to Operating Reserve	103%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	103%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI During Construction		759,413	581,713	777,000	820,793	864,592	908,391	952,190	995,989	1,039,788	1,083,587	1,127,386	1,171,185	1,214,984	1,258,783	1,302,582	1,346,381	0
NOI Adjusted For Reserves		686,297	193,904	770,033	934,765	945,956	968,327	979,493	990,636	1,001,749	938,789	947,593	956,276	964,824	973,226	981,470	989,541	0
ECR		2.25	2.22	2.13	2.11	2.10	2.08	2.06	2.04	2.02	1.87	1.85	1.83	1.82	1.80	1.78	1.77	0.00
DEBT SERVICE AND CASH FLOW FEES			531,198	798,787	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797
Loan 1 - Perm Loan		3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232	0
Debt Service Coverage Ratio		1.30	1.12	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	0
Investor Services Fee		0	58,679	33,431	36,197	38,961	41,723	44,480	47,239	49,971	52,693	55,406	58,110	60,805	63,491	66,168	68,836	0
Loan 2 - Seller's Note		190,238	176,036	100,293	108,590	116,884	125,170	133,439	141,689	149,913	102,579	109,065	115,456	121,743	127,916	2,067,869	0	0
Debt Service Coverage Ratio		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0
Loan 4 - DDF		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 3 - Las Vegas HOME		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Administration Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Income Allocation to GP		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Capital Net Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,933,902	0	0
GP Fees as % Effective Gross Income		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.14%	0.00%
Self Management (Y/N)?	No																	
DISPOSITION OF POSITIVE NET CASH FLOW																		
to Limited Partner:	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
to General Partner	0.01%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENT AND DISTRIBUTION OF RESERVES																		
LEASE-UP RESERVE																		
Contribution of Capitalized Lease-Up Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Baltimore and Cleveland Gardens FINAL																		

Project Name:	Baltimore and Cleveland Gardens	88	850	825	8	9	10	11	12	13	14	15	16	17	2033	2034	
TC Yr #	Year:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Lease-Up Period Deficit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Guarantor Contribution		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease-Up Reserve Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING RESERVE																	
Capitalized Contribution from Equity		0	395,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Operating Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow to/from Operating Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Operating Reserve	2.00%	0	7,900	8,058	8,219	8,384	8,551	8,722	8,897	9,075	9,256	9,441	9,630	9,823	10,019	10,219	0
Operating Reserve Balance		0	395,000	402,900	410,958	419,177	427,561	436,112	444,834	453,731	462,805	472,062	481,503	491,133	500,956	510,975	521,194
REPLACEMENT RESERVE																	
Capitalized Contribution from Equity		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Replacement Reserve		0	48,307	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,765	94,454	97,187	100,000	102,900	105,890	108,975
Expenditures from Replacement Reserve	Use FNOT?	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Replacement Reserve	Yes	0	0	966	2,478	4,065	5,401	6,644	7,789	8,834	9,779	10,624	11,369	12,014	12,559	13,104	13,649
Replacement Reserve Balance	2.00%	0	48,307	123,907	203,259	184,814	270,065	359,468	336,341	432,185	606,654	480,486	464,302	654,789	825,152	347,176	6,835
OTHER RESERVE																	
Capitalized Contribution from Equity		238,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	2.00%	0	4,760	4,855	4,952	5,051	5,152	5,255	5,361	5,468	5,577	5,689	5,802	5,918	6,037	6,158	6,281
Reserve Balance		238,000	242,760	247,615	252,568	257,619	262,771	268,027	273,387	278,855	284,432	290,121	295,923	301,842	307,878	314,036	320,317
OTHER RESERVE																	
Capitalized Contribution from Equity		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures from Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	2.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Balance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Taxable Income, Capital Account and Tax Benefits

TC Yr #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	2034
Project Name:	Baltimore and Cleveland Gardens																		
TAXABLE INCOME	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
NET OPERATING INCOME	775,617	995,040	1,009,400	1,022,929	1,036,324	1,049,982	1,063,494	1,077,158	1,090,866	1,104,614	1,118,393	1,132,200	1,146,026	1,159,864	1,173,707	0	0	0	0
Other Taxable Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Operating Reserve	0	0	7,900	8,068	8,219	8,384	8,551	8,722	8,897	9,075	9,256	9,441	9,630	9,823	10,019	0	0	0	0
Interest on Replacement Reserve	0	0	966	2,478	4,065	3,696	5,401	7,188	6,727	8,644	12,133	9,670	9,266	13,096	16,503	0	0	0	0
Interest on Other Reserve	0	4,760	4,855	4,952	5,051	5,152	5,255	5,361	5,468	5,577	5,689	5,802	5,918	6,037	6,156	0	0	0	0
Interest on Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Inc (including Interest on Reserves)	775,617	1,000,800	1,023,121	1,036,317	1,053,660	1,067,114	1,082,702	1,098,430	1,111,957	1,127,909	1,145,471	1,157,053	1,170,860	1,188,819	1,206,387	0	0	0	0

FINAL



Deductions	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Interest Paid	11,493	595,528	784,011	787,583	790,725	793,471	788,460	778,813	768,005	725,667	723,657	720,973	717,576	711,820	700,715	0	0	0
Interest Accrued	0	0	32,623	23,479	13,793	3,538	0	0	0	30,307	23,428	16,264	8,810	2,663	764	0	0	0
Mortgage Insurance Premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation (from schedule)	1,336,197	1,090,843	1,026,842	987,617	1,006,587	989,989	947,658	963,216	977,254	956,424	1,003,432	1,080,849	1,058,778	1,008,346	1,133,740	0	0	0
Amortization and Expense (from Schedule)	341,637	211,009	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	0	0	0
Investor Services Fee	3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	0	0	0
Partnership Administration Fee	22,917	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	0	0	0
Tenant Services Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,715,910	1,925,250	1,896,942	1,855,249	1,868,625	1,844,917	1,795,646	1,802,595	1,806,897	1,775,136	1,814,390	1,883,129	1,851,412	1,790,317	1,803,984	0	0	0

Total Taxable Income	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(940,293)	(924,449)	(875,821)	(816,931)	(814,965)	(777,803)	(712,944)	(704,165)	(694,939)	(647,228)	(668,919)	(680,551)	(601,497)	(697,598)	0	0	0	0	0

Effect of Gross Income Allocation to GP
 Gross Income Allocation to GP (GIA)
 Allocable Income/Loss (adjusted for GIA)

Allocation of Income/Loss to GP	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
GP Share of GIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Share Allocable Income/Loss	(94)	(92)	(88)	(82)	(81)	(78)	(71)	(70)	(69)	(65)	(67)	(73)	(68)	(60)	(70)	0	0	0
Reallocated Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Total Income/Loss	(94)	(92)	(88)	(82)	(81)	(78)	(71)	(70)	(69)	(65)	(67)	(73)	(68)	(60)	(70)	0	0	0

Allocation of Income/Loss to LP
 LP Share Allocable Income/Loss
 Reallocated to GP

Net Allocation of Income/Loss to LP	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(940,199)	(924,357)	(875,734)	(816,850)	(814,884)	(777,725)	(712,873)	(704,095)	(694,870)	(647,163)	(668,952)	(680,483)	(601,437)	(697,528)	0	0	0	0	0

Capital Account Balance

Capital Account Balance	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
(940,199)	(924,357)	(875,734)	(816,850)	(814,884)	(777,725)	(712,873)	(704,095)	(694,870)	(647,163)	(668,952)	(680,483)	(601,437)	(697,528)	0	0	0	0	0

LP, SHARE OF TAX BENEFITS
 Tax Benefits @ 35.00%
 From Tax Losses 3,949,070

Tax Credits	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Federal Acquisition Tax Credits (4%)	262,013	386,529	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	124,517	0	0	0	0	0	0	0
Federal Constr/Rehab Credits (9% or 4%)	417,938	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	198,616	0	0	0	0	0	0	0
Fed Historic Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Low Income Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Benefit=	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Net Benefit=	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%	65%
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Applic. % =	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Incl. State?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Total Tax Credits	679,951	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	323,133	0	0	0	0	0	0	0

Total Tax Benefits from Credits and Losses

Temporary DRO	1,006,021	1,326,609	1,309,591	1,289,982	1,289,293	1,275,288	1,252,960	1,249,517	1,246,289	1,229,591	567,231	254,101	238,169	210,503	244,135	0	0	0
Project Investment	0	1,725,152	9,811,468	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET BENEFIT	0	(716,131)	(8,484,859)	1,309,591	1,289,982	1,275,288	1,252,960	1,249,517	1,246,289	1,229,591	567,231	254,101	238,169	210,503	244,135	0	0	0

Project Quarterly IRR: 4.62%
 Baltimore and Cleveland Gardens FINAL

Investment Results After Disposition

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens



Sales Price (computed below)		Disposition at \$1 over Mortgage Balance
<less> Outstanding Debt (detail below)		11,912,743
Net Sale Proceeds		11,912,742
		\$ 1.00
Commission on Sale	3.00%	
<less> Return of Investor Capital		
<less> Priority to Investor to Pay Taxes		
Priority Return to Other Partners		
Net Amount Available for Distribution	99.99%	
Balance to Investors		
Total to Investors		0

CALCULATION OF INVESTOR'S SHARE OF TAX CONSEQUENCES

Original Investment <less syndication>	11,536,620
Cumulative Tax Losses (Income)	(11,283,053)
Cash Distributed to Investor	0
Historic and Energy Tax Credit	0
Capital Acct. Balance	253,567
<less> Investor Share of Distribution on Sale	(253,568)
Investor Gain on Sale	(88,749)
Investor Tax Upon Sale	

Outstanding Debt	Original Principal	Accrued Interest/ (Principal Pmts)	Ending Balance
Citibank	13,140,000	(2,709,831)	10,430,169
Seller's Note	1,000,000	19,684	1,019,684
Las Vegas HOME	0	0	0
DDF	2,121,736	(2,121,736)	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Investor Services Fee	74,062	(74,062)	0
Partnership Administration Fee	462,890	0	462,890
	0	0	0
Total Debt	16,798,688	(4,885,945)	11,912,742
Total Debt/Unit			59,267

Sale at \$1.00 over Mortgage Amount	
Total Debt	11,912,742
Plus \$1.00	1.00
Sale Price	11,912,743

Project Name: Baltimore and Cleveland Gardens

FINAL

ASSETS

Land & Non-Depr. Land Items	418,878
Depreciable Assets	26,570,621
Assets	26,989,499
L.P. Percentage	99.99%

LOAN BALANCES (lien priority)

Year	Citibank	Seller's Note	Las Vegas HOME	DDF	None	None	None	Total Non-Recourse Liabilities
2017	13,140,000	1,000,000	0	0	0	0	0	14,140,000
2018	13,046,317	971,039	0	0	0	0	0	14,017,356
2019	12,899,806	980,894	0	0	0	0	0	13,880,700
2020	12,745,785	988,422	0	0	0	0	0	13,734,206
2021	12,583,866	993,521	0	0	0	0	0	13,577,388
2022	12,413,647	996,086	0	0	0	0	0	13,409,733
2023	12,234,702	996,008	0	0	0	0	0	13,230,710
2024	12,046,582	993,177	0	0	0	0	0	13,039,759
2025	11,848,818	987,479	0	0	0	0	0	12,836,297
2026	11,640,916	997,304	0	0	0	0	0	12,638,220
2027	11,422,355	1,005,406	0	0	0	0	0	12,427,760
2028	11,192,589	1,011,738	0	0	0	0	0	12,204,327
2029	10,951,044	1,016,257	0	0	0	0	0	11,967,301
2030	10,697,115	1,018,919	0	0	0	0	0	11,716,035
2031	10,430,169	1,019,684	0	0	0	0	0	11,449,853
2032	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0

Non Recourse Debt/Loan Characteristics (1=Yes)

Lender Name/Loan Program	Principal	Related Party Loan	Oper Def.
Loan 1 - Citibank	13,140,000	0	0
Loan 2 - Seller's Note	1,000,000	0	0
Loan 3 - Las Vegas HOME	0	1	0
Loan 4 - DDF	0	0	0
Loan 5 -	0	0	0
Loan 6 -	0	0	0
Loan 7 -	0	0	0
Loan 8 -	0	0	0
Total	14,140,000	0	0

MINIMUM GAIN CALCULATION

Year	Original Net Assets	Cumulative Additional Assets	Replacement Reserve Balance	Lender Reserve Balance	UW Enters	Accum. Depreciation	Cumm. Reductions Hist. Credit	Net Assets	Minimum Gain	Change in Min. Gain	Includes Other Reserves?	
											Yes	Yes
2017	26,989,499	0	0	238,000	0	(1,336,197)	0	25,891,302	0	0	None	None
2018	26,989,499	0	48,307	637,760	0	(2,427,040)	0	25,248,526	0	0	None	None
2019	26,989,499	0	123,907	650,515	0	(3,453,682)	0	24,310,239	0	0	None	None
2020	26,989,499	0	203,259	663,526	0	(4,441,300)	0	23,414,983	0	0	None	None
2021	26,989,499	101,650	184,814	676,796	0	(5,447,867)	0	22,504,931	0	0	None	None
2022	26,989,499	101,650	270,065	690,332	0	(6,437,256)	0	21,614,330	0	0	None	None
2023	26,989,499	101,650	359,468	704,139	0	(7,384,914)	0	20,769,881	0	0	None	None
2024	26,989,499	218,528	336,341	718,221	0	(8,348,130)	0	19,914,459	0	0	None	None
2025	26,989,499	218,528	432,185	732,586	0	(9,325,384)	0	19,047,413	0	0	None	None
2026	26,989,499	218,528	606,654	747,237	0	(10,281,808)	0	18,280,110	0	0	None	None
2027	26,989,499	218,528	480,486	762,182	0	(11,285,240)	0	17,474,556	0	0	None	None
2028	26,989,499	218,528	464,302	777,426	0	(12,366,069)	0	16,594,484	0	0	None	None
2029	26,989,499	218,528	654,789	792,974	0	(13,424,867)	0	15,741,741	0	0	None	None
2030	26,989,499	1,445,432	825,152	808,834	0	(14,433,213)	0	14,948,988	0	0	None	None
2031	26,989,499	0	347,176	825,011	0	(15,566,953)	0	14,040,165	0	0	None	None
2032	0	0	0	0	0	0	0	0	0	0	None	None
2033	0	0	0	0	0	0	0	0	0	0	None	None
2034	0	0	0	0	0	0	0	0	0	0	None	None

REALLOCATION - 704B POTENTIAL LOSS REALLOCATION DUE TO 704(b)

Year	L.P. Capital Contribution	Historic Energy Credit	Syndication Costs	Cash Distributions	Capital Account End of Yr	Re-Allocation due to Related NR	Potential L.P. Losses	CarryOver Capital or Minimum Gain	Change in Minimum Gain (True N.I.R.)	Maximum Loss Allocation	Losses Allocated to L.P.	Potential Reallocation to G.P.	Deficit Restoration or Equivalent	Actual Reallocation to G.P.
2017	1,725,152	0	0	0	940,199	0	(940,199)	0	0	1,725,152	(940,199)	0	0	0
2018	9,811,468	0	0	0	924,357	0	(924,357)	784,953	0	10,596,421	(924,357)	0	0	0
2019	0	0	0	0	(875,734)	0	(875,734)	9,672,064	0	9,672,064	(875,734)	0	0	0
2020	0	0	0	0	(816,850)	0	(816,850)	8,796,330	0	8,796,330	(816,850)	0	0	0
2021	0	0	0	0	(814,884)	0	(814,884)	7,979,480	0	7,979,480	(814,884)	0	0	0
2022	0	0	0	0	(777,725)	0	(777,725)	7,164,596	0	7,164,596	(777,725)	0	0	0
2023	0	0	0	0	(712,873)	0	(712,873)	6,386,871	0	6,386,871	(712,873)	0	0	0
2024	0	0	0	0	(704,095)	0	(704,095)	5,673,998	0	5,673,998	(704,095)	0	0	0
2025	0	0	0	0	(694,870)	0	(694,870)	4,969,903	0	4,969,903	(694,870)	0	0	0
2026	0	0	0	0	(647,163)	0	(647,163)	4,275,033	0	4,275,033	(647,163)	0	0	0
2027	0	0	0	0	(668,852)	0	(668,852)	3,627,870	0	3,627,870	(668,852)	0	0	0
2028	0	0	0	0	(726,003)	0	(726,003)	2,869,018	0	2,869,018	(726,003)	0	0	0
2029	0	0	0	0	(680,483)	0	(680,483)	2,233,015	0	2,233,015	(680,483)	0	0	0
2030	0	0	0	0	(601,437)	0	(601,437)	1,552,532	0	1,552,532	(601,437)	0	0	0
2031	0	0	0	0	(697,528)	0	(697,528)	951,095	0	951,095	(697,528)	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0



ALLOCATION OF NET ASSETS

Loan Name	Year	Citibank			Seller's Note			Las Vegas HOME				
		Total Net Assets	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	Net Assets	Related Minimum Gain
2017	25,891,302	13,140,000	13,140,000	13,140,000	0	0	1,000,000	0	0	0	0	0
2018	25,248,526	13,046,317	13,046,317	13,046,317	0	0	971,039	0	0	0	0	0
2019	24,310,239	12,899,806	12,899,806	12,899,806	0	0	980,894	0	0	0	0	0
2020	23,414,983	12,745,785	12,745,785	12,745,785	0	0	988,422	0	0	0	0	0
2021	22,504,931	12,583,866	12,583,866	12,583,866	0	0	993,521	0	0	0	0	0
2022	21,614,330	12,413,647	12,413,647	12,413,647	0	0	996,086	0	0	0	0	0
2023	20,769,881	12,234,702	12,234,702	12,234,702	0	0	996,008	0	0	0	0	0
2024	19,914,459	12,046,582	12,046,582	12,046,582	0	0	993,177	0	0	0	0	0
2025	19,047,413	11,848,818	11,848,818	11,848,818	0	0	987,479	0	0	0	0	0
2026	18,280,110	11,640,916	11,640,916	11,640,916	0	0	987,304	0	0	0	0	0
2027	17,474,556	11,422,355	11,422,355	11,422,355	0	0	1,005,406	0	0	0	0	0
2028	16,594,484	11,192,589	11,192,589	11,192,589	0	0	1,011,738	0	0	0	0	0
2029	15,741,741	10,951,044	10,951,044	10,951,044	0	0	1,016,257	0	0	0	0	0
2030	14,948,988	10,697,115	10,697,115	10,697,115	0	0	1,018,919	0	0	0	0	0
2031	14,040,165	10,430,169	10,430,169	10,430,169	0	0	1,019,684	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0

ALLOCATION OF NET ASSETS

Loan Name	Year	DFD			None						
		Remaining Net Assets	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	
2017	11,751,302	0	0	0	0	0	0	0	0	0	0
2018	11,231,170	0	0	0	0	0	0	0	0	0	0
2019	10,429,539	0	0	0	0	0	0	0	0	0	0
2020	9,680,777	0	0	0	0	0	0	0	0	0	0
2021	8,927,544	0	0	0	0	0	0	0	0	0	0
2022	8,204,597	0	0	0	0	0	0	0	0	0	0
2023	7,539,171	0	0	0	0	0	0	0	0	0	0
2024	6,874,700	0	0	0	0	0	0	0	0	0	0
2025	6,211,116	0	0	0	0	0	0	0	0	0	0
2026	5,641,890	0	0	0	0	0	0	0	0	0	0
2027	5,046,795	0	0	0	0	0	0	0	0	0	0
2028	4,390,157	0	0	0	0	0	0	0	0	0	0
2029	3,774,441	0	0	0	0	0	0	0	0	0	0
2030	3,232,953	0	0	0	0	0	0	0	0	0	0
2031	2,590,312	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0

ALLOCATION OF NET ASSETS

Loan Name	Year	None			None			None			Change in Unrelated Minimum Gain
		Remaining Net Assets	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	Loan Balance	Net Assets	Related Minimum Gain	Unrelated Minimum Gain	
2017	11,751,302	0	0	0	0	0	0	0	0	0	0
2018	11,231,170	0	0	0	0	0	0	0	0	0	0
2019	10,429,539	0	0	0	0	0	0	0	0	0	0
2020	9,680,777	0	0	0	0	0	0	0	0	0	0
2021	8,927,544	0	0	0	0	0	0	0	0	0	0
2022	8,204,597	0	0	0	0	0	0	0	0	0	0
2023	7,539,171	0	0	0	0	0	0	0	0	0	0
2024	6,874,700	0	0	0	0	0	0	0	0	0	0
2025	6,211,116	0	0	0	0	0	0	0	0	0	0
2026	5,641,890	0	0	0	0	0	0	0	0	0	0
2027	5,046,795	0	0	0	0	0	0	0	0	0	0
2028	4,390,157	0	0	0	0	0	0	0	0	0	0
2029	3,774,441	0	0	0	0	0	0	0	0	0	0
2030	3,232,953	0	0	0	0	0	0	0	0	0	0
2031	2,590,312	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0

50% Test

FINAL
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Project Name: Baltimore and Cleveland Gardens

Rule:

Bond proceeds must finance at least 50% of depreciable basis plus land. The 50% test must be met sometime between construction completion but before end of first credit year.

Sources tab:

Bond amount	21,146,000
Additions/Subtractions to Bond amount for purposes of 50% test	
Additions/Subtractions to Bond amount for purposes of 50% test	
Additions/Subtractions to Bond amount for purposes of 50% test	
Total Bond financing:	21,146,000

21,140,000

Uses tab:

Land and Related Non-Depreciable Costs	418,878
Depreciable assets	26,570,621
Total:	26,989,499

Bond as a % of costs

78.3%

Passes 50% test **PASS**

Maximum amount of aggregate basis
Cushion

42,292,000
15,302,501

Residual Analysis

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Notes:

Table with columns for Year, Real Estate, Rental Income, Gross Potential Rental Income, Total Operating Income, Total Expenditures, Net Operating Income, NOI Adjusted For Reserves, and various reserve categories. Includes sub-totals for Operating Reserve, Other Reserve, and Total Reserve Balances.

Market value less debt Paid/Fall '17

Table with columns for Reserve Type (Operating Reserve, Other Reserve), Amount, and Status (Yes/No). Includes sub-totals for Total Reserve Balances and Replacement Reserve.

FINAL
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Residual Analysis

Project Name: BalTim	
Term of Income Restrictions	48
Income Restriction Termination Date	2064
RENTAL INCOME	2044
Gross Potential Rental Income - Tax Credit Ur	3,460,572
Gross Potential Rental Income - Non-Tax Crk	3,700,148
Gross Potential Rental Income - Other (Specif	3,460,572
Gross Potential Rental Income - MARKET RE	3,700,148
Total Gross Potential Rental Income	13,911,778
Less: Other Income - Residential (2,48)	1,135,778
Other Income - Residential (2,48)	1,135,778
Less Econ Vac Loss (Yr 2-18)	3,439,815
Effective Gross Income	11,776,263

EXPENDITURES	
Total Administrative	15,791
Total Utilities	342,650
Total Repairs and Maint.	212,355
Total Real Estate Taxes	523,500
Total Other Taxes, Licenses & Permits & Ins.	68,851
Total Other Taxes, Licenses & Permits & Ins.	77,206
Total Management Fee	15,870
Total Misc Expenses	15,870
Total Expenditures	1,386,106

NET OPERATING INCOME	
Scheduled Additions to Residential Reserves	138,842
Scheduled Additions to Operating Reserves	143,007
Other Reserve	0
NOI During Construction	1,900,707
NOI Adjusted For Reserves	30,011,790
Value Based on Capitalized NOI	1,032,800
(Plus) Reserves - Include Replacement Res	31,044,670
Total Market Value	31,044,670
Total Outstanding Debt (incl's ISF, PHF & TS	7,319,576
Market value less debt	23,725,094
Pass/Fail Test	23,725,094

OPERATING RESERVE	
Capitalized Contribution from Equity	0
Scheduled Additions to Operating Reserve	0
Interest on Operating Reserve	12,213
Interest on Operating Reserve	622,875
Operating Reserve Balance	610,662
OTHER RESERVE	
Capitalized Contribution from Equity	0
Scheduled Additions to Reserve	0
Expenditures from Reserve	7,359
Interest on Reserve	375,302
Reserve Balance	368,274
OTHER RESERVE	
Capitalized Contribution from Equity	0
Scheduled Additions to Reserve	0
Expenditures from Reserve	0
Interest on Reserve	0
Reserve Balance	0

TOTAL RESERVE BALANCES PRIOR TO F	
Operating Reserve	610,662
Other Reserve	368,274
Replacement Reserve	138,842
Other Reserve	143,007
Total Reserve Balances	1,260,785
REPLACEMENT RESERVE	
Scheduled Additions to Replacement Reserve	0
Expenditures from Replacement Reserve	0
Interest on Replacement Reserve	939
Replacement Reserve Balance	190,872

TOTAL RESERVE BALANCES PRIOR TO F	
Operating Reserve	610,662
Other Reserve	368,274
Replacement Reserve	138,842
Other Reserve	143,007
Total Reserve Balances	1,260,785
REPLACEMENT RESERVE	
Scheduled Additions to Replacement Reserve	0
Expenditures from Replacement Reserve	0
Interest on Replacement Reserve	939
Replacement Reserve Balance	190,872

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FINAL

Project ID# 36537

Taxable Income, Capital Account and Tax Benefits

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Project Name:	Baltimore and Cleveland Gardens																		
TAXABLE INCOME	775,617	981,572	979,734	977,205	973,950	969,929	965,103	959,429	952,864	945,362	936,876	927,355	916,749	905,003	892,064	0	0	0	
NET OPERATING INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Taxable Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Interest on Operating Reserve	0	0	7,900	8,068	8,219	8,384	8,551	8,722	8,897	9,075	8,911	8,475	7,737	6,667	5,231	0	0	0	
Interest on Replacement Reserve	0	0	966	2,478	4,065	5,320	6,316	7,106	6,478	8,390	11,874	8,719	7,925	11,707	15,008	0	0	0	
Interest on Other Reserve	0	4,760	4,855	4,952	5,051	5,152	5,255	5,361	5,468	5,577	5,689	5,802	5,918	6,037	6,156	0	0	0	
Interest on Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Net Inc (including interest on reserves)	775,617	986,332	993,455	992,694	991,286	987,081	984,229	980,617	973,707	968,404	963,350	950,351	938,329	925,414	918,461	0	0	0	
Deductions																			
Interest Paid	11,493	594,294	754,345	741,939	728,350	713,518	697,379	679,868	660,916	588,995	578,236	567,032	555,252	542,869	529,851	0	0	0	
Interest Accrued	0	0	64,146	72,853	82,883	94,359	107,409	122,175	138,805	209,018	221,583	234,917	249,069	264,090	280,035	0	0	0	
Mortgage Insurance Premium	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Depreciation (from schedule)	1,336,197	1,090,843	1,026,642	987,617	1,007,969	990,871	948,427	985,313	980,332	958,224	1,010,644	1,096,349	1,072,508	1,017,087	1,161,109	0	0	0	
Amortization and Expense (from Schedule)	341,641	211,005	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	24,900	0	0	0	
Investor Services Fee	3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	0	0	0	
Partnership Administration Fee	22,917	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	0	0	0	
Tenant Services Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	1,715,914	1,926,011	1,900,800	1,858,999	1,876,143	1,857,067	1,812,744	1,827,922	1,841,690	1,818,876	1,874,338	1,963,340	1,943,077	1,891,535	2,039,760	0	0	0	
Total Taxable Income	(940,297)	(939,679)	(907,345)	(866,305)	(884,857)	(869,986)	(828,515)	(847,305)	(867,984)	(850,472)	(910,988)	(1,012,990)	(1,004,748)	(962,120)	(1,121,299)	0	0	0	
Effect of Gross Income Allocation to GP																			
Gross Income Allocation to GP (GIA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Allocable Income/loss (adjusted for GIA)	(940,297)	(939,679)	(907,345)	(866,305)	(884,857)	(869,986)	(828,515)	(847,305)	(867,984)	(850,472)	(910,988)	(1,012,990)	(1,004,748)	(962,120)	(1,121,299)	0	0	0	
Allocation of Income/Loss to GP																			
GP Share of GIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
GP Share Allocable Income/Loss	(94)	(94)	(91)	(87)	(88)	(87)	(83)	(85)	(87)	(85)	(91)	(101)	(100)	(96)	(112)	0	0	0	
Reallocated Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
GP Total Income/Loss	(94)	(94)	(91)	(87)	(88)	(87)	(83)	(85)	(87)	(85)	(91)	(101)	(100)	(96)	(112)	0	0	0	
Allocation of Income/Loss to LP																			
LP Share Allocable Income/Loss	(940,203)	(939,585)	(907,255)	(866,218)	(884,769)	(869,899)	(828,432)	(847,220)	(867,897)	(850,387)	(910,897)	(1,012,888)	(1,004,647)	(962,024)	(1,121,187)	0	0	0	
Reallocated to GP	(940,203)	(939,585)	(907,255)	(866,218)	(884,769)	(869,899)	(828,432)	(847,220)	(867,897)	(850,387)	(910,897)	(1,012,888)	(1,004,647)	(962,024)	(1,121,187)	0	0	0	
Net Allocation of Income/Loss to LP	(940,203)	(939,585)	(907,255)	(866,218)	(884,769)	(869,899)	(828,432)	(847,220)	(867,897)	(850,387)	(910,897)	(1,012,888)	(1,004,647)	(962,024)	(1,121,187)	0	0	0	
Check	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0%	0%	0%	
Credit Allowable	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%	0%	
L.P. Capital Account Analysis																			
Net Investment	0	1,725,152	9,811,468	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<less> Historic and Energy Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<less> Cash Distributed to LP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<less> Syndication Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<less> Net Allocation to Income/Loss to LP	(11,536,620)	(940,203)	(939,585)	(866,218)	(884,769)	(869,899)	(828,432)	(847,220)	(867,897)	(850,387)	(910,897)	(1,012,888)	(1,004,647)	(962,024)	(1,121,187)	0	0	0	
Capital Account Balance	784,949	9,656,832	8,749,577	7,883,359	6,988,590	6,128,691	5,300,259	4,453,039	3,585,142	2,734,755	1,823,858	810,970	0	0	0	0	0	0	
L.P. SHARE OF TAX BENEFITS																			
Tax Benefits @	329,071	328,855	317,539	303,176	309,869	304,465	289,951	286,527	303,764	297,635	318,814	354,511	263,840	0	0	0	0	0	
From Tax Losses																			
Tax Credits																			
Federal Acquisition Tax Credits (4%)	262,013	386,529	386,529	386,530	386,530	386,530	386,530	386,530	386,530	386,530	124,517	0	0	0	0	0	0	0	
Federal Const/Rehab Credits (9% or 4%)	417,938	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	198,616	0	0	0	0	0	0	0	
Fed Historic Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Low Income Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Historic Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Applic. % =	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Applic. % =	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Incl. State?	Y																		
Total Tax Credits	679,951	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	323,133	0	0	0	0	0	0	0	
Total Tax Benefits from Credits and Losses	1,009,022	1,331,939	1,320,623	1,306,260	1,312,753	1,307,549	1,293,035	1,299,611	1,306,848	1,300,719	641,947	354,511	263,840	0	0	0	0	0	
Temporary DRO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Project Investment	0	1,725,152	9,811,468	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
NET BENEFIT	0	(716,130)	(8,479,529)	1,320,623	1,306,260	1,312,753	1,307,549	1,299,611	1,306,848	1,300,719	641,947	354,511	263,840	0	0	0	0	0	
Project Quarterly IRR:	4.81%																		
Baltimore and Cleveland Gardens FINAL																			
TaxInc																			

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Project ID# 36537

58,752 705,024 88
R/R Deposits reset to 825 850
BASE R/R

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18
2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034

Project Name: Baltimore and Cleveland Gardens

TC Yr #	Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
103%	1,459,938	1,821,703	1,876,354	1,932,645	1,990,824	2,050,343	2,111,853	2,175,209	2,240,465	2,307,679	2,376,910	2,448,217	2,521,663	2,597,313	2,675,233	2,755,490	0	0	0	0
103%	1,459,938	1,821,703	1,876,354	1,932,645	1,990,824	2,050,343	2,111,853	2,175,209	2,240,465	2,307,679	2,376,910	2,448,217	2,521,663	2,597,313	2,675,233	2,755,490	0	0	0	0
103%	11,055	12,422	12,794	13,178	13,574	13,981	14,400	14,832	15,277	15,736	16,208	16,684	17,195	17,711	18,242	18,789	0	0	0	0
5.00%	73,550	91,706	94,457	97,291	100,216	103,216	106,313	109,502	112,787	116,171	119,656	123,246	126,943	130,751	134,674	138,714	0	0	0	0
102%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	1,397,443	1,742,419	1,784,691	1,848,532	1,903,988	1,961,108	2,019,941	2,080,539	2,142,955	2,207,244	2,273,461	2,341,665	2,411,915	2,484,273	2,558,801	2,635,565	0	0	0	0

Infator	7,792	8,755	9,018	9,289	9,568	9,855	10,151	10,456	10,770	11,093	11,426	11,769	12,122	12,486	12,861	13,247	0	0	0	0
Professional Fees	159,150	178,827	184,192	189,718	195,410	201,272	207,310	213,529	219,935	226,533	233,329	240,329	247,539	254,965	262,614	270,492	0	0	0	0
Administrative Expenses	96,633	110,828	114,153	117,578	121,105	124,738	128,480	132,334	136,304	140,393	144,605	148,943	153,411	158,013	162,753	167,636	0	0	0	0
Total Utilities	243,149	273,211	281,407	289,849	298,544	307,500	316,725	326,227	336,014	346,084	356,477	367,171	378,186	389,532	401,218	413,255	0	0	0	0
Total Repairs and Maint.	0	35,632	37,010	38,120	39,264	40,442	41,655	42,905	44,192	45,518	46,884	48,291	49,740	51,232	52,769	54,352	0	0	0	0
Total Real Estate Taxes	35,860	40,294	41,503	42,748	44,030	45,351	46,712	48,113	49,556	51,043	52,574	54,151	55,776	57,449	59,172	60,947	0	0	0	0
Total Other Taxes and Insurance	69,872	74,053	76,274	78,563	80,919	83,347	85,847	88,423	91,076	93,808	96,622	99,521	102,506	105,582	108,749	112,012	0	0	0	0
Total Property Management Fee	7,370	8,281	8,529	8,785	9,049	9,320	9,600	9,888	10,185	10,491	10,806	11,130	11,464	11,808	12,162	12,527	0	0	0	0
Other Miscellaneous Expenses	621,826	730,181	752,086	774,650	797,889	821,825	846,480	871,875	898,032	924,973	952,723	981,305	1,010,744	1,041,067	1,072,298	1,104,468	0	0	0	0
Total Expenses	775,617	1,012,238	1,042,605	1,073,883	1,106,099	1,139,283	1,173,461	1,208,864	1,244,924	1,282,271	1,320,738	1,360,360	1,401,171	1,443,206	1,486,503	1,531,097	0	0	0	0
Property Management Fee as % of EGI	5.0%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	0.0%	0.0%	0.0%	0.0%
NET OPERATING INCOME	0	48,307	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,825	94,600	97,453	100,385	103,396	106,377	109,328	112,249	115,130	118,000	120,869

Scheduled Additions to Residential Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI During Construction	762,450	581,713	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	180,737	0	0	0	0
NOI Adjusted For Reserves	696,297	193,904	783,194	967,971	997,009	1,026,919	1,057,728	1,089,469	1,122,143	1,155,807	1,190,446	1,184,437	1,219,969	1,256,569	1,294,266	1,333,094	0	0	0	0
ECR	2.25	2.24	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.02	2.02	2.02	2.02	2.02	2.02	0.00	0.00	0.00	0.00

DEBT SERVICE AND CASH FLOW FEES	0	531,198	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797	796,797
Loan 1 - Perm Loan	0	1,47	1,21	1,25	1,29	1,33	1,37	1,41	1,45	1,49	1,53	1,57	1,61	1,65	1,69	1,73	1,77	1,81	1,85	1,89
Debt Service Coverage Ratio	3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232	6,419	6,610	6,805	7,004
Investor Services Fee	0	61,969	41,732	48,960	56,403	64,073	71,971	80,106	88,486	96,941	105,526	114,267	123,163	132,214	141,431	150,814	160,363	170,086	179,983	189,954
Loan 2 - Seller's Note	0	1,31	1,15	1,17	1,20	1,22	1,25	1,27	1,30	1,32	1,35	1,37	1,40	1,42	1,44	1,46	1,48	1,50	1,52	1,54
Debt Service Coverage Ratio	190,238	185,907	125,197	146,881	169,215	192,220	215,914	240,319	265,457	291,222	317,601	344,593	372,100	400,122	428,661	457,717	487,291	517,483	548,194	579,524
Loan 4 - DDF	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Debt Service Coverage Ratio	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Loan 3 - Lax Vegas HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Administration Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Income Allocation to GP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GP Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Fees as % Effective Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Self Management (Y/N)?	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No

DISPOSITION OF POSITIVE NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
to Limited Partner: % Distributed:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
to General Partner	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PAYMENT AND DISTRIBUTION OF RESERVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LEASE-UP RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution of Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GP Fees as % Effective Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Self Management (Y/N)?	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No

Exhibit H
PROJECTIONS
H-2 HOME Loan

Summary of Project Information

Project Location
 Legal Name: BGCG LP
 Project Name: Baltimore and Cleveland Gardens
 Project Address: 316 W. Baltimore Avenue
 City: Las Vegas
 County: Clark
 State: NV
 Zip: 89102
 HUD Statistical Area: Las Vegas-Henderson-Paradise, NV MSA
 Very Low (50%) Income (Family of Four): \$30,100
 2011: \$63,400
 2012: \$64,300
 2013: \$63,100
 2014: \$58,000
 2015: \$59,200
 2016: \$59,800
 Get HUD Data

Site/Building Information
 Size of Site (acres): 3.94
 LT AMI trend (%): 1.2%
 Number of Buildings in Project: 21
 Year Built (Existing Buildings Only): 1958
 Computed 5 yr AMI trend (%): -1.2%

Project Description
 Project Location: Urban
 Construction Type: Moderate Rehab
 For Constr Type: Moderate/Substantial Rehab
 For Construction type Mixed: Yes
 Property Type: Garden Apartments
 Property Type - Specify if Other:
 Property Type - Specify if Other:
 Scattered Site
 Population Served (Check ONLY if applicable):
 Family
 Senior
 Native American

Deal Financing Type (check only if applicable)
 Bond Deal
 Not cash collateralized
 HOPE VI
 Rural Development
 Federally Financed (Other)
 Project Based Section 8
 ACC

DATE	# Units	% Units
February 3, 2017	0%	0%
February 3, 2017	0%	0%
February 3, 2017	0%	0%
March 31, 2017	0%	0%
December 31, 2017	0%	0%
December 31, 2017	0%	0%
May 1, 2018	0%	0%

Timing Assumptions

Partnership Closing Date
 Construction Start Date
 Acquisition Placed in Service Date
 Construction Completion Date
 Qualified Occupancy (100% of Tax Credit Units)
 Permanent Finance Start Date
 Months during Construction
 Months during Lease Up
 Disposition Year

Sponsor Name
 Community Development Partners

LP	For Profit GP	Non Profit GP
99.990%	0.010%	0.000%
99.990%	0.010%	0.000%
10.000%	90.000%	0.000%
35.00%	Notes:	
	90.000%	0.000%

Related Party Seller? No

Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?
 Will a 168 (h) (6) Election be made?
 Is there a Commercial Depreciation Override?
 Will there be a Building by Building Override?
 Will there be Soft Cost Allocation?
 Depreciable Life of Building
 Depreciable Life of Furniture, Fixtures, Equipment
 Depreciable Life of Site Work

Assumptions Affecting CF Calculations

Is the property manager an affiliate of the GP?
 Percent of LP net cash flow to be distributed

File Author	Project ID	Reservation	Year	at	Source of Income (or Rent) Restriction
Joey Castiberry <td>36537</td> <td>No</td> <td>40%/60%</td> <td>0%</td> <td>0%</td>	36537	No	40%/60%	0%	0%
				0%	0%
				0%	0%
				0%	0%

Tax Credit Information

Check all that apply	Term (Yrs)	Tax Credit Rate	Multiple year allocations		
			Credit Allocation Year 1	Credit Allocation Year 2	Credit Allocation Year 3
<input checked="" type="checkbox"/>	10	3.24%	386,568		
<input checked="" type="checkbox"/>	10	3.24%	616,616		
<input type="checkbox"/>	1	20.00%			
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					
<input type="checkbox"/>					

Notes: Notes: Notes:
 Allocation Year
 Federal Acquisition Tax Credits (4%)
 Federal Constr/Rehab Credits (9% or 4%)
 Fed Historic Tax Credits
 State Low Income Tax Credits CA
 State Historic Tax Credit
 Other State Credit (Specify)
 Other State Credit (Specify)
 Other Fed Credit (Specify)
 Other Fed Credit (Specify)

Basis Boost rate: Is Project located in a: Qualified Census Tract If % of project eligible for Basis boost is less than 100%, please explain here: 100% 130.00%

Have Tax Credits Been Allocated to the Project?
 Federal Tax Credit Status
 Lock-in Date for Tax Credit %
 Additional Income Restrictions:
 Additional Income Restrictions:
 Additional Income Restrictions:
 Additional Income Restrictions:

Rental Income Assumptions and Applicable Fraction
 Project Name: Baltimore and Cleveland Gardens

Notes:

Residential Rental Income Assumptions
 Unit Information

Unit Description	No. of BRs	No. of Baths	Average Unit Sq. Ft.	No. of Units	Max. Tenant Income Limit (% AMI)	Max. Income Target for Rent (% AMI)	Utility Allowance	Maximum Contract Rent	Actual Contract Rent	Market Rents	Contract Rent % Below	Contract Rent per Sq. Foot	Maximum Tenant Burden %	Maximum Tenant Income	Minimum Tenant Income	Maximum Tenant Income	Gross Rent Affordability (% AMI)	Contract Rent % Below Max TC Rent	Total Annual Rental Income
Studio 60% BG	0	1.0	332	3	60%	60%	79	563	621	545	-14%	\$1.87	40%	21,000	25,284	25,284	66%	-12%	22,356
1 BR 60% BG	1	1.0	427	94	60%	60%	59	618	683	655	-4%	\$1.60	40%	22,260	27,090	27,090	66%	-11%	770,424
1 BR 60% BG	1	1.0	480	4	60%	60%	59	618	683	655	-4%	\$1.42	40%	22,260	27,090	27,090	66%	-11%	32,784
2 BR 60% BG	2	1.0	741	60	60%	60%	93	720	806	775	-4%	\$1.09	40%	26,970	32,508	32,508	66%	-12%	580,320
3 BR 60% BG	3	1.0	866	3	60%	60%	105	834	980	930	-5%	\$1.13	40%	32,550	37,565	37,565	69%	-18%	35,280
3 BR 60% BG	3	1.0	1,100	1	60%	60%	105	834	980	930	-5%	\$0.89	40%	32,550	37,565	37,565	69%	-18%	11,760
1 BR 60% CG	1	1.0	480	25	60%	60%	31	646	696	655	-6%	\$1.45	40%	21,810	27,090	27,090	64%	-8%	208,800
2 BR 60% CG	2	1.0	640	11	60%	60%	56	757	810	775	-5%	\$1.27	40%	25,980	32,508	32,508	64%	-7%	106,920
TOTAL RENTAL UNITS									\$733	\$701	-5%	\$1.40					66%	-11%	1,768,644
Staff/Model Units										\$1,691,340									
TOTAL RESIDENTIAL UNITS																			1,768,644

Commercial Rental Income Assumptions

Description	Square Feet	Rent per Sq. Ft.	Annual Rent
Laundry (Dollars/Unit/Month)		\$5.00	1,005
Vending (Dollars/Unit/Month)			0
Other (Dollars/Unit/Month)			0
Other (Specify)			0
Other (Specify)			0
Other (Specify)			0
TOTAL		\$5.00	\$1,005

Rent/Expense Escalation & Vacancy Assumptions

Assumption	Residential	Commercial
Projected Annual Rent Increase	2.0%	2.0%
Annual Rent Increase (Yr. 1-2 only)	2.0%	2.0%
Projected Annual Expense Increase	3.0%	3.0%
Annual Expense Increase (Yr. 1-2 only)	3.0%	3.0%
Projected Occupancy in Units	193	0
Projected Total Vacancy Loss, Year 1	5.0%	20.0%
Projected Physical Vacancy Loss Yrs 2-16	1.0%	15.0%
Concessions/ Bad Debt Allowance Yrs 2-16	5.0%	5.0%
Vacancy Years 2-16 (total)	2.0%	20.0%
Interest on Reserve Accounts	Calculated	11
Number of Months of Rent in Year 1	11	11
Number of Months of Expenses in Year 1	11	11

Calculation of Applicable Fraction (Low Income %)

Tax Credit Eligible Units	Residential Units	Calculated Residential Rent Units
201	201	110,252
Non-tax Cr. Eligible Units	0	0
Total Res. Rental Units Mgr. or Nonrental Units	201	110,252
Total Residential Units	201	110,252
Calc. Applicable Fraction by Calculation Method:	Units = 100.00%	Sq. Ft. = 100.00%
Applicable Fraction: (Lessee of 2 methods)	100.00%	100.00%
Commercial Rental Spaces (SF)		0
Residential Common Areas (SF)		4,438
Total Project Square Footage		114,690

Detailed Schedule of Rents and Tax Credits During Lease-Up

Project ID# 36537

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Project Name: Baltimore and Cleve Number of Buildings in Project: 21 40

Project Name: Baltimore and Cleve Number of Buildings in Project: 21 40

21 40

12/31/17 5/1/2018

12/31/17



Qualified Occupancy 100% of Tax

Date 1st Bldg Available for Occupancy: 02/03/17 Const Completion Date: 12/31/17
 Projected First Credit Delivery Date: 03/01/17 Projected Stabilization Date: 5/1/2018

Month	Total Number of Units	Tax Credit Units Leased		Cumulative Tax Credit Units Leased		Non Tax Credit Units Leased		Cumulative Non-tax Credit Units Leased		Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/Rehab Tax Credits 9% or 4%		Acquisition Tax Credits 4%		Total Tax Credits		
		Leased	Leased	Leased	Leased	Leased	Leased	Credits	Credits						Credits	Credits					
Year: 2017																					
January-17	0	0	0	0	N/A	0	0	N/A	0	0	0	0	0	0	256	160	416	0	0	416	
February-17	181	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	0	0	0	0	0	0	0	
March-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
April-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
May-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
June-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
July-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	162	41,415	25,964	25,964	25,964	0	67,378	
August-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
September-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
October-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	161	41,159	25,803	25,803	25,803	0	66,962	
November-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	165	42,181	26,444	26,444	26,444	0	68,626	
December-17	0	181	0	181	0	181	132,722	0	132,722	0	132,722	0	132,722	181	46,792	29,009	29,009	29,009	0	75,280	
First Year TOTALS																					
Year: 2018																					
January-18	20	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
February-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
March-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
April-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
May-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
June-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
July-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
August-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
September-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
October-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
November-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
December-18	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
Second Year TOTALS																					
Year: 2019																					
January-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
February-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
March-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
April-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
May-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
June-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
July-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
August-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
September-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
October-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
November-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
December-19	0	20	0	20	0	20	147,387	0	147,387	0	147,387	0	147,387	20	51,385	32,214	32,214	32,214	0	83,599	
Third Year TOTALS																					

Baltimore and Cleveland Gardens REVISED FINAL WITH HOME LOAN LeaseUp

Operating Expense and Fee Assumptions

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens

2017

Base Year for Expenses:

Professional Fees	Amount	Per Unit	Inflator
Legal Expenses (Project)	3,000	15	
Audit Expense (Project)	5,500	27	
Bookkeeping Fees/Account Services	-	-	
Other Professional Fees	-	-	
Total Professional Fees	\$8,500	42	3.00%

Administrative Expenses	Amount	Per Unit	Inflator
Advertising & Marketing	1,500	7	
Other Renting Expense	-	-	
Manager or Superintendent Salaries-PR	50,960	254	
Office Salaries-PR	29,120	145	
Administrative Free Rent-PR	-	-	
Payroll Taxes and Benefits-PR	\$4,912	273	
Office Supplies/Expenses	12,240	61	
Office or Model Apartment Rent	-	-	
Management Consultants	-	-	
Telephone and Answering Service	5,376	27	
Miscellaneous Administrative Expenses	19,510	97	
Total Administrative	\$173,618	864	3.00%

Utilities	Amount	Per Unit	Inflator
Fuel Oil / Heating	-	-	
Electricity	24,947	124	
Gas	-	-	
Water/Sewer	82,653	411	
Other Utilities	-	-	
Total Utilities	\$107,600	535	3.00%

Repairs and Maintenance	Amount	Per Unit	Inflator
Janitor and Cleaning Contracts	-	-	
Decorating Contracts	14,980	74	
Elevator Maintenance Contracts	-	-	
Exterminating Contracts	9,648	48	
Grounds Contracts (incl. swimming pool)	12,500	62	
Repair Contracts	35,952	179	
Garbage and Trash Removal	26,343	131	
Snow Removal	-	-	
Heating/Cooling Repairs and Maintenance	-	-	
Cleaning, Grounds, Maintenance-PR	102,960	512	
Operating and Maintenance Free Rent-PR	-	-	
Security Payroll-PR	-	-	
Security Contracts	42,870	213	
Security Free Rent-PR	-	-	
Repair Material and Supplies	-	-	
Vehicle & Maint. Equipment Oper. and Rep.	-	-	
Community Center Expense	-	-	
Misc. Repair & Maintenance Expense	20,100	100	
Total Repairs and Maint.	\$265,253	1,320	3.00%



Taxes and Insurance	Amount	Per Unit	Inflator
Real Estate Taxes	34,885	174	
Less: Abated Taxes	(34,885)	(174)	
Net Real Estate Taxes	\$0	-	3.00%

Property and Liability Insurance	39,120	195	
Fidelity Bond Insurance	-	-	
Other Insurance	-	-	
Miscellaneous Taxes, Licenses and Permits	-	-	
Total Other Taxes, Licenses & Permits & Insurance	\$39,120	195	3.00%
Total Taxes and Insurance	\$39,120	195	

Property Management Fee	Percent	Amount	PUPY	Inflator	PUPM
Method for calculating Residential PM Fee:					
% of EGI	4.25%	71,896	358		\$29.81
Fee PUPM					
Annual Fee					
Commercial Property Management Fee	0.00%	-	-		
Total Property Management Fee		\$71,896	358		2.00%

Other Miscellaneous Expenses	Amount	Per Unit	Inflator
Ground Rent	-	-	
Compliance Monitoring	8,040	40	
Services Expenses	-	-	
Other Misc. Expenses	-	-	
Total Misc. Expenses	\$8,040	40	3.00%

Total Operating Expenses \$674,027 3,353

Total Net of Real Estate Taxes	674,027	3,353
Total Net of Real Estate Taxes and Misc Expenses	665,987	3,313

Notes:

Annual Contributions To Reserves	Per Unit Per Annum	Total Per Annum	Inflator
Replacement Reserve	350	70,350	3%
Operating Reserve	0	0	3%
Other Reserve (specify)	0	0	3%
Other Reserve (specify)	0	0	3%

Total Operating Expenses (including Annual Contributions to Reserves) Total 744,377 Per Unit 3,703

Cash Flow Contingent Fees, Expenses and Distributions	Amount	Annual Inflator	Accrue	Cap Amount	% Available Cash Flow
Investor Services Fee	4,000	3.0%	Yes		100%
Partnership Administration Fee	25,000	3.0%	Yes		100%
Tenant Services Fee	0	3.0%	Yes		100%
Priority Cash Flow Distribution to GP?					
Gross Income Allocation to GP					90%

Uses of Funds - Project Development Budget

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens Sources-Uses Surplus/(Gap): 0

9,159,321
734,673

Cost Item	3.392%	Residential		Tax Treatment of Assets		OK ?	Allocation of Depreciable Basis		Historic Credit Basis			
		Total	Cost Per Unit	Percent of Total	Depreciable		Non Depreciable	Amortized	Expensed	Residential	Commercial	Historic Eligible %
<p>A. ACQUISITION COSTS</p> <p>Notes: Appraised value of \$13,415,000, \$455,000 (3.39%) of which attributed to land. Land value of \$418,878 represents 3.39% of the purchase price.</p> <p>Total Cost Land/Build 12,350,000 % Land = 3.39% % Commercial = 0</p> <p>Purchase Price: Land 2,064 1.5% Buildings 59,359 42.1% Title Insurance, Recording, Closing Costs 418,878 Acquisition Legal Fees 11,931,122 Demolition: Razing of Buildings Holding Costs Other Acq (Specify)</p> <p>TOTAL ACQUISITION COSTS</p>												
		\$12,350,000	61,443	43.6%	11,931,122	418,878	11,931,122	11,931,122				
<p>B. CONSTRUCTION / REHABILITATION COSTS</p> <p>Site Work: Off-Site/Non-Depreciable Site Work: On-Site Improvements-15 Year Property</p> <p>Demolition: Interior</p> <p>New Construction: Residential</p> <p>Rehabilitation: Commercial</p> <p>Rehabilitation: Residential</p> <p>General Requirements</p> <p>Contractor Overhead</p> <p>Contractor Profit</p> <p>Payment & Performance Bond</p> <p>Appliances</p> <p>Furniture, Fixtures and Equipment</p> <p>Other Constr. (specify): Insurance</p> <p>Other Constr. (specify):</p> <p>Contractors Contingency</p> <p>Construction Contingency</p> <p>% of construction: 11.89%</p> <p>TOTAL CONSTRUCTION COSTS</p>												
		232,959	1,159	0.8%	232,959	-	232,959	232,959				
		6,042,400	30,062	21.3%	6,042,400	-	6,042,400	6,042,400				
		401,115	1,996	1.4%	401,115	-	401,115	401,115				
		534,820	2,661	1.9%	534,820	-	534,820	534,820				
		62,675	312	0.2%	62,675	-	62,675	62,675				
		409,890	2,039	1.4%	409,890	-	409,890	409,890				
		221,000	1,100	0.8%	221,000	-	221,000	221,000				
		80,223	399	0.3%	80,223	-	80,223	80,223				
		200,558	998	0.7%	200,558	-	200,558	200,558				
		973,680	4,844	3.4%	973,680	-	973,680	973,680				
		\$9,159,321	45,569	32.3%	9,159,321	-	9,159,321	9,159,321				
<p>C. PROFESSIONAL FEES & OTHER SOFT COSTS</p> <p>Architect Design</p> <p>Architect Supervision</p> <p>Engineering</p> <p>Geotechnical/Soils Engineering</p> <p>Environmental Site Assessment</p> <p>Survey (Boundary/Topo/As-Built)</p> <p>Building Permits</p> <p>Utility Tap Fees</p> <p>Impact Fees</p> <p>Hazard & Liability Insurance (Construction Period)</p> <p>Real Estate Taxes/ Fees</p> <p>Market Study</p> <p>Appraisal</p> <p>Accounting/Audit</p> <p>Cost Certification</p> <p>Legal Fees: Real Estate (Developer)</p> <p>Development Consultant Fees</p> <p>Construction Management Fees</p> <p>Developer Fees</p> <p>Developer Overhead</p> <p>Soft Cost Contingency</p> <p>Other Soft Cost (specify: Special & Construction Inspections)</p> <p>Other Soft Cost (specify)</p> <p>Other Soft Cost (specify)</p> <p>% of Construction \$ 2.2% % of Construction \$ 0.0%</p> <p>% of total less dev fee 14.70% % of total less dev fee 0.00% % of soft costs: 11.85%</p> <p>TOTAL PROFESSIONAL FEES & OTHER SOFT COSTS WITH HOME LOAN</p>												
		200,000	995	0.7%	200,000	-	200,000	200,000				
		57,000	284	0.2%	57,000	-	57,000	57,000				
		75,000	373	0.3%	75,000	-	75,000	75,000				
		0	-	-	0	-	0	0				
		50,000	249	0.2%	50,000	-	50,000	50,000				
		44,145	220	0.2%	44,145	-	44,145	44,145				
		15,500	77	0.1%	15,500	-	15,500	15,500				
		27,500	137	0.1%	27,500	-	27,500	27,500				
		130,000	647	0.5%	130,000	-	130,000	130,000				
		49,500	246	0.2%	49,500	-	49,500	49,500				
		75,000	373	0.3%	75,000	-	75,000	75,000				
		3,629,000	18,055	12.8%	3,629,000	0	3,629,000	3,629,000				
		91,331	454	0.3%	91,331	-	91,331	91,331				
		47,000	234	0.2%	47,000	-	47,000	47,000				
		\$4,490,976	22,343	15.9%	4,490,976	-	4,490,976	4,490,976				



Cost Item	3.392%	Residential		Tax Treatment of Assets		Allocation of Depreciable Basis		Historic Credit Basis				
		Total	Cost Per Unit	Percent of Total	Depreciable	Non Depreciable	Amortized	Expensed	Residential Acquisition	Commercial Acquisition	Residential Eligible %	Commercial Eligible %
D. FINANCING COSTS												
Construction Loan Only (CL)												
Loan Points/Fees: CL												
Loan Inspections: CL												
Loan Title & Recording: CL												
Loan Legal (Bank): CL												
Loan Interest: CL												
Other Loan Cost:												
Bridge/Interim Loan Costs												
Permanent Only or Construction/Perm (CL/PL)												
Loan Points/Fees: CL/PL												
Loan Inspections: CL/PL												
Loan Mortgage Insurance (MIP)												
Loan Title & Recording: CL/PL												
Loan Legal (Bank): CL/PL												
Loan Interest: CL/PL												
Loan Legal (Developer)												
Cost of Issuance (Bonds)												
FHA Fees												
Ginnie Mae Fees												
Letter of Credit Fees												
Credit Report												
Negative Arbitrage												
Other Loan Cost:												
Bond Underwriter												
Perm Loan Conversion Fee												
TOTAL FINANCING COSTS												
E. TAX CREDIT & SYNDICATION COSTS												
Tax Credit Application and Allocation Fees												
Tax Credit Monitoring Fees												
Legal/Organizational Fees (Developer)												
Legal Fees (Investor) % Amortized=>												
Tax Credit Consultant												
Other Syndication Costs:												
TOTAL TAX CREDIT & SYNDICATION COSTS												
F. START-UP COSTS, RESERVES & ESCROWS												
Leasing/Marketing Expenses												
Tenant Relocation (Basis Eligible)												
Tenant Relocation (Non Basis Eligible)												
Escrows & Prepaids												
Rent Up Reserve												
Operating Reserves (Capitalized)												
Replacement Reserve (Capitalized)												
Other Reserve: Section 8 Reserve												
Other Reserve:												
TOTAL START UP COSTS, RESERVES & ESCROWS												
TOTAL USES OF FUNDS												

REVISED


Calculation of Tax Credits

Project ID# 36537

2/1/17 12:19 PM

Project Name: Baltimore and Cleveland Gardens



LIHTC Rehab/New Construction Credits

Total Development Costs	28,319,869
Less:	
Acquisition Costs	12,350,000
Non Depreciable (non-acquisition)	395,000
Amortized	413,118
Expensed	522,252
Commercial	0
Eligible Rehab/N.C. Basis	14,639,499
Less:	
Historic Tax Credits (Residential)	0
Federal Grants	0
Other Ineligible Costs	
Net Eligible Rehab/N.C. Basis	14,639,499
Adjusted for:	
DDA/QCT Basis Boost	130.00%
Applicable Fraction	100.00%
Qualified Rehab/NC Basis	19,031,349
Tax Credit Rate	3.24%
Calculated Rehab/ NC Credit	616,616
Amount Projected/ Allocated	616,616
Annual Rehab/NC Tax Credit	\$616,616
Number of Years of Annual Credit:	10
Total Rehab/NC Credits	\$6,166,160
Unused Tax Credit Basis	0
Unused Tax Credits	0
Notes:	

LIHTC Acquisition Credits

Total Acquisition Costs	12,350,000
Less:	
Land	418,878
Federal Grants	0
Other Non-Eligible Costs	0
Eligible Acquisition Basis	11,931,122
Applicable Fraction	100.00%
Qualified Acquisition Basis	11,931,122
Tax Credit Rate	3.24%
Calculated Acquisition Credit	386,568
Amount Requested/Allocated	386,568
Annual Acquisition Tax Credit	\$386,568
Number of Years of Annual Credit:	10
Total Acquisition Credits	\$3,865,684
Unused Tax Credit Basis	0
Unused Tax Credits	0

NY, UT, MO, HI or GA State Low Income Credits

State of NY, UT, MO, HI or GA only	
Annual State Credit Amount	0
Number of Years of Annual Credit:	0
Total State Low Income Credits	0

Federal Historic Tax Credits

Total Costs Eligible for HTC		Not Eligible
Acquisition		0
Residential Rehab/ NC		0
Commercial Rehab/ NC		0
Federal Historic Tax Credit Basis		0
HTC Rate		20.0%
Historic Tax Credit Amt.	\$0	

State Historic Tax Credits

Total Costs Eligible for HTC		Not Eligible
Acquisition		0
Residential Rehab/ NC		0
Commercial Rehab/ NC		0
State Historic Tax Credit Basis		0
HTC Rate		0.0%
Calc. Historic Tax Credit Amt.	0	
Amount Requested/Allocated	0	
Annual Historic Tax Credit	0	

CA State Low Income Credits only

State of CA only	
Calculated State Credit Amount	0
State Credits Allocated	0
Total CA Low Income Credits	0

Sources of Funds - Limited Partner Equity

Project ID# 36537

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Project Name: Baltimore and Cleveland Gardens

Sources-Uses Surplus/(Gap): 0

Limited Partner Capital Contributions

	Total Credits	Credit Price (Cents/\$)	Total LPEquity
LIHTC Acquisition Credits	3,865,684		3,829,000
LIHTC Rehab/New Construction Credit	6,186,160		2,674,263
Total LIHTC Credits	10,051,844	\$1.150	\$11,536,620
Federal Historic Tax Credits	0		\$0
State Historic Tax Credits	0		\$0
State Low-Income Housing Tax Credits	0		\$0
Other Credits	0		\$0
Total Limited Partner Equity	Round Total Equity To:	0	\$11,536,620

Timing Assumptions

	DATE
Partnership Closing Date	February 3, 2017
Acquisition Placed in Service Date	February 3, 2017
Construction Start Date	February 3, 2017
Date First Building Placed in Service	March 31, 2017
Construction Completion Date	December 31, 2017
Qualified Occupancy (100% of Tax Credit Unit)	December 31, 2017
Permanent Finance Start Date	May 1, 2018
Months during Construction	11.0
Months during Lease Up	13.0

Developer Fee

Total Development Fee (and Overhead) Amt.	3,629,000
Less: Development Fee Pd from Equity	2,674,263
Development Fee Deferred and Paid From CF	954,737
Percentage of Deferred Fee to Total	26.3%

Notes:

Copy Cell:

Allocation of LP Capital Contributions

Payment	Project Milestone	Date	Developer Fee and Overhead			Lease Up Reserve			Operating Reserve			Replacement Reserve			Other Reserve			Total	% Dev Fee Cumulative
			Project Costs	Overhead	Legal	Developer	Fee and Overhead	Legal	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve	Reserve		
1	Admission	02/03/17	1,487,152	238,000	0	0	0	395,000	0	0	0	0	0	0	0	0	0	1,487,152	7.86%
2	Part 58 receipt / HOME loan funding	02/03/17	238,000	238,000	0	0	0	0	0	0	0	0	0	0	0	0	0	238,000	8.90%
3	Completion	01/01/18	1,500,332	1,500,332	0	0	0	0	0	0	0	0	0	0	0	0	1,500,332	56.10%	
4	Qualified Occupancy	04/01/18	4,614,648	0	0	0	0	204,515	0	0	0	0	0	0	0	0	4,614,648	0.00%	
5	Stabilization	04/01/18	3,324,553	544,350	0	0	0	190,485	0	0	0	0	0	0	0	0	3,324,553	20.36%	
6	8609's/1ax return	07/01/18	371,935	181,450	0	0	0	0	0	0	0	0	0	0	0	0	371,935	6.79%	
7																			100.00%
8																			100.00%
9																			100.00%
10																			100.00%
11																			100.00%
12																			100.00%
13																			100.00%
14																			100.00%
15																			100.00%
TOTAL			\$11,536,620	\$0	\$0	\$0	\$0	\$395,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,536,620	100.00%	

Construction Payments Schedule

Payment	Date	Amount	Cumulative	Percent
First	01/00/00	0	0	0.00%
Second	01/31/00	0	0	0.00%
Third	02/28/00	0	0	0.00%
Fourth	03/28/00	0	0	0.00%
Fifth	04/28/00	0	0	0.00%
Sixth	05/28/00	0	0	0.00%
Seventh	06/28/00	0	0	0.00%
Eighth	07/28/00	0	0	0.00%
Ninth	08/28/00	0	0	0.00%
Tenth	09/28/00	0	0	0.00%
Eleventh	10/28/00	0	0	0.00%
Twelfth	11/28/00	0	0	0.00%
Thirteenth	12/28/00	0	0	0.00%
Fourteenth	01/28/01	0	0	0.00%
Fifteenth	02/28/01	0	0	0.00%
Sixteenth	03/28/01	0	0	0.00%
Seventeenth	04/28/01	0	0	0.00%
Eighteenth	05/28/01	0	0	0.00%
Nineteenth	06/28/01	0	0	0.00%
Twentieth	07/28/01	0	0	0.00%
Twenty-one	08/28/01	0	0	0.00%
Twenty-two	09/28/01	0	0	0.00%
Twenty-three	10/28/01	0	0	0.00%
Twenty-four	11/28/01	0	0	0.00%
Total		0	0	0.00%

Quarterly Pay-in Schedule

Year	Quarter	Amount
2017	1	1,725,152
	2	0
	3	0
	4	0
2018	1	1,500,332
	2	7,939,201
	3	371,935
	4	0
2019	1	0
	2	0
	3	0
	4	0
2020	1	0
	2	0
	3	0
	4	0
2021	1	0
	2	0
	3	0
	4	0
2022	1	0
	2	0
	3	0
	4	0
Total		11,536,620

Quarterly Pay-in Schedule

Year	Quarter	Amount
2023	1	0
	2	0
	3	0
	4	0
2024	1	0
	2	0
	3	0
	4	0
2025	1	0
	2	0
	3	0
	4	0
2026	1	0
	2	0
	3	0
	4	0
2027	1	0
	2	0
	3	0
	4	0
2028	1	0
	2	0
	3	0
	4	0
Total		0

Quarterly Pay-in Schedule

Quarter	Amount
2029	0
2030	0
2031	0
2032	0
2033	0
2034	0
Total	0



Project Name: Baltimore and Cleveland Gardens

Sources-Uses Surplus/(Gap): 0 BWE¹

Project Loan Information:

Important:
Enter Loans in Lien Priority at Sale

Lender Name: Citibank
Financing Source: Bank/Conventor
Loan Amount: 13,569,000
Interest Rate: 5.0100%

Mortgage Insurance Premium
Fixed or Variable: Fixed
Term (Years): 17
Amortization: 35

Loan Type: Conventional Must pay
Fully Amortizing

Loan Repayment Type: Contingent
Loan First Payment Date: 5/1/2018

No. of Months in First Year: 8
Monthly Payment: 68,568

Annual Payment: 822,812
MIP Payment (1st Year): 0

Non-Recourse Loan?: No
Related Party Loan?: No

Federal Loan: No
Loan Restrictions: No

*Bellwether Enterprise Real Estate Capital, LLC



859,763
26.3% DDF

Notes:	LOAN 1	LOAN 2	LOAN 3	LOAN 4	LOAN 5	LOAN 6	LOAN 7	LOAN 8
	Citibank Bank/Conventor	Seller's Note Other	Las Vegas HOME HOME	DDF Other				
	13,569,000 5.0100%	1,000,000 4.43%	500,000 0.00%	954,737 6.50%				
	Fixed 17 35	Fixed 17 17	Fixed 30 30	Fixed 15 15	Fixed	Fixed	Fixed	Fixed
	Conventional Must pay Fully Amortizing	Contingent Cash Flow Contingent	Contingent Cash Flow Contingent	Deferred Develop. Fee Cash Flow Contingent				
	5/1/2018	5/1/2018	5/1/2018	12/31/2017	5/1/2018	5/1/2018	5/1/2018	5/1/2018
	8	8	8	1	8	8	8	8
	68,568	0	0	0	0	0	0	0
	822,812	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	Non-Recourse	Non-Recourse	Non-Recourse	Recourse	Non-Recourse	Non-Recourse	Non-Recourse	Non-Recourse
	Non-Related Party	Non-Related Party	Non-Related Party	Related Party	Non-Related Party	Non-Related Party	Non-Related Party	Non-Related Party
	No	No	No	No	No	No	No	No

CASH FLOW CONTINGENT LOAN OPTIONS (DO NOT COMPLETE CELLS BELOW FOR LOANS THAT ARE "MUST-PAY")

Percent of Cash Flow Available:	100.00%	25.00%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Interest Rate Paid (if different)	5.01%	4.43%	0.00%	6.50%	0.00%	0.00%	0.00%	0.00%
Interest-Only or P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I	P&I
Compound Interest-See Eff. Int. Calc. for Simple Int.	Compound	Compound	Compound	Compound	Compound	Compound	Compound	Compound
Fixed Payment:								
Accrued Interest During Construction:								
Comments:								

Construction Loan Information

Loan Maturity Due Date	5/1/2035	5/1/2035	4/30/2048	12/30/2032
Construction Loan #1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lender Name:	Citibank	Citibank		
Loan Amount:	13,569,000	7,546,000		
Interest Rate:	5.01%	4.06%		
Rate is based on: (Libor + X bps, etc.)	24	1-month LIBOR +2%		
Term (Months)		30		
Construction Loan Payoff Date (per draw schedule)		5/1/2018		
Maturity Date (per loan documents)		8/1/2019		
Allowable Extensions (in months)		6.0		
Construction Loan #4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lender Name:				
Loan Amount:				
Interest Rate:				
Term				

Maximum Loan Calculator

FIRST MORTGAGE	
Net Operating Income =	947,292
Required DSCR =	1.15
Loan Interest Rate:	7%
Loan Amortization:	30
Max. Annual Payment	823,732
Max. Monthly Payment	68,644
Loan Amount:	10,317,766
SECOND MORTGAGE	
Required DSCR =	1.10
Loan Interest Rate:	1%
Loan Term:	30
Max. Annual Payment	37,442
Max. Monthly Payment	3,120
Loan Amount:	970,092

Sources and Uses Summary

Project ID# 36537

2/1/17 12:19 PM



Project Name: Baltimore and Cleveland Gardens

Permanent Loan Sources

Lender Name	Int. rate	Term	Amortization	Amount	Amount/Unit	% of Total Dev Cost
Citibank	5.01%	17	35	13,569,000	67,507	48%
Seller's Note	4.43%	17	17	1,000,000	4,975	4%
Las Vegas HOME	0.00%	30	30	500,000	2,488	2%
DDF	6.50%	15	15	954,737	4,750	3%
					0	
					0	
					0	
					0	

LIMITED PARTNER EQUITY

				11,536,620	57,396	41%
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Notes:

Other Sources

	Financing Source	Amount	
NOI During Construction	Other	759,412	3%
GP Capital Contribution		100	0%
		0	
		0	
		0	
		0	
		0	
		0	
		0	

TOTAL SOURCES OF FUNDS:

	28,319,869	140,895	26,730,992
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TOTAL USES OF FUNDS:

	28,319,869	140,895	28,293,421
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FUNDING SURPLUS/<GAP>

Baltimore and Cleveland Gardens REVISED FINAL WITH HOME LOAN S&USum	0	0	(1,562,429)
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TC Yr #	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
102%	1,459,938	1,804,017	1,840,097	1,876,899	1,914,437	1,952,726	1,991,780	2,031,616	2,072,248	2,113,693	2,155,967	2,199,087	2,243,068	2,287,930	2,333,688	2,380,362	0	0
102%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103%	1,459,938	1,804,017	1,840,097	1,876,899	1,914,437	1,952,726	1,991,780	2,031,616	2,072,248	2,113,693	2,155,967	2,199,087	2,243,068	2,287,930	2,333,688	2,380,362	0	0
5.00%	11,055	12,301	12,547	12,798	13,054	13,315	13,582	13,853	14,130	14,413	14,701	14,995	15,295	15,601	15,913	16,231	0	0
102%	73,550	90,816	92,632	94,485	96,375	98,302	100,266	102,273	104,319	106,405	108,533	110,704	112,918	115,177	117,480	119,830	0	0
20.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
103%	1,387,443	1,725,502	1,760,012	1,795,212	1,831,117	1,867,739	1,905,094	1,943,196	1,982,060	2,021,701	2,062,135	2,103,378	2,145,445	2,188,354	2,232,121	2,276,763	0	0

EXPENSES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Inflator	7,792	8,755	9,018	9,289	9,568	9,855	10,151	10,456	10,770	11,093	11,426	11,769	12,122	12,486	12,861	13,247	0	0
Professional Fees	159,150	178,827	184,192	189,718	195,410	201,272	207,310	213,529	219,935	226,533	233,329	240,329	247,539	254,965	262,614	270,492	0	0
Administrative Expenses	98,633	110,828	114,153	117,578	121,105	124,738	128,480	132,334	136,304	140,393	144,605	148,943	153,411	158,013	162,753	167,636	0	0
Total Utilities	243,149	273,211	281,407	289,849	298,544	307,500	316,725	326,227	336,014	346,094	356,477	367,171	378,186	389,532	401,218	413,255	0	0
Total Repairs and Maint.	35,960	40,294	41,503	42,748	44,030	45,351	46,712	48,113	49,556	51,043	52,574	54,151	55,776	57,449	59,172	60,947	0	0
Total Other Taxes and Insurance	69,872	73,334	74,801	76,297	77,822	79,379	80,966	82,586	84,238	85,922	87,641	89,394	91,181	93,005	94,865	96,762	0	0
Total Property Management Fee	7,370	8,281	8,529	8,785	9,049	9,320	9,600	9,888	10,185	10,491	10,806	11,130	11,464	11,808	12,162	12,527	0	0
Other Miscellaneous Expenses	621,826	693,530	713,603	734,264	755,528	777,415	799,944	823,133	847,002	871,569	896,858	922,887	949,679	977,258	1,005,645	1,034,866	0	0
Property Management Fee as a % of EGI	5.0%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	0.0%	0.0%
NET OPERATING INCOME	775,617	1,031,972	1,046,410	1,060,949	1,075,588	1,090,324	1,105,149	1,120,063	1,135,058	1,150,132	1,165,277	1,180,491	1,195,766	1,211,096	1,226,476	1,241,897	0	0
Scheduled Additions to Residential Replacement Reserve	0	48,307	74,634	76,873	79,180	81,555	84,002	86,522	89,117	91,792	94,547	97,381	100,294	103,285	106,357	109,509	0	0
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI During Construction	759,412	1,177,689	1,221,014	1,257,821	1,296,334	1,336,579	1,378,571	1,422,335	1,467,895	1,515,271	1,564,489	1,615,570	1,668,634	1,723,791	1,781,050	1,840,519	0	0
NOI Adjusted For Reserves	686,297	1,199,382	1,242,648	1,279,948	1,318,389	1,358,034	1,398,901	1,440,013	1,482,391	1,526,058	1,571,035	1,617,344	1,665,007	1,714,046	1,764,481	1,816,320	0	0
ECR	225	233	223	221	219	217	216	214	212	195	193	191	188	186	185	185	0	0

DEBT SERVICE AND CASH FLOW FEES	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Loan 1 - Perm Loan	0	548,541	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812	822,812
Debt Service Coverage Ratio	1.47	1.18	1.20	1.21	1.23	1.24	1.26	1.27	1.28	1.30	1.31	1.33	1.34	1.36	1.37	1.39	1.40	1.42
Investor Services Fee	3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376	5,537	5,703	5,874	6,050	6,232	0	0
Loan 2 - Seller's Note	0	63,326	36,180	39,223	42,274	45,330	48,390	51,453	54,516	57,586	60,662	63,744	66,834	70,000	73,240	76,554	80,000	83,600
Debt Service Coverage Ratio	1.31	1.13	1.14	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.28	1.29
Loan 4 - DDF	190,238	189,979	108,540	117,670	126,821	135,990	145,170	154,358	25,170	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18	1.18
Loan 3 - Las Vegas HOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Administration Fee	0	0	0	0	0	0	0	0	161,030	117,207	39,875	34,606	35,644	36,713	37,815	38,949	0	0
Gross Income Allocation to GP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GP Capital	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Net Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Fees as % Effective Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Self Management (Y/N)?	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
DISPOSITION OF POSITIVE NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
to Limited Partner:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
to General Partner	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENT AND DISTRIBUTION OF RESERVES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LEASE-UP RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contribution of Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Baltimore and Cleveland Gardens REVISED FINAL WITH HOME LOAN	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

REVISED

2/11/17 12:19 PM

Project ID# 36537

88

58,752 705,024

R/R Deposits reset to

BASE R/R

825

850

0

TC Yr #	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034

Project Name: Baltimore and Cleveland Gardens

Lease-Up Period Deficit

Guarantor Contribution

Lease-Up Reserve Balance

OPERATING RESERVE

Capitalized Contributions from Equity

Scheduled Additions to Operating Reserve

Cash flow to/from Operating Reserve

Interest on Operating Reserve

Operating Reserve Balance

REPLACEMENT RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Replacement Reserve

Expenditures from Replacement Reserve

Interest on Replacement Reserve

Replacement Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

REPLACEMENT RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Replacement Reserve

Expenditures from Replacement Reserve

Interest on Replacement Reserve

Replacement Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

REPLACEMENT RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Replacement Reserve

Expenditures from Replacement Reserve

Interest on Replacement Reserve

Replacement Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance

REPLACEMENT RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Replacement Reserve

Expenditures from Replacement Reserve

Interest on Replacement Reserve

Replacement Reserve Balance

OTHER RESERVE

Capitalized Contribution from Equity

Scheduled Additions to Reserve

Expenditures from Reserve

Interest on Reserve

Reserve Balance



Depreciation, Amortization and Tax Credits

Table with columns: Project Name, Start Month, Term, Amount, and years 2017-2034. Includes sub-sections for Furniture, Fixtures, Equipment, Appliances, etc.

CUMULATIVE DEPRECIATION table with columns: Year, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, Total.

AMORTIZATION SCHEDULE table with columns: Description, Amortize over (yrs), Amt, and years 2017-2034. Includes Loan Points/Fees, Loan Inspections, etc.

TAX CREDIT SCHEDULE table with columns: Term, Rate, Allocations, and years 2017-2034. Includes Federal Acquisition Tax Credits, etc.

EXPENSES DURING CONSTRUCTION table with columns: Description, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, Total.

TOTAL table with columns: Description, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, Total.

Project Name:
 Baltimore and Cleveland Gardens

TAXABLE INCOME

NET OPERATING INCOME	775,617	1,031,972	1,046,410	1,080,949	1,075,588	1,090,324	1,105,149	1,120,063	1,135,058	1,150,132	1,165,277	1,180,491	1,195,766	1,211,066	1,226,476	0	0	0
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REVISED

Deductions

Interest Paid	5,171	531,388	748,829	739,522	729,145	715,445	699,135	681,158	661,415	647,190	638,687	627,857	615,616	602,638	588,880	0	0	0
Interest Accrued	0	0	6,662	3,914	1,038	0	0	0	0	3,076	709	0	0	0	0	0	0	0
Mortgage Insurance Premium	1,336,197	1,090,843	1,026,642	987,617	1,006,567	989,389	947,658	963,216	977,254	966,424	1,003,432	1,080,849	1,058,778	1,008,346	1,133,740	0	0	0
Depreciation (from Schedule)	335,398	212,858	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	25,169	0	0	0
Amortization and Expense (from Schedule)	3,667	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,216	5,376	5,537	5,703	5,874	6,050	0	0	0
Investor Services Fee	22,917	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	0	0	0
Partnership Administration Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tenant Services Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,703,350	1,864,959	1,837,869	1,787,912	1,794,558	1,763,622	1,706,590	1,705,210	1,700,575	1,689,698	1,706,970	1,774,018	1,740,910	1,678,741	1,791,664	0	0	0

Total Taxable Income

(927,733)	(832,986)	(782,594)	(716,427)	(706,686)	(661,218)	(587,488)	(569,235)	(549,893)	(501,848)	(520,304)	(574,476)	(526,229)	(444,727)	(538,666)	0	0	0	0
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Effect of Gross Income Allocation to GP

Gross Income Allocation to GP (GIA)	0	0	0	0	0	0	0	0	0	0	76,358	87,802	93,504	99,105	104,596	0	0	0
Allocable Income/Loss (adjusted for GIA)	(927,733)	(832,986)	(782,594)	(716,427)	(706,686)	(661,218)	(587,488)	(569,235)	(549,893)	(501,848)	(596,662)	(662,278)	(619,732)	(543,831)	(643,262)	0	0	0

Allocation of Income/Loss to GP

GP Share of GIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Share Allocable Income/Loss	(83)	(83)	(78)	(72)	(71)	(66)	(59)	(57)	(55)	(50)	(60)	(66)	(62)	(54)	(64)	0	0	0
Reallocated Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Total Income/Loss	(83)	(83)	(78)	(72)	(71)	(66)	(59)	(57)	(55)	(50)	(60)	(66)	(62)	(54)	(64)	0	0	0

Allocation of Income/Loss to LP

LP Share Allocable Income/Loss	(832,903)	(832,903)	(782,515)	(716,355)	(706,615)	(661,152)	(587,429)	(569,178)	(549,838)	(501,798)	(596,603)	(662,212)	(619,670)	(543,777)	(643,198)	0	0	0
Reallocated to GP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Allocation of Income/Loss to LP	(832,903)	(832,903)	(782,515)	(716,355)	(706,615)	(661,152)	(587,429)	(569,178)	(549,838)	(501,798)	(596,603)	(662,212)	(619,670)	(543,777)	(643,198)	0	0	0

Check Credit Allowable

100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	0%	0%	0%
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L.P. Capital Account Analysis

Net Investment	0	1,725,152	9,811,468	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<less> Historic and Energy Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<less> Cash Distributed to LP	(51,258)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<less> Syndication Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<less> Net Allocation to Income/Loss to LP	(9,800,883)	(832,903)	(782,515)	(716,355)	(706,615)	(661,152)	(587,429)	(569,178)	(549,838)	(501,798)	(596,603)	(662,212)	(619,670)	(543,777)	(643,198)	0	0	0
Capital Account Balance	797,512	9,778,077	8,993,562	8,277,207	7,570,592	6,909,440	6,322,011	5,752,833	5,202,995	4,701,197	4,086,111	3,424,144	2,794,085	2,239,298	1,584,479	0	0	0

L.P. SHARE OF TAX BENEFITS

From Tax Losses	324,674	291,516	273,980	250,724	247,315	231,403	205,600	199,212	192,443	175,629	217,284	241,529	227,273	201,332	236,740	0	0	0
Tax Benefits @ 35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	0	0	0

Tax Credits

Federal Acquisition Tax Credits (4%)	262,013	386,529	386,529	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	386,530	0	0	0
Federal Constr/Rehab Credits (9% or 4%)	417,938	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	616,554	0	0	0
Fed Historic Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Low Income Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Historic Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tax Credits	679,951	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	1,003,084	0	0	0

Total Tax Benefits from Credits and Losses

1,004,625	1,294,600	1,276,964	1,253,808	1,250,399	1,234,487	1,202,296	1,195,527	1,178,713	1,178,713	1,178,713	1,178,713	1,178,713	1,178,713	1,178,713	1,178,713	0	0	0
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Temporary DRO

0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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Project Investment

0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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NET BENEFIT

0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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Project Quarterly IRR:

4.35%

Baltimore and Cleveland Gardens REVISED FINAL WITH HOME LOAN

TaxInc



Project Name: Baltimore and Cleveland Gardens

Sales Price (computed below)		Disposition at \$1 over Mortgage Balance	12,202,460
<less> Outstanding Debt (detail below)			12,202,459
Net Sale Proceeds		\$	1.00
Commission on Sale	3.00%		
<less> Return of Investor Capital			
<less> Priority to Investor to Pay Taxes			
Priority Return to Other Partners			
Net Amount Available for Distribution	99.99%		
Balance to Investors			
Total to Investors			0

CALCULATION OF INVESTOR'S SHARE OF TAX CONSEQUENCES

Original Investment <less syndication>	11,536,620
Cumulative Tax Losses (Income)	(9,900,883)
Cash Distributed to Investor	(51,258)
Historic and Energy Tax Credit	0
Capital Acct. Balance	1,584,479
<less> Investor Share of Distribution on Sale	
Investor Gain on Sale	(1,584,480)
Investor Tax Upon Sale	(554,568)

Outstanding Debt	Original Principal	Accrued Interest/ (Principal Pmts)	Ending Balance
Citibank	13,569,000	(2,798,303)	10,770,697
Seller's Note	1,000,000	(68,238)	931,762
Las Vegas HOME	500,000	0	500,000
DDF	954,737	(954,737)	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Investor Services Fee	74,062	(74,062)	0
Partnership Administration Fee	462,890	(462,890)	0
Total Debt	16,560,689	(4,358,230)	12,202,459
Total Debt/Unit			60,709

Sale at \$1.00 over Mortgage Amount	
Total Debt	12,202,459
Plus \$1.00	1.00
Sale Price	12,202,460

Project Name: Baltimore and Cleveland Gardens

ASSETS	
Land & Non-Depr. Land Items	418,878
Depreciable Assets	26,570,621
Assets	26,989,499
L.P. Percentage	99.99%

LOAN BALANCES (lien priority)

Year	Citibank	Seller's Note	Las Vegas HOME	DDF	None	None	None	Total Non-Depreciable Assets
2017	13,569,000	1,000,000	500,000	0	0	0	0	14,069,000
2018	13,472,259	966,233	500,000	0	0	0	0	14,938,492
2019	13,320,965	972,896	500,000	0	0	0	0	14,793,861
2020	13,161,914	976,810	500,000	0	0	0	0	14,638,724
2021	12,994,710	977,848	500,000	0	0	0	0	14,472,557
2022	12,818,933	975,875	500,000	0	0	0	0	14,294,808
2023	12,634,145	970,755	500,000	0	0	0	0	14,104,900
2024	12,439,884	962,345	500,000	0	0	0	0	13,902,229
2025	12,235,663	950,499	500,000	0	0	0	0	13,686,162
2026	12,020,973	953,575	500,000	0	0	0	0	13,474,548
2027	11,795,276	954,284	500,000	0	0	0	0	13,249,560
2028	11,558,009	952,541	500,000	0	0	0	0	13,010,550
2029	11,308,578	948,264	500,000	0	0	0	0	12,756,842
2030	11,046,359	941,367	500,000	0	0	0	0	12,487,726
2031	10,770,697	931,762	500,000	0	0	0	0	12,202,459
2032	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0

Non Recourse Debt/Loan Characteristics (1=Yes)

Loan Program	Principal	Related Party Loan	Oper Def.
Loan 1 - Citibank	13,569,000	0	0
Loan 2 - Seller's Note	1,000,000	0	0
Loan 3 - Las Vegas HOME	500,000	0	0
Loan 4 - DDF	0	1	0
Loan 5 -	0	0	0
Loan 6 -	0	0	0
Loan 7 -	0	0	0
Loan 8 -	0	0	0
Total	15,069,000	0	0

MINIMUM GAIN CALCULATION

Year	Original Net Assets	Cumulative Additional Assets	Replacement Reserve Balance	Lender Reserve Balance	UW Enters	Include OR?		Accum. Depreciation	Cumulative Hist. Credit	Net Assets	Minimum Gain	Change in Min. Gain
						Yes	Include Other Reserves?					
2017	26,989,499	0	0	0	0			(1,336,197)	0	25,653,302	0	0
2018	26,989,499	0	48,307	395,000	0			(2,427,040)	0	25,005,766	0	0
2019	26,989,499	0	123,907	402,900	0			(3,453,682)	0	24,062,624	0	0
2020	26,989,499	0	203,259	410,958	0			(4,441,300)	0	23,162,416	0	0
2021	26,989,499	101,690	184,814	419,177	0			(5,447,867)	0	22,247,312	0	0
2022	26,989,499	101,690	270,065	427,561	0			(6,437,256)	0	21,351,558	0	0
2023	26,989,499	101,690	369,468	436,112	0			(7,384,914)	0	20,501,854	0	0
2024	26,989,499	218,528	336,341	444,834	0			(8,348,130)	0	19,641,072	0	0
2025	26,989,499	218,528	432,185	453,731	0			(9,325,384)	0	18,768,558	0	0
2026	26,989,499	218,528	606,654	462,805	0			(10,281,808)	0	17,995,678	0	0
2027	26,989,499	527,629	480,486	472,062	0			(11,285,240)	0	17,184,435	0	0
2028	26,989,499	729,346	464,302	481,503	0			(12,366,089)	0	16,298,560	0	0
2029	26,989,499	729,346	654,789	491,133	0			(13,424,867)	0	15,439,900	0	0
2030	26,989,499	758,717	825,152	500,956	0			(14,433,213)	0	14,641,110	0	0
2031	26,989,499	1,445,432	347,176	510,975	0			(15,566,953)	0	13,726,129	0	0
2032	0	0	0	0	0			0	0	0	0	0
2033	0	0	0	0	0			0	0	0	0	0
2034	0	0	0	0	0			0	0	0	0	0

REALLOCATION - 704B POTENTIAL LOSS REALLOCATION DUE TO 704(b)

Year	L.P. Contribution	Historic Energy Credit	Syndication Costs	Cash Distributions	Capital Account End of Yr	Re-Allocation due to Related NR	Potential L.P. Losses	CarryOver Capital or Minimum Gain	Change in Minimum Gain (True N.R.)	Maximum Loss Allocation	Losses Allocated to L.P.	Potential Reallocation to G.P.	Deficit Restoration or Equivalent	Actual Reallocation to G.P.
2017	1,725,152	0	0	0	97,512	(927,640)	(927,640)	0	0	1,725,152	(927,640)	0	0	0
2018	9,811,468	0	0	0	9,776,077	(832,903)	(832,903)	797,512	0	10,608,980	(832,903)	0	0	0
2019	0	0	0	0	8,993,562	(782,515)	(782,515)	9,776,077	0	9,776,077	(782,515)	0	0	0
2020	0	0	0	0	8,277,207	(716,355)	(716,355)	8,993,562	0	8,993,562	(716,355)	0	0	0
2021	0	0	0	0	7,570,592	(706,615)	(706,615)	8,277,207	0	8,277,207	(706,615)	0	0	0
2022	0	0	0	0	6,909,440	(661,152)	(661,152)	7,570,592	0	7,570,592	(661,152)	0	0	0
2023	0	0	0	0	6,322,011	(587,429)	(587,429)	6,909,440	0	6,909,440	(587,429)	0	0	0
2024	0	0	0	0	5,752,833	(569,178)	(569,178)	6,322,011	0	6,322,011	(569,178)	0	0	0
2025	0	0	0	0	5,202,995	(549,838)	(549,838)	5,752,833	0	5,752,833	(549,838)	0	0	0
2026	0	0	0	0	4,701,197	(501,798)	(501,798)	5,202,995	0	5,202,995	(501,798)	0	0	0
2027	0	0	0	(8,483)	4,096,111	(596,603)	(596,603)	4,701,197	0	4,692,714	(596,603)	0	0	0
2028	0	0	0	(9,755)	3,424,144	(662,212)	(662,212)	4,096,111	0	4,086,356	(662,212)	0	0	0
2029	0	0	0	(10,388)	2,794,085	(619,670)	(619,670)	3,424,144	0	3,413,755	(619,670)	0	0	0
2030	0	0	0	(11,011)	2,239,298	(543,777)	(543,777)	2,794,085	0	2,783,075	(543,777)	0	0	0
2031	0	0	0	(11,621)	1,584,479	(643,198)	(643,198)	2,239,298	0	2,227,677	(643,198)	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0



ALLOCATION OF NET ASSETS

Loan Name	Year	Citibank			Seller's Note			Las Vegas HOME		
		Total Net Assets	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain
	2017	25,653,302	13,569,000	0	1,000,000	0	500,000	500,000	0	
	2018	25,005,766	13,472,259	0	966,233	0	500,000	500,000	0	
	2019	24,062,624	13,320,965	0	972,896	0	500,000	500,000	0	
	2020	23,162,416	13,161,914	0	976,810	0	500,000	500,000	0	
	2021	22,247,312	12,994,710	0	977,848	0	500,000	500,000	0	
	2022	21,351,558	12,818,933	0	975,875	0	500,000	500,000	0	
	2023	20,501,854	12,634,145	0	970,755	0	500,000	500,000	0	
	2024	19,641,072	12,439,884	0	962,345	0	500,000	500,000	0	
	2025	18,768,558	12,235,663	0	950,489	0	500,000	500,000	0	
	2026	17,995,678	12,020,973	0	953,575	0	500,000	500,000	0	
	2027	17,184,435	11,795,276	0	954,284	0	500,000	500,000	0	
	2028	16,298,560	11,558,009	0	952,541	0	500,000	500,000	0	
	2029	15,439,900	11,308,578	0	948,264	0	500,000	500,000	0	
	2030	14,641,110	11,046,359	0	941,367	0	500,000	500,000	0	
	2031	13,726,129	10,770,697	0	931,762	0	500,000	500,000	0	
	2032	0	0	0	0	0	0	0	0	
	2033	0	0	0	0	0	0	0	0	
	2034	0	0	0	0	0	0	0	0	

ALLOCATION OF NET ASSETS

Loan Name	Year	DDF			None			None		
		Remaining Net Assets	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain
	2017	10,584,302	0	0	0	0	0	0	0	
	2018	10,067,274	0	0	0	0	0	0	0	
	2019	9,268,764	0	0	0	0	0	0	0	
	2020	8,523,692	0	0	0	0	0	0	0	
	2021	7,774,755	0	0	0	0	0	0	0	
	2022	7,056,751	0	0	0	0	0	0	0	
	2023	6,396,955	0	0	0	0	0	0	0	
	2024	5,738,843	0	0	0	0	0	0	0	
	2025	5,082,396	0	0	0	0	0	0	0	
	2026	4,521,130	0	0	0	0	0	0	0	
	2027	3,934,875	0	0	0	0	0	0	0	
	2028	3,288,010	0	0	0	0	0	0	0	
	2029	2,683,058	0	0	0	0	0	0	0	
	2030	2,153,384	0	0	0	0	0	0	0	
	2031	1,523,669	0	0	0	0	0	0	0	
	2032	0	0	0	0	0	0	0	0	
	2033	0	0	0	0	0	0	0	0	
	2034	0	0	0	0	0	0	0	0	

ALLOCATION OF NET ASSETS

Loan Name	Year	None			None			None			Change in Unrelated Minimum Gain
		Remaining Net Assets	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Loan Balance	Unrelated Minimum Gain	Year		
	2017	10,584,302	0	0	0	0	0	0	2017	0	
	2018	10,067,274	0	0	0	0	0	0	2018	0	
	2019	9,268,764	0	0	0	0	0	0	2019	0	
	2020	8,523,692	0	0	0	0	0	0	2020	0	
	2021	7,774,755	0	0	0	0	0	0	2021	0	
	2022	7,056,751	0	0	0	0	0	0	2022	0	
	2023	6,396,955	0	0	0	0	0	0	2023	0	
	2024	5,738,843	0	0	0	0	0	0	2024	0	
	2025	5,082,396	0	0	0	0	0	0	2025	0	
	2026	4,521,130	0	0	0	0	0	0	2026	0	
	2027	3,934,875	0	0	0	0	0	0	2027	0	
	2028	3,288,010	0	0	0	0	0	0	2028	0	
	2029	2,683,058	0	0	0	0	0	0	2029	0	
	2030	2,153,384	0	0	0	0	0	0	2030	0	
	2031	1,523,669	0	0	0	0	0	0	2031	0	
	2032	0	0	0	0	0	0	0	2032	0	
	2033	0	0	0	0	0	0	0	2033	0	
	2034	0	0	0	0	0	0	0	2034	0	

REVISED
mc

50% Test

Project Name: Baltimore and Cleveland Gardens

Rule:

Bond proceeds must finance at least 50% of depreciable basis plus land.
The 50% test must be met sometime between construction completion but before end of first credit year.

Sources tab:

Bond amount	21,146,000
Additions/Subtractions to Bond amount for purposes of 50% test	
Additions/Subtractions to Bond amount for purposes of 50% test	
Additions/Subtractions to Bond amount for purposes of 50% test	
Total Bond financing:	21,146,000

21,140,000

Uses tab:

Land and Related Non-Depreciable Costs	418,878
Depreciable assets	26,570,621
Total:	26,989,499

Bond as a % of costs

78.3%

Passes 50% test **PASS**

Maximum amount of aggregate basis
Cushion

42,292,000
15,302,501

REVISED

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Residual Analysis

Notes:

Baltimore and Cleveland Gardens

Table with columns for Year (1-30), Real Estate, and various financial metrics including Rental Income, Expenses, Net Operating Income, and Total Expenditures.

Cap Rate: 6.00%
Gill Group Appraisal
Appraisal Date: 9/30/2016
Total Market Value: 13,101,626
Total Outstanding Debt (incl'g ISF, PMF & TSF): 15,269,934

Table with columns for Operating Reserve, Other Reserve, and Total Reserve Balances Prior to Real Resv, including detailed breakdowns of contributions and expenses.



2/17/12 12:19 PM

Residual Analysis

Project Name:

Baltimore

Table with columns for Term of Income Restrictions, Rental Income, Gross Potential Rental Income, Total Operating Income, NOI, and various reserve balances. Includes sub-sections for EXPENDITURES, OPERATING RESERVE, and REPLACEMENT RESERVE.

Table with columns for OPERATING RESERVE, REPLACEMENT RESERVE, and TOTAL RESERVE BALANCES PRIOR TO F. Includes sub-sections for Capitalized Contribution from Equity and Scheduled Additions to Reserve.



Term of Income Restrictions	50	51	52	53	54	55	56
Income Restriction Termination Date	2068	2067	2068	2069	2070	2071	2072
RENTAL INCOME							
Gross Potential Rental Income - Tax Credit Ur	0	0	0	0	0	0	0
Gross Potential Rental Income - Non-Tax Crk	0	0	0	0	0	0	0
Gross Potential Rental Income - Other (Specif	7,159,714	7,414,676	7,637,116	7,866,229	8,102,216	8,345,263	8,596,641
Gross Potential Rental Income - MARKET RE	7,159,714	7,414,676	7,637,116	7,866,229	8,102,216	8,345,263	8,596,641
Total Gross Potential Rental Income	7,159,714	7,414,676	7,637,116	7,866,229	8,102,216	8,345,263	8,596,641
Less Econ Vac Loss (Yrs 2-16)	382,502	373,377	384,579	396,116	407,569	420,239	433,847
Gross Potential Rental Income - Commercial	0	0	0	0	0	0	0
Less Econ Vac Loss (Yrs 2-16)	6,877,542	7,094,169	7,306,969	7,526,203	7,751,690	7,984,549	8,224,085
Effective Gross Income	36,182	37,278	38,396	39,548	40,734	41,956	43,215
EXPENDITURES							
Total Professional Fees	739,960	761,129	783,963	807,492	831,706	856,657	882,357
Total Administrative	457,963	471,702	485,853	500,429	515,442	530,905	546,832
Total Utilities	1,128,974	1,162,843	1,197,728	1,233,660	1,270,670	1,308,790	1,348,054
Total Repairs and Maint.	153,911	160,988	168,406	176,388	184,879	193,843	203,255
Total Real Estate Taxes	180,988	185,406	190,388	195,879	201,843	208,343	215,355
Other Licenses & Permits & Insul	292,721	301,820	310,547	319,894	329,960	339,743	349,254
Total Priority Management Fee	34,226	35,253	36,311	37,400	38,522	39,678	40,868
Total Misc. Expenses	3,011,448	3,101,791	3,194,845	3,290,691	3,389,411	3,491,092	3,596,928
NET OPERATING INCOME	3,676,095	3,992,377	4,112,146	4,235,512	4,362,579	4,493,457	4,629,259
Scheduled Additions to Residential Reseom	299,425	308,408	317,660	327,190	337,006	347,116	357,529
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0
NOI During Construction	3,576,670	3,693,970	3,794,488	3,900,323	4,025,574	4,146,341	4,270,730
NOI Adjusted For Reserves	59,611,180	61,399,483	63,241,461	65,138,710	67,092,892	69,105,687	71,178,856
Value Based on Capitalized NOI	2,154,401	2,505,897	2,873,675	3,258,338	3,660,511	4,080,837	4,517,915
(Plus) Reserves - Include Replacement Rese	61,765,581	63,905,360	66,115,136	68,397,048	70,753,403	73,186,524	75,693,751
Total Market Value	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total Outstanding Debt (inc'd USF, PMP & TS	61,295,581	63,405,360	65,615,136	67,897,048	70,253,403	72,686,524	75,178,856
Market value less debt	1,021,895	1,042,331	1,063,177	1,084,441	1,106,130	1,128,252	1,150,817
Pass/Fail Test							

OPERATING RESERVE							
Capitalized Contribution from Equity	0	0	0	0	0	0	0
Capitalized Contribution from Reseom	0	0	0	0	0	0	0
Cash flow left from Operating Reserve	20,037	20,438	20,847	21,264	21,689	22,123	22,565
Interest on Operating Reserve	1,021,893	1,042,331	1,063,177	1,084,441	1,106,130	1,128,252	1,150,817
Operating Reserve Balance	0	0	0	0	0	0	0
OTHER RESERVE							
Capitalized Contribution from Equity	0	0	0	0	0	0	0
Scheduled Additions to Reserve	0	0	0	0	0	0	0
Expenditures from Reserve	0	0	0	0	0	0	0
Reserve Balance	0	0	0	0	0	0	0
OTHER RESERVE							
Capitalized Contribution from Equity	0	0	0	0	0	0	0
Scheduled Additions to Reserve	0	0	0	0	0	0	0
Expenditures from Reserve	0	0	0	0	0	0	0
Reserve Balance	0	0	0	0	0	0	0
TOTAL RESERVE BALANCES PRIOR TO F	1,021,895	1,042,331	1,063,177	1,084,441	1,106,130	1,128,252	1,150,817
REPLACEMENT RESERVE							
Capitalized Contribution from Equity	0	0	0	0	0	0	0
Scheduled Additions to Replacement Rese	299,425	308,408	317,660	327,190	337,006	347,116	357,529
Expenditures from Replacement Rese	16,335	22,650	29,271	36,210	43,478	51,068	59,052
Interest on Replacement Reserve	1,132,359	1,163,587	1,194,986	1,227,686	1,261,584	1,296,754	1,333,331
Replacement Reserve Balance	0	0	0	0	0	0	0

1.5/4

Taxable Income, Capital Account and Tax Benefits

TC: Yr #

Project ID# 36537

Table with columns for years 2017-2034 and rows for various tax categories including Taxable Income, Deductions, Effect of Gross Income Allocation to GP, and LP Share of Tax Benefits.



TaxInc

Exhibit I

INVESTOR SERVICES AGREEMENT

THIS INVESTOR SERVICES AGREEMENT (this "**Agreement**"), dated and effective as of the 3rd day of February, 2017, is made by and between BCGG LP, a limited partnership formed under the laws of the State of Nevada (the "**Partnership**") and WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership (the "**Servicer**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a two hundred one (201) unit residential project in twenty-one (21) buildings located in Las Vegas, Nevada (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership desires that the Servicer provide certain services with respect to the operation of the Partnership.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby retains the Servicer to provide services to the Partnership as herein contemplated. The term of this Agreement shall begin on the date hereof and shall end on the earlier of the termination of the Partnership or the date on which neither the Servicer nor any of its assigns continues to be the Limited Partner of the Partnership.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, the Servicer shall have the authority and obligation to:

(a) Review and comment each year on the content and format of reports to be provided by the Partnership to the Limited Partner in order to assist the Partnership in providing useful, timely and appropriate information to the Limited Partner; and

(b) Take such other actions as it deems appropriate and as authorized or contemplated by the Partnership Agreement in order to promote efficient communications and favorable relationships between the Partnership and the Limited Partner.

3. **Investor Services Fee.** For services performed under this Agreement, beginning in the later of (i) 2017, or (ii) the first calendar year the Partnership receives rental income (the "**Initial Year**"), the Partnership shall pay the Servicer, over the term of this Agreement, an annual Investor Services Fee of Four Thousand Dollars (\$4,000). The Investor Services Fee for the Initial Year shall be prorated for the number of months the Partnership has rental income. For each year after 2017, the fee shall increase at the rate of three percent (3%) per year. The

Investor Services Fee shall be paid from Cash Flow available for payment of such fee pursuant to Exhibit A-4 or Capital Proceeds under Section 8.02 of the Partnership Agreement. If Cash Flow is not sufficient to pay the fee provided above, then any unpaid fees shall accrue without interest and shall be payable out of the next available Cash Flow or Capital Proceeds.

4. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

5. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party; *provided, however,* that the Servicer may assign this Agreement to a successor Limited Partner or an Affiliate of Enterprise.

6. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

9. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of Nevada, without regard to principles of conflicts of laws.

10. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

11. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

12. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

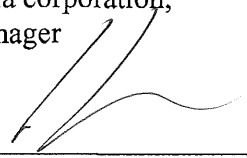
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The parties hereto have executed this Investor Services Agreement as of the date first above written.

BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

WINCOPIN CIRCLE LLLP,
Servicer

By: Wincopin GP, LLC,
General Partner

By: _____
Name: _____
Title: _____

The parties hereto have executed this Investor Services Agreement as of the date first above written.

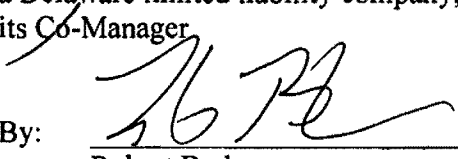
BGCG LP,
a Nevada limited partnership

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a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: 
Robert Budman
Principal

WINCOPIN CIRCLE LLLP,
Servicer

By: Wincopin GP, LLC,
General Partner

By: _____
Name: _____
Title: _____

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a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager


By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

WINCOPIN CIRCLE LLLP,
Servicer

By: Wincopin GP, LLC,
General Partner

By: 
Name: Bruce I. Rothschild
Title: Vice President

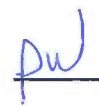


Exhibit J

[INTENTIONALLY OMITTED]

Exhibit K
CONSTRUCTION REPORT
BGCG LP

This report is to be completed with each construction draw request and sent to: ecapital@enterprisecommunity.com , with a copy to your assigned Asset Manager, regardless of whether draws require equity installments.

ATTACH CURRENT DRAW REQUEST as outlined in Exhibit A-1, Third Installment, including the following: AIA G702 and 703, change orders, lien waivers, draw schedule, detail support for soft costs, and required reporting items.

The General Partner hereby certifies that the following representations and warranties remain true, correct, and not misleading as of the date set forth below.

1. All improvements constructed or to be constructed are in compliance with the Project and/or the Loan Documents,
2. All work will be completed by the construction Completion Date as shown in Exhibit H – Projections, or if amended by change order approved under Section 5.13, a revised completion date of **/**/****.
3. All change orders have been submitted and approved by the Limited Partner as required in Section 5.13 of the Agreement,
4. The remaining funds to be advanced, from all sources, are adequate to pay the remaining costs of the Project until the Stabilization Date,
5. No defaults (or event that with the giving of notice or passage of time or both, would constitute a default) has occurred and is continuing under the Loan Documents, the Project Documents (including the construction contract) or the Agreement; and all these documents remain in full force and effect,
6. No material changes have been made to the Project Documents (including the Plans and Specifications) that have not been approved by the Limited Partner,
7. The Project is free and clear of mechanic's liens and the Limited Partner has been provided with any notices relating to potential liens,
8. All prior requisitions have been funded and payments have been made to the appropriate vendors/suppliers,
9. No additional funding sources have been added to the project budget unless approved in advance by the Limited Partner,
10. All documents required by Section 13.03 of the Agreement to be provided to the Limited Partner as of the date of this report have been delivered to the Limited Partner.

COMPLETED BY:

Name: _____

Phone: _____

Title: _____

Email: _____

Date: _____

Exhibit L

INSURANCE REQUIREMENTS CHECKLIST

A. Construction Phase

- ___ 1. *Owner's Commercial General Liability (Bodily Injury and Property Damage) Insurance* of the real estate development class in amounts not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and \$5,000,000 umbrella for structures with 1-10 stories or \$10,000,000 umbrella for structures with 11 or more stories. A per location aggregate endorsement should be included on an unlimited basis for any policy that has multiple locations. Maximum deductible is \$10,000 and the deductible should be issued on a per occurrence basis in lieu of a per claim basis.
- ___ 2. *General Contractor's Commercial General Liability and Property Damage Insurance* of the construction exposure class in the same amounts set forth above. Automobile liability insurance with a \$1,000,000 combined single limit per accident for owned, hired and non-owned autos, Employer's Liability with a \$500,000 limit, and workers' compensation in the statutory amount. A per location aggregate endorsement should be included on an unlimited basis for any policy that has multiple locations. Maximum deductible is \$10,000 and the deductible should be issued on a per occurrence basis in lieu of a per claim basis. Completed operations coverage should be maintained a minimum of three years after project completion.
- ___ 3. *All-Risk Builder's Risk Insurance* ("All-Risk or "Special" form, NOT "NAMED PERIL" POLICY). Full limits of insurance coverage must be purchased to include and not be limited to the perils of sinkhole (see C.1), windstorm (see C.2), flood (see C.3), and earthquake (see C.4) and any other applicable insurance based upon the exposures to the location as well as those found in the "Special" form. The policy shall provide 100% replacement cost coverage in an amount equal to completed construction value, including soft cost coverage, [a permission to occupy endorsement,]and an agreed amount endorsement calculated in accordance with the methodology set forth in the attached worksheet, and a Waiver of Coinsurance or Agreed Amount clause. For rehabilitation projects, the building acquisition cost is to be included in the Builder's Risk policy. Maximum deductible is \$10,000, but may be higher on a case-by-case basis. [Ordinance & Law coverage to be purchased with limits equal to the total building value of all locations on the policy for Coverage A, while Coverage B & C each must have a sublimit equal to 10% based upon the total building value of all buildings on the policy.] [FOR OCCUPIED REHAB.]
- ___ 4. *Architect's [and Engineer's] Errors and Omissions Insurance* in amounts not less than \$500,000 on Projects with total development costs up to \$5,000,000, and not less than \$1,000,000 on Projects with total development costs greater than \$5,000,000. Architect [and Engineer] shall maintain coverage for a minimum of three years after the Completion Date.

- 5. *Rental Interruption Insurance* in amounts required by all lenders, but not less than the equivalent of twelve (12) months gross rental income on an actual loss sustained basis. Additionally, a 90 day extended period of indemnity must be included. [FOR OCCUPIED REHAB.]

B. Permanent Insurance (after construction)

- 1. *Owner's Commercial General Liability* (Bodily Injury and Property Damage) Insurance in amounts not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and \$5,000,000 umbrella for structures with 1-10 stories or \$10,000,000 umbrella for structures with 11 or more stories. A per location aggregate endorsement should be included on an unlimited basis for any policy that has multiple locations. Maximum deductible is \$10,000 and the deductible should be issued on a per occurrence basis in lieu of a per claim basis.
- 2. *Owner's Property Insurance* (“All-Risk” or “Special” form, NOT “NAMED PERIL” POLICY) on buildings and personal property in an amount not less than the full insurable replacement value of such buildings and personal property, and shall include a Waiver of Coinsurance or Agreed Amount clause. Full limits of insurance coverage must be purchased to include and not be limited to the perils of sinkhole (see C.1), windstorm (see C.2), flood (see C.3), and earthquake (see C.4) and any other applicable insurance based upon the exposures to the location as well as those found in the “Special” form. Maximum deductible is \$10,000, but may be higher on a case-by-case basis. Ordinance & Law coverage to be purchased with limits equal to the total building value of all locations on the policy for Coverage A, while Coverage B & C each must have a sublimit equal to 10% based upon the total building value of all buildings on the policy. The Limited Partner must be made aware of and must provide written consent approving any and all policies that include sharing of limits of insurance with other properties when a defined loss limit is in place that has a lower limit of insurance than the collective insured value of all locations insured on the policy.
- 3. *Rental Interruption Insurance* in amounts required by all lenders, but not less than the equivalent of twelve (12) months' gross rental income on an actual loss sustained basis. Additionally, a 90 day extended period of indemnity must be included.
- 4. *Equipment Breakdown Coverage* in form and amount deemed necessary by all lenders and acceptable to the Limited Partner with no co-insurance provisions (such amount to equal at least full replacement cost of the building that houses the equipment), is required for projects (i) which have any centralized HVAC equipment is in operation at the project and (ii) which contain boilers or other pressure-fired vessels that are required to be regulated by the state in which the property is located. Maximum deductible is \$10,000.

C. Catastrophic Risk and Additional Insurance Coverage

- 1. *Sinkhole/Mine Subsidence Insurance* in an amount equal to 100% replacement cost if the project is located in an area that is prone to sinkhole/mine subsidence.

- 2. *Windstorm Coverage* if "all-risk" property damage insurance excludes wind-related events in an amount equal to 100% of replacement cost. Maximum deductible is 5% of the total insured value and the deductible shall be applied on a per building basis (in lieu of a per location basis). The policy shall be written on a per occurrence form.
- 3. *Flood Insurance* in an amount equal to 100% of the full replacement cost if the project is located in a Special Flood Hazard Area. Maximum deductible is 2% of the total insured value per building.
- 4. *Earthquake coverage* – Property specific seismic reports are required for all projects located in Zones 3 or 4. If the seismic Scenario Expected Loss (SEL) using a probabilistic 475-year Design Basis Earthquake event (DBE) is 20% or greater before construction, the planned construction/retrofit should seek to bring the projected seismic SEL-DBE as low as economically feasible below 20%. Projects with post-renovation SEL-DBE higher than 40% will be considered only on an exception basis.

During construction, all projects with seismic SEL-DBE rating 20% or higher pre-construction must carry earthquake insurance. Earthquake coverage must be replacement cost times the SEL/DBE percentage times 150%. The maximum deductible is 5% of the required insurance amount, but may be higher on a case-by-case basis.

All projects with seismic SEL-DBE rating 20% or higher post construction must carry earthquake insurance. Earthquake coverage must be equal to the replacement cost times the SEL/DBE percentage times 150%. The maximum deductible is 5% of replacement cost, but may be higher on a case-by-case basis.

D. Evidence of Insurance

Insurance coverage must be evidenced by Certificates of Insurance and properly endorsed policies certified as true and correct by the insurance agent, but may not be evidenced solely by Certificates. All evidence of insurance must satisfy the following requirements:

1. BGCG LP should be the named insured.
2. Wincopin Circle LLLP and its successors, assigns and transferees should be named as an additional insured(s) and should appear in the certificate holder box with the following address:

c/o Enterprise Community Asset Management, Inc.
70 Corporate Center
11000 Broken Land Parkway, Suite 700
Columbia, Maryland 21044
Attention: Asset Management

3. Policies must be written with an A.M. Best rated company of "A-VIII" or better.

4. All binders and policies should contain a cancellation clause stating that the policy will not be canceled without at least thirty (30) days prior written notice to the Limited Partner. The Clause should not state that the insurer will "endeavor" to send such notice or that no liability attaches to the insurer for failure to send such notice. No policy can be cancelled without the prior written consent of the Limited Partner.
5. Certificates must document the amount of all deductibles.
6. All binders and policies must be accompanied by evidence of premium payment.

**Builder's Risk Insurance
Replacement Cost Worksheet**

A. Completed Construction Value

Permanently installed furnishings and fixtures	\$	
Construction Costs	\$	
Contingency	\$	
<i>Subtotal</i>		\$

B. Plus Building Acquisition

Rehab Projects only, not less than \$50/sq/ft building area	\$	
<i>Subtotal</i>		\$

C. Plus Soft Cost Coverage

Architect Supervision	\$	
Construction Monitoring	\$	
Construction Security	\$	
Real Estate Taxes	\$	
Insurance	\$	
Legal	\$	
Marketing	\$	
Accounting	\$	
Lease-Up	\$	
Construction Period Interest	\$	
Permits and Fees (i.e. bldg, tap fees, etc.)	\$	
Credit Fees	\$	
Other	\$	
Other	\$	
<i>Subtotal</i>		\$

Total Replacement Cost	\$	
-------------------------------	-----------	--

Exhibit M

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT (the "**Agreement**") dated as of the date set forth below (the "**Effective Date**"), by and among WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership (the "**Assignor**"), BGCG LP, a Nevada limited partnership (the "**Partnership**"), BGCG GP LLC, a Nevada limited liability company, in its capacity as the general partner of the Partnership (the "**General Partner**"), and AMERICAN EXPRESS-UTAH EQUITY FUND II, LLLP, a Maryland limited partnership (the "**Assignee**").

RECITALS

WHEREAS, Assignor serves as Limited Partner in the Partnership pursuant to the First Amended and Restated Agreement of Limited Partnership of the Partnership dated as of the 3rd day of February, 2017 (the "**Partnership Agreement**");

WHEREAS, Assignor wishes to assign its Limited Partner interest (the "**LP Interest**") to the Assignee;

WHEREAS, Article X of the Partnership Agreement specifically contemplates the transfer by Assignor of the LP Interest to Assignee and acknowledges the consent of all Partners thereto;

WHEREAS, Article X of the Partnership Agreement acknowledges that the Assignee, as transferee of the LP Interest pursuant to this Transfer Agreement, shall be automatically substituted as the Limited Partner of the Partnership on the Effective Date;

WHEREAS, Assignor wishes to assign the LP Interest to the Assignee, as of the Effective Date, and the Assignee wishes to accept such assignment of the LP Interest for the consideration and upon the terms and conditions hereinafter set forth above;

WHEREAS, the Assignee is willing to undertake all of the obligations of Assignor under the Partnership Agreement and exhibits thereto, including its rights and obligations under the Investor Services Agreement attached as Exhibit I to the Partnership Agreement, relating to the LP Interest (the "**LP Obligations**"); and

WHEREAS, the Partnership and the General Partner desire to acknowledge such undertaking of the LP Obligations by the Assignee and to release the Assignor from the LP Obligations.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration hereinafter described, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Capitalized terms used but not defined herein shall have the respective meanings attributed thereto in the Partnership Agreement.

Assignor hereby assigns to Assignee and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and to the LP Interest, consisting of Assignor's right to allocations of profits, gain, income and losses and Credits and all items entering into the computation thereof, and to distributions of cash, however denominated, under the Partnership Agreement with respect to the LP Interest.

In consideration of the assignment effected hereby, Assignee hereby assumes and agrees to discharge all of the LP Obligations. In addition, Assignee shall promptly reimburse Assignor for all Capital Contributions heretofore made by Assignor to the Partnership in its capacity as Limited Partner and for such other expenditures heretofore incurred by Assignor relating to its acquisition of the LP Interest as Assignor and Assignee shall mutually determine.

The Partnership and the General Partner hereby (i) acknowledge the assignment of the LP Interest and assumption by the Assignee of the LP Obligations pursuant to this Agreement and (ii) agree to release Assignor from the LP Obligations. The General Partner hereby acknowledges and confirms the admission of the Assignee for all purposes as a Substitute Limited Partner under Article X of the Partnership Agreement.

By its execution hereof, the Assignee hereby agrees to become a Substitute Limited Partner of the Partnership and, subject to the foregoing provisions of this Agreement, agrees to be bound (to the same extent as Assignor was bound) by the Project Documents and by the provisions of the Partnership Agreement and exhibits thereto as they relate to the LP Interest.

The parties hereto hereby confirm the continuing validity and enforceability of the Partnership Agreement and each of the exhibits thereto, acknowledging that the Assignee shall succeed to all rights and obligations of Assignor thereunder with respect to the LP Interest as of the Effective Date. This provision shall be construed to amend the Partnership Agreement and each of the exhibits thereto to the extent necessary to give effect to the provisions of this Agreement. Without limitation of the foregoing, Exhibit A to the Partnership Agreement is hereby amended by the Revised Exhibit A attached hereto.

The parties agree that the assignment of the LP Interest and the other transactions effected hereby shall be effective for all purposes as of the Effective Date. The General Partner hereby confirms that any and all third-party approvals to the effectiveness of the transactions described in this Agreement have been obtained.

In accordance with Article X of the Partnership Agreement, the parties hereto agree to cooperate in good faith to effect any further amendments to the Partnership Agreement, exhibits thereto or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the assignment of the LP Interest and the other transactions effected hereby. In this regard, the Investor Services Agreement, attached as Exhibit I to the Partnership Agreement, is hereby amended to replace the Assignor as the Servicer with the Assignee.

This instrument may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties have not signed the original or the same counterpart.


[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

The undersigned have caused this Agreement to be executed as of the Effective Date set forth at the foot of Revised Exhibit A attached to this Agreement.

ASSIGNOR:

WINCOPIN CIRCLE LLLP


By: Wincopin GP, LLC,
General Partner

By: 
Name: Bruce I. Rothschild
Title: Vice President

ASSIGNEE:

AMERICAN EXPRESS-UTAH EQUITY FUND
II, LLLP

By: Enterprise GP, LLC,
General Partner

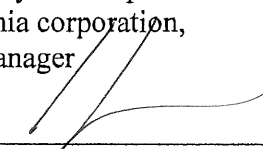
By: 
Name: Bruce I. Rothschild
Title: Vice President

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

GENERAL PARTNER:

BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

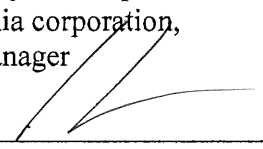
By: _____
Robert Budman
Principal

PARTNERSHIP:

BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: 
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: _____
Robert Budman
Principal

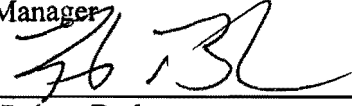
GENERAL PARTNER:

BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: 
Robert Budman
Principal

PARTNERSHIP:

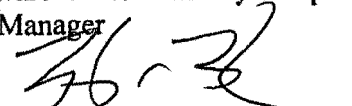
BGCG LP,
a Nevada limited partnership

By: BGCG GP LLC,
a California limited liability company,
its General Partner

By: Community Development Partners,
a California corporation,
its Co-Manager

By: _____
Eric Paine
Chief Executive Officer

By: BLVD Capital, LLC
a Delaware limited liability company,
its Co-Manager

By: 
Robert Budman
Principal

**Revised Exhibit A
to Exhibit M**

**Partners; Percentage Interests;
Capital Contribution Commitments**

	Percentage Interests	Capital Contributions*
<u>General Partner:</u>		
BGCG GP LLC	0.01%	\$100
<u>Limited Partner:</u>		
American Express-Utah Equity Fund II, LLLP EIN: 37-1824311	99.99%	\$11,536,620
TOTALS	100%	\$11,536,720

* The Capital Contribution of the Limited Partner will be paid in Installments as described on the following page pro rata in accordance with the Interests of the Limited Partner upon the last to occur of the receipt and approval by the Limited Partner, to the satisfaction of the Limited Partner, of all conditions for such Installment and the date associated with such Installment. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications in the exact form attached as Exhibit A-7, in accordance with Section 3.02(c). In addition, the amounts of the Capital Contributions are subject to adjustment as provided in this Agreement.

The EFFECTIVE DATE of this Transfer Agreement is _____, 201__.

Low-Income Housing Credit Allocation
 and Certification

OMB No. 1545-0988

Information about Form 8609 and its separate instructions is at www.irs.gov/form8609.

Part I Allocation of Credit

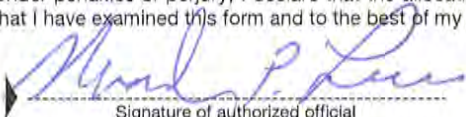
Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) 301 W. Baltimore Ave. Las Vegas, NV 89102	B Name and address of housing credit agency Nevada Housing Division 3300 W. Sahara Ave., 300 Las Vegas, NV 89102
C Name, address, and TIN of building owner receiving allocation BGCG LP 3416 Via Oporto #301, Newport Beach, California 92663 TIN ▶ 81-4041689	D Employer identification number of agency 52-2038434 E Building identification number (BIN) NV-87-00001

1a Date of allocation ▶	1b \$20,542.00
2 Maximum applicable credit percentage allowable (see instructions)	2 3.240 %
3a Maximum qualified basis	3a \$634,012.00
3b Check here <input type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)	3b 1 0 0 %
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)	4 75.01 %
5 Date building placed in service ▶ 2/3/2017	
6 Check the boxes that describe the allocation for the building (check those that apply): a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input checked="" type="checkbox"/> Existing building d <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized f <input type="checkbox"/> Allocation subject to nonprofit set-aside under sec. 42(h)(5)	

Signature of Authorized Housing Credit Agency Official—Completed by Housing Credit Agency Only

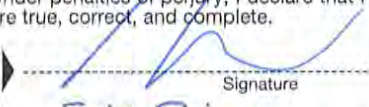
Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form and to the best of my knowledge and belief, the information is true, correct, and complete.


 Signature of authorized official Mark Licea Name (please type or print) 7/5/18 Date

Part II First-Year Certification—Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7 634,012
8a Original qualified basis of the building at close of first year of credit period	8a 634,012
8b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9b For market-rate units above the average quality standards of low-income units in the building, do you elect to reduce eligible basis by disproportionate costs of non-low income units under section 42(d)(3)(B)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10 Check the appropriate box for each election: Caution: Once made, the following elections are irrevocable.	
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶	<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions) <input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60	<input type="checkbox"/> 25-60 (N.Y.C. only)
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)	<input type="checkbox"/> 15-40

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.


 Signature 81-4041689 Taxpayer identification number 7-19-18 Date
 Eric Paine Name (please type or print) 2017 First year of the credit period



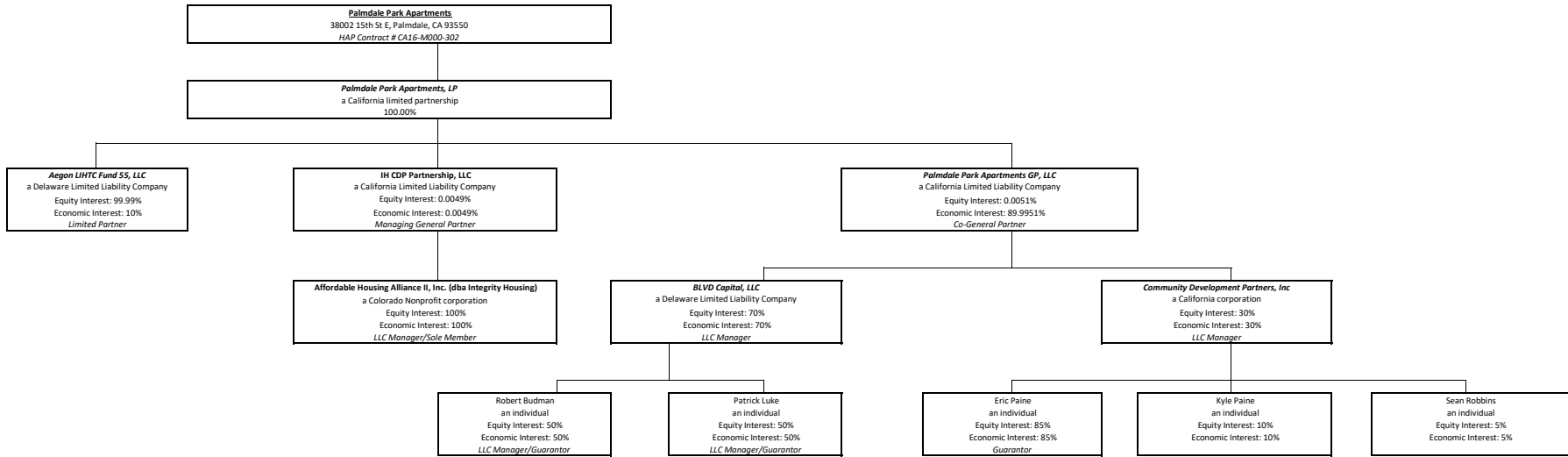
BLVD Capital (“BLVD”) is an owner, operator, and developer of affordable housing nationwide. The company leverages Property-Based Section 8 subsidies, Low Income Housing Tax Credits, and other programs to preserve and expand long term affordable housing opportunities for vulnerable, low-income households. In doing this work, BLVD is able to address other challenges facing our urban environments. Our assets strengthen surrounding areas into beloved and thriving neighborhoods by transforming underutilized and aging housing stock into thriving affordable communities. The company also actively promotes sustainable living by prioritizing transit-oriented development, pursuing infill projects, and seeking out energy efficiency improvements. Throughout the development process, BLVD actively pursues partnerships with minority- and women-owned businesses in order to empower disadvantaged companies and provide opportunity to local vendors as much as possible.

Since its formation, BLVD Capital has rapidly expanded its portfolio. The company currently owns 44 affordable properties throughout the United States and oversees a total of approximately 6,000 units in 17 states. BLVD Communities and its principals have a proven track record and are eager to pursue new ways of preserving and growing the number of affordable units throughout the country.

About the Principals

Robert Budman – Mr. Budman is a 16-year real estate investor veteran who has been involved in the acquisition, redevelopment and ownership of more than \$1 billion of properties throughout the country, consisting of affordable housing, conventional housing, and office and retail properties. He has been involved in affordable housing projects since 2003, and is passionate about the preservation of affordable housing properties.

Patrick Luke – Mr. Luke has 13 years of real estate investment and ownership experience, with a specific focus on affordable housing and conventional housing properties across the country. He has been involved in the acquisition and ownership of more than \$750 million of apartment properties in 17 states, including over 5,000 affordable housing units.



Low-Income Housing Credit Allocation and Certification

Department of the Treasury
Internal Revenue Service

▶ Go to www.irs.gov/Form8609 for instructions and the latest information

Part I Allocation of Credit

Check if: Addition to Qualified Basis Amended Form

A Address of building (do not use P.O. box) (see instructions) Palmdale Park Apartments 38002 15th St E, BLDG. 1 of 11 Palmdale, CA 93550	B Name and address of housing credit agency California Tax Credit Allocation Committee 915 Capitol Mall, Suite 485 Sacramento, CA 95814
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C Name, address, and TIN of building owner receiving allocation Palmdale Park Apartments, LP 3416 Via Oporto, Ste 301 Newport Beach, CA 92663 TIN ▶ 82-4334620	D Employer identification number of agency 68-0280919 E Building identification number (BIN) CA-18-74401
---	---

1a Date of allocation ▶ _____	b Maximum housing credit dollar amount allowable . . .	1b	\$12,497
2 Maximum applicable credit percentage allowable (see instructions)		2	3.29%
3a Maximum qualified basis		3a	\$379,857
b Check here ▶ <input checked="" type="checkbox"/> if the eligible basis used in the computation of line 3a was increased under the high-cost area provisions of section 42(d)(5)(B). Enter the percentage to which the eligible basis was increased (see instructions)		3b	130%
4 Percentage of the aggregate basis financed by tax-exempt bonds. (If zero, enter -0-.)		4	72.78%
5 Date building placed in service ▶ <u>02/28/2019</u>			
6 Check the boxes that describe the allocation for the building (check those that apply):			
a <input type="checkbox"/> Newly constructed and federally subsidized b <input type="checkbox"/> Newly constructed and not federally subsidized c <input type="checkbox"/> Existing building			
d <input checked="" type="checkbox"/> Sec. 42(e) rehabilitation expenditures federally subsidized e <input type="checkbox"/> Sec. 42(e) rehabilitation expenditures not federally subsidized			
f <input type="checkbox"/> Allocation subject to non-profit set-aside under sec. 42(h)(5)			

Signature of Authorized Housing Credit Agency Official – Completed by Housing Credit Agency Only

Under penalties of perjury, I declare that the allocation made is in compliance with the requirements of section 42 of the Internal Revenue Code, and that I have examined this form to the best of my knowledge and belief, the information is true, correct, and complete.

Signature of authorized official	Nancee Robles Executive Director Name (please type or print)	June 2, 2021 Date
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Part II First-Year Certification – Completed by Building Owners with respect to the First Year of the Credit Period

7 Eligible basis of building (see instructions)	7	379,857
8a Original qualified basis of the building at close of first year of credit period	8a	379,857
b Are you treating this building as part of a multiple building project for purposes of section 42 (see instructions)?		
		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9a If box 6a or box 6d is checked, do you elect to reduce eligible basis under section 42(i)(2)(B)?		
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b For market-rate units above the average quality standards of low-income housing in the building, do you elect to reduce eligible basis by disproportionate costs of non-low-income units (section 42(d)(3)(B))? ▶		
		<input type="checkbox"/> Yes <input type="checkbox"/> No N/A
10 Check the appropriate box for each election:		
Caution: Once made, the following elections are irrevocable.		
a Elect to begin credit period the first year after the building is placed in service (section 42(f)(1)) ▶		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
b Elect not to treat large partnership as taxpayer (section 42(j)(5)) ▶		<input type="checkbox"/> Yes
c Elect minimum set-aside requirement (section 42(g)) (see instructions)		
<input type="checkbox"/> 20-50 <input checked="" type="checkbox"/> 40-60 <input type="checkbox"/> Average income <input type="checkbox"/> 25-60 (N.Y.C. only) <input type="checkbox"/> 15-40		
d Elect deep rent skewed project (section 142(d)(4)(B)) (see instructions)		

Under penalties of perjury, I declare that I have examined this form and accompanying attachments, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature	82-4334620 Taxpayer identification number	8/12/2021 Date
Robert Budman Name (please type or print)		
2019 First year of the credit period		

Multiple Building Project Statement under Section 42(g)(3)(D)

Entity Name: Palmdale Park Apartments LP
Project Name: Palmdale Park Apartments
Address: 3416 Via Oporto, Ste 301, Newport Beach, CA 92663
EIN#: 82-4334620

ADDRESS	BIN NUMBER	Acquisition/New Construction Credit Per 8609 Line 1b	Rehabilitation Credit Per 8609 Line 1b
Palmdale Park Apartments 38002 15th St E, Bldg 1 of 11 Palmdale, CA 93550	CA-18-74401	\$19,733	\$12,497
Palmdale Park Apartments 38002 15th St E, Bldg 2 of 11 Palmdale, CA 93550	CA-18-74402	\$39,467	\$20,732
Palmdale Park Apartments 38002 15th St E, Bldg 3 of 11 Palmdale, CA 93550	CA-18-74403	\$19,733	\$12,497
Palmdale Park Apartments 38002 15th St E, Bldg 4 of 11 Palmdale, CA 93550	CA-18-74404	\$19,733	\$12,497
Palmdale Park Apartments 38002 15th St E, Bldg 5 of 11 Palmdale, CA 93550	CA-18-74405	\$39,467	\$20,732
Palmdale Park Apartments 38002 15th St E, Bldg 6 of 11 Palmdale, CA 93550	CA-18-74406	\$19,733	\$12,497
Palmdale Park Apartments 38002 15th St E, Bldg 7 of 11 Palmdale, CA 93550	CA-18-74407	\$39,467	\$20,732
Palmdale Park Apartments 38002 15th St E, Bldg 8 of 11 Palmdale, CA 93550	CA-18-74408	\$39,467	\$20,732
Palmdale Park Apartments 38002 15th St E, Bldg 9 of 11 Palmdale, CA 93550	CA-18-74409	\$19,733	\$7,774
Palmdale Park Apartments 38002 15th St E, Bldg 10 of 11 Palmdale, CA 93550	CA-18-74410	\$9,869	\$5,183
Palmdale Park Apartments 38002 15th St E, Bldg 11 of 11 Palmdale, CA 93550	CA-18-74411	\$19,733	\$10,366
Aggregate Credits		\$286,135	\$156,239
Total Aggregate Credits Over 10 Years		\$2,861,350	\$1,562,390

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
PALMDALE PARK APARTMENTS, LP
A CALIFORNIA LIMITED PARTNERSHIP

Dated as of July 1, 2018

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LIST OF EXHIBITS

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C	Construction Budget
D	Annual Operating Budget
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AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP
OF
PALMDALE PARK APARTMENTS, LP
A CALIFORNIA LIMITED PARTNERSHIP

THIS AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF PALMDALE PARK APARTMENTS, LP, a California limited partnership (this “**Agreement**”), is made and entered into as of the 1st day of July, 2018, by and among PALMDALE PARK APARTMENTS GP, LLC, a California limited liability company, as the co-general partner (the “**Co-General Partner**”), IH CDP PARTNERSHIP LLC, a California limited liability company, as the managing general partner (the “**Managing General Partner**” and together with the Co-General Partner, the “**General Partners**” and each a “**General Partner**”), AEGON LIHTC FUND 55, LLC, a Delaware limited liability company, as the investor limited partner (the “**Investor Limited Partner**”), TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation, as the special limited partner (“**Special Limited Partner**”), and PALMDALE PARK APARTMENTS GP, LLC, a California limited liability company, in its capacity as the withdrawing limited partner (the “**Withdrawing Limited Partner**”) on the following terms and conditions:

RECITALS

WHEREAS, the General Partners and Withdrawing Limited Partner established Palmdale Park Apartments, LP, a California limited partnership, under the laws of the State of California by entering into that certain Agreement of Limited Partnership dated as of February 5, 2018 (the “**Original Agreement**”) and by causing a Certificate of Limited Partnership to be filed with the California Secretary of State on February 5, 2018 for the purposes of acquiring the fee interest in approximately 2.74 acres of land located at 38002 15th Street East in Palmdale, California, and rehabilitating, developing, maintaining and operating thereon a multifamily rental housing development which will contain, in the aggregate, 58 dwelling units in eleven (11) buildings plus 84 surface parking spaces, central laundry, community onsite management, recreation rooms, an outdoor courtyard, picnic area, basketball court and playgrounds; 58 of the units are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code (as defined in Article 1 below), including 1 unit which is expected to be occupied by a tenant who also serves in the capacity of a resident manager or resident maintenance person (the “**Project**”).

WHEREAS, the Investor Limited Partner and the Special Limited Partner desire to acquire limited partnership interests in the Partnership pursuant to the terms and conditions set forth herein and in the other Project Documents (as defined herein). The parties hereto desire to amend and restate the Original Agreement (i) to admit the Investor Limited Partner and the Special Limited Partner, (ii) to provide for the withdrawal of the Withdrawing Limited Partner, and (iii) to set out more fully the rights, obligations and duties of the Partners.

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto do hereby mutually covenant and agree that the Original Agreement is hereby amended and restated in its entirety on the following terms and conditions:

ARTICLE 1
DEFINITIONS

Unless the context otherwise clearly requires, the terms defined in this Article shall for all purposes of this Agreement have the meanings specified in this Article 1, to be equally applicable to both the singular and plural forms of the terms defined. Reference to federal, state or local statutes or regulations and any governmental rules, permits, or licenses are to be construed as including all amendments or successors thereto. The words “includes,” “include” and “including” shall be deemed to be followed by the words “without limitation.” References to agreements, instructions, and other documents shall be deemed to include all subsequent amendments, other modifications, and successor documents thereto, but only to the extent such amendments, other modifications, and successor documents are made in accordance with the terms of the original agreement, instrument, or other document, and are not prohibited by the terms of this Agreement. References to persons include their respective permitted successors and assigns. References to the masculine, feminine or neuter gender shall be deemed to include the others whenever the context so indicates or requires.

Capitalized words and phrases used in this Agreement shall have the following meanings:

“Accountants” means initially Carter & Co., of Destin, Florida, or any successor firm of independent certified public accountants employed by the Partnership pursuant to Section 8.6.

“Accountants’ Certificate” means the certificate in the form attached hereto as Exhibit G to be delivered by the Accountants on the First Adjustment Date and Second Adjustment Date.

“Accountants’ Determination” means a determination made by the Accountants following the First Adjustment Date and Second Adjustment Date concerning the amount of Housing Tax Credits allocable to the Investor Limited Partner during the entire Credit Period and/or during any one or more Fiscal Years during the Credit Period, as reflected in a final version of any Partnership Tax Return prepared by the Accountants or by written notice from the Accountants to the Partnership determining the amount of Housing Tax Credits.

“Accountants’ Fifty Percent Test Certification” means the written certification of the Accountants that the Fifty Percent Test has been met.

“Acquired Personal Property Depreciation Adjuster” shall have the meaning set forth in Section 3.2.

“Acquired Site Improvement Depreciation Adjuster” shall have the meaning set forth in Section 3.2.

“Act” means the Uniform Limited Partnership Act of 2008 in effect in the State, as amended from time to time (or any corresponding provisions of succeeding law).

“Actual Acquired Personal Property Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Actual Acquired Site Improvement Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Actual Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Additional First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(iv).

“Additional Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(v).

“Aegon” means AEGON USA Realty Advisors, LLC, an Iowa limited liability company, as advisor and asset manager on behalf of the Investor Limited Partner.

“Aegon Affiliated Insurance Company” means an insurance company directly or indirectly controlled by or under common control with AEGON N.V.

“Affiliate” means, with respect to any Person, (i) such Person; (ii) each member of the Immediate Family of such Person; or (iii) any corporation, partnership, limited liability company, trust or other entity directly or indirectly controlling, controlled by or under common control with such Person. For this purpose “control,” “controlled” or “controlling” means (w) the ownership, directly or indirectly, of more than ten percent (10%) of the voting stock or other voting equity participation of the corporation or other entity in question, or (x) control of management through holding, directly or indirectly, a general partnership interest in a limited partnership or a managing member interest in, or right to control, a limited liability company (including, but not limited to, acting as a non-member manager of a limited liability company), or (y) if such Person has no stock or other equity, control over a majority of the board of directors of such Person; or (z) the direct or indirect power under contract to direct the management, financial, legal, beneficial, day-to-day operations or other interests of a company (or other entity).

“After-Tax Basis” means with respect to any payment to be received by a Person (or, in the case of a pass-through entity, the partners or members of such Person), the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all Taxes (net of any current credits, deductions or other tax benefits arising from the payment by such Person (or its partners or members) of any amount, including Taxes, for which the payment to be received is made) imposed currently on such Person by the IRS or any other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment received. For the purposes of this definition, and for purposes of any payment to be made to a Person (or its partners or members) on an After-Tax Basis, it shall be assumed that federal, state and local taxes are payable at the highest combined marginal federal and state statutory income tax rate (taking into account the deductibility of state income taxes for federal income tax purposes) applicable to corporations from time to time.

“Aggregate Housing Tax Credit Shortfall” shall have the meaning set forth in Section 3.2.

“Agreement” means this Amended and Restated Agreement of Limited Partnership of Palmdale Park Apartments, LP, a California limited partnership, and as may be amended from time to time.

“Allocation Regulations” means the Treasury Regulations issued under Sections 704(b) and 752 of the Code, as the same may be modified or amended from time to time.

“Annual Housing Tax Credit Shortfall” means an Accountants’ Determination or a Final Determination that (i) the amount of Housing Tax Credits allocated annually in any of the years 2019 through 2027 to the Investor Limited Partner are less than the Projected Annual Investor Housing Tax Credit Amount for such year(s), and/or (ii) the combined amount of Housing Tax Credits allocable to the Investor Limited Partner in 2018 and 2028 is less than the combined Projected Annual Investor Housing Tax Credit Amount for such years.

“Annual Housing Tax Credit Shortfall Amount” means an amount, on an After-Tax Basis, to be paid within thirty (30) days following the receipt of the Accountants’ Determination or Final Determination evidencing an Annual Housing Tax Credit Shortfall equal to the sum of (1) the difference between (x) the Housing Tax Credits actually allocable to the Investor Limited Partner in the current Fiscal Year (after giving effect to any disallowance or recapture of Housing Tax Credits required as a result of an Annual Housing Tax Credit Shortfall), and (y) the Projected Annual Investor Housing Tax Credit Amount for such Fiscal Year, plus (2) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such disallowance or recapture of Housing Tax Credits.

“Annual Operating Budget” means the annual budget for the operation of the Project for a Fiscal Year, as established pursuant to Section 7.4.

“Annual Shortfall Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Annual Shortfall Adjustment Year” shall have the meaning set forth in Section 3.2.

“Architect” means Ground Floor Design, Inc. of Idyllwild, California.

“Architect’s Certificate” means a Certificate executed by the Architect substantially in the form attached hereto as Exhibit F.

“Asset Management Fee” means the annual fee to be paid by the Partnership to the Asset Manager pursuant to Section 5.1 commencing in the year of the Completion Date in the amount of \$5,000, increasing at a rate of three percent (3%) per annum on the first day of each subsequent year. The Asset Management Fee shall be due and payable in full upon the Completion Date, shall not be subject to proration for the first year and shall be due and payable in full on January 1st of each subsequent year. The Asset Management Fee shall be payable to the extent of Operating Cash Flow and accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Asset Manager” shall initially mean Aegon or any substitute party named pursuant to Section 7.16.

“Assignee” means the Person to whom a Transfer of a Partnership Interest is made in accordance with Article 10 of this Agreement; an Assignee is not a Partner unless and until the requirements of Article 10 are fully satisfied.

“Authority” means the Credit Agency, any Lender, the City of Palmdale, the Issuer, or any other federal, state or local governmental authority having jurisdiction over the particular matter to which reference is being made.

“Bankruptcy” or “Bankrupt” means, with respect to any Person, such Person making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Person or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Person, or a receiver, liquidator, custodian, or trustee being appointed for such Person or a substantial part of such Person’s assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within ninety (90) days of its filing; or the entry of an order for relief against such Person under Title 11 of the United States Code. A Person shall be deemed Bankrupt if the Bankruptcy of such Person shall have occurred and be continuing.

“Basis Shortfall” shall have the meaning set forth in Section 3.2.

“BOE” means the California State Board of Equalization and its successors.

“BOE Certification” has the meaning set forth in Section 7.18(f).

“BOE Property Tax Rules” has the meaning set forth in Section 9.40

“BOE Supplemental Certificate” has the meaning set forth in Section 7.18(a).

“Bond Loan” means the first mortgage construction and permanent loan in the amount of up to \$9,200,000 made or to be made to the Partnership by the Issuer with the proceeds of the Bonds, which consist of a tax-exempt note issued under the volume cap of Section 146 of the Code, and assigned to the Funding Lender. The Bond Loan will bear interest at a rate of 4.4% per annum (exclusive of Issuer, fiscal agent or other third party fees), which interest rate shall be set at the Closing Date. The Bond Loan shall have a term of 204 months and an amortization period of 420 months.

“Bond Loan Documents” means all documents evidencing, securing, governing or otherwise pertaining to the Bond Loan, including without limitation the Continuing Covenant Agreement and the Freddie Mac Commitment.

“Bonds” means the California Statewide Communities Development Authority Multifamily Housing Revenue Note (Palmdale Park Apartments) 2018 Series K in the amount of up to \$9,200,000.

“Business Day” means a day of the year on which banks are not required or authorized to close in the State.

“Capital Account” means, with respect to any Partner, the Capital Account maintained for such Partner throughout the term of the Partnership pursuant to Section 3.5.

“Capital Adjuster Distribution” means, collectively, the Recapture Adjuster Distributions, Annual Shortfall Adjuster Distributions, Future Downward Adjuster Distributions and Depreciation Adjusters.

“Capital Contributions” means with respect to any Partner, the total of all money and the Value (at the date of contribution) of all property other than money transferred or assigned other than as a loan by a Partner to the Partnership pursuant to Article 3 or treated as contributed by a Partner to the capital of the Partnership for federal income tax purposes.

“Capital Expenditures” mean any expenses that, pursuant to the Code, cannot be immediately deducted in full and must be capitalized and amortized or depreciated over more than one year.

“Capital Replacement Reserve” shall have the meaning set forth in Section 8.7(a).

“Change in Tax Law” means the enactment of an amendment to the Code or Regulations after the date hereof that is applicable to the Investor Limited Partner, the Partnership or the Project and that provides for a change in the amount, timing or other treatment of any Tax Benefit.

“Closing Date” means the execution date of this Agreement.

“Co-General Partner” means Palmdale Park Apartments GP, LLC, a California limited liability company, or its successors or assigns as permitted by this Agreement.

“Co-General Partner Disposition Fee” means the fee equal to \$50,000 plus the actual costs incurred by the Co-General Partner with exiting the Partnership, including without limitation appraisals and legal fees, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.2.

“Co-General Partner Assignment, Pledge and Security Agreement” means the Co-General Partner Assignment, Pledge and Security Agreement dated as of even date herewith by the Co-General Partner and the Developer in favor of the Investor Limited Partner and the Partnership.

“Code” means the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

“Completion” means substantial completion of the Project in accordance with the Plans as modified by change orders approved by the Investor Limited Partner (to the extent that such approval is required under this Agreement), the Lenders and any Authority (to the extent such consent is required), subject to only minor punch list items, and no liens (except for liens which are bonded against in a manner so as to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby), claims or encumbrances which are not Permitted Encumbrances as evidenced by (i) the Contractor filing a notice of

completion, (ii) delivery of the Architect's Certificate, and (iii) a report by the Construction Inspector that rehabilitation of the Project has been substantially completed in accordance with the Plans, which report shall be completed within thirty (30) days of notice from the Co-General Partner to the Limited Partners that the Project has been completed in accordance with this Section.

“Completion Date” means the date on which Completion is achieved, which in all events shall be no later than December 31, 2019 (the “**Outside Completion Date**”), unless extended by Force Majeure or otherwise extended by the Investor Limited Partner at its sole discretion.

“Compliance Audit” has the meaning set forth in Section 8.3.

“Compliance Auditor” means Novogradac & Company LLP or a third party credits compliance specialist retained by the Co-General Partner and approved by the Limited Partners, which such approval shall not be unreasonably withheld.

“Compliance Period” means the “compliance period,” as defined in Section 42(i)(1) of the Code, applicable to the Project.

“Construction Budget” means the budget for the rehabilitation of the Project and the furnishing of all personalty in connection therewith, which is currently estimated to be in the amounts attached hereto as Exhibit C, and any revisions thereof approved by the Partners.

“Construction Contract” means the contract between the Partnership and the Contractor for the rehabilitation of the Project.

“Construction Inspector” means the rehabilitation inspector engaged by the Asset Manager.

“Construction Monitoring Fee” means the monthly fee to be paid by the Partnership to Aegon commencing on the first day of the month following the Closing Date and ending with the month in which the Completion Date occurs to cover the cost of monthly rehabilitation inspection in the amount of \$1,100 which such amount is inclusive of all monitoring fees due to Aegon and any agent or contractors thereof.

“Continuing Covenant Agreement” means that certain Continuing Covenant Agreement of even date herewith between the Funding Lender and the Partnership.

“Contractor” means Katerra Renovations, LLC.

“Conversion Loan” shall have the meaning set forth in Section 4.2(a).

“Cost Certification” means the written certification of the Accountants as to the actual itemized costs of rehabilitation of the Project and the Eligible Basis for the Project.

“Credit Agency” means the California Tax Credit Allocation Committee and its successors and assigns.

“Credit Period” means the “credit period” as defined in and determined in accordance with Section 42(f) of the Code beginning with the taxable year in which the Project is placed in service or, at the election of the Co-General Partner with the consent of the Investor Limited Partner, and to the extent permitted under Section 42(f)(1) of the Code, the succeeding taxable year.

“Credits” means the Federal Housing Tax Credits.

“Debt Service Coverage Ratio” means with respect to any period in question, the ratio of the Operating Cash Flow (not taking into account withdrawals from Reserves or Operating Deficit Loans) for such period to the mandatory payments of principal and interest due on any Loans for such period. For purposes of this definition only, in calculating Partnership Expenses to determine Operating Cash Flow, Partnership Expenses (i) shall be determined on an accrual basis, and shall exclude payments of principal and interest on any Loans the payments of which are not subject to the availability of Operating Cash Flow, payments on Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans, the Asset Management Fee, Capital Expenditures, the Deferred Development Fee, if any, the Incentive Lease-Up Fee, the Nonprofit Management Fee and the Incentive Management Fee and (ii) shall be the greater of actual expenses or the underwritten expenses set forth in the Initial Economic Projections.

“Deferred Development Fee” means the deferred portion of the Development Fee, projected to be \$0 pursuant to the terms of the Development Agreement, which shall be payable within thirteen (13) years after Completion out of Operating Cash Flow in accordance with Section 5.1 or from Extraordinary Cash Proceeds in accordance with Section 5.2 or from a Capital Contribution of the Co-General Partner pursuant to Section 3.1.

“Deferred First Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(ii).

“Deferred Second Year Federal Housing Tax Credits” shall have the meaning set forth in Section 3.2(b)(iii).

“Deficit Restoration Obligation” means, for each Partner, the sum of (i) any amounts which such Partner is or is deemed to be obligated to restore to the Partnership in accordance with the provisions of Sections 1.704-1(b)(2)(ii)(c), 1.704-1(b)(2)(ii)(h) or any other applicable provisions of the Allocation Regulations, (ii) such Partner’s Share of Partnership Minimum Gain if any, and (iii) such Partner’s Share of Partner Nonrecourse Debt Minimum Gain, if any.

“Delayed Depreciation Adjustment Event” shall have the meaning set forth in Section 3.2(b)(vi).

“Depreciation” means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable with respect to an asset for such Fiscal Year for federal income tax purposes, except that if the Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount which bears the same ratio to such beginning Value as the federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year bears to such

beginning adjusted tax basis. If such an asset has a zero adjusted tax basis, the Depreciation may be determined under any reasonable method selected by the Co-General Partner.

“Depreciation Adjuster” shall have the meaning set forth in Section 3.2(b)(vi).

“Depreciation Adjuster Loan” shall have the meaning set forth in Section 3.2(b)(vi).

“Developer” means, collectively, Community Development Partners, a California corporation, and BLVD Capital LLC, a Delaware limited liability company, each a member of the Co-General Partner.

“Development Agreement” means the Development Services Agreement between the Partnership and the Developer dated as of the Closing Date.

“Development Costs” means any and all costs and expenses necessary to (i) acquire the interest in the Land and the Improvements, (ii) cause the rehabilitation of the Project to be completed in a good and workmanlike manner, free and clear of all mechanics’, materialmen’s or similar liens, substantially in accordance with the Plans and the Construction Budget, (iii) equip the Project with all necessary and appropriate fixtures, equipment and articles of personal property in accordance with the Plans and the Construction Budget, (iv) obtain all Government Permits for the use and occupancy of the Units and other space in the Project, (v) pay the Development Fee (except for any portion to be deferred as the Deferred Development Fee), (vi) discharge all Partnership liabilities and obligations arising out of any casualty or condemnation occurring prior to the Rent-Up Date, (vii) fund the initial Reserves, and (viii) pay any other costs or expenses necessary to achieve the Rent-Up Date.

“Development Deficiency” means, for the period beginning with the Closing Date and ending on the Rent-Up Date, the excess of the Development Costs over the Proceeds.

“Development Deficiency Guaranty Period” means the period commencing on the Closing Date and ending on the Rent-Up Date.

“Development Deficiency Payment” shall have the meaning set forth in Section 4.2(c).

“Development Fee” means the fee to be paid by the Partnership to the Developer pursuant to the Development Agreement, projected to be a total of \$1,586,540 or such larger amount as permitted by the Credit Agency. The Development Fee shall not be increased by any savings due to changes in the scope of the Project or reduction in the quality of the Project. The Development Fee may be increased only in accordance with any applicable Authority requirements and the prior written approval of the Investor Limited Partner.

“Development Reserve” shall have the meaning set forth in Section 8.7(d).

“Disposition Fee” means the fee equal to \$50,000 plus the actual costs incurred by the Limited Partners and the Asset Manager with exiting the Partnership, including without limitation appraisals and legal fees, to be paid by the Partnership to the Asset Manager pursuant to Section 5.2.

“DRO Notice” shall have the meaning set forth in Section 6.3 hereof.

“DRO Notice Partner” shall have the meaning set forth in Section 6.3 hereof.

“Eligible Basis” means an amount equal to the “eligible basis” of the Project as defined in Section 42(d) of the Code, as determined by the Accountants in connection with the Cost Certification.

“Entity” means any general partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

“Environmental Costs” means all liabilities, sums paid in settlement of claims, obligations, charges, actions (formal or informal), claims (including, without limitation, claims for personal injury or for real or personal property damage related to an environmental condition), liens, taxes, administrative proceedings, losses, damages (including, without limitation, punitive damages), penalties, fines, court costs, administrative service fees, response and remediation costs, stabilization costs, encapsulation costs, treatment, storage or disposal costs, groundwater monitoring or environmental study, sampling or monitoring costs, other causes of action, and any other costs and reasonable expenses (including, without limitation, reasonable attorneys’, experts’, and consultants’ fees and disbursements and investigating, laboratory and data review fees) imposed upon or incurred by any Partner (whether or not indemnified against by any other party) as a result of any violation of Hazardous Substances Laws with respect to the Project.

“Environmental Reports” means the Phase I Environmental Site Assessment Report prepared by Blackstone Consulting LLC and dated February 13, 2018, Project No. JLLATX030.01.

“Event of Default” shall have the meaning set forth in Section 11.2.

“Excess Federal Adjuster” shall have the meaning set forth in Section 3.2.

“Exempt Partner” means a Partner of the Partnership whose ownership of an interest in the Partnership would cause property held by the Partnership to be tax-exempt use property for purposes of Code Section 168 but for the fact that this Agreement provides for Qualified Allocations.

“Extended Use Agreement” means the extended low-income housing commitment to be executed by the Partnership in accordance with the requirements of the Credit Agency and the provisions of Section 42(h)(6) of the Code for the Project.

“Extraordinary Cash Proceeds” means the gross cash receipts of the Partnership from any Extraordinary Transaction less Partnership Expenses related to such Extraordinary Transaction, including any mandatory payment on any Loans (other than Operating Deficit Loans) and additions to any Reserves.

“Extraordinary Transaction” means any refinancing, sale, transfer or disposition of all or substantially all of the Partnership’s Property, including but not limited to any disposition pursuant to the Purchase Option Agreement.

“Federal Housing Tax Credits” means the federal low-income housing credits allowable under Section 42 of the Code.

“Federal Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2(b)(i).

“Federal Housing Tax Credit Amount” means the actual Federal Housing Tax Credits per annum available to the Partnership during the Credit Period.

“Federal Payment” means any Federal Payment of the Capital Contributions of the Investor Limited Partner referred to in Section 3.1(c).

“Federal Recapture Amount” means an amount equal to, on an After-Tax Basis, the sum of: (a) the amount of the Federal Housing Tax Credits recaptured as a result of a Federal Recapture Event, and (b) the amount of interest, penalties and expenses imposed (or reasonably expected to be imposed) on the Investor Limited Partner as a result of such Federal Recapture Event, to be paid within thirty (30) days after the Federal Recapture Event.

“Federal Recapture Event” means an Accountants’ Determination or Final Determination of an event resulting in the recapture of all or any portion of the Federal Housing Tax Credits pursuant to Section 42 of the Code.

Notwithstanding the foregoing, a Federal Recapture Event shall not include:

- (i) the inability of the Investor Limited Partner to utilize the Federal Housing Tax Credits allocated to it for any reason, including the lack of sufficient taxable income;
- (ii) a loss or reduction of the Federal Housing Tax Credits to the extent caused by (a) actions or inactions of the Investor Limited Partner or its agents, (b) a change in the tax status of the Investor Limited Partner, or (c) a Change in Tax Law; or
- (iii) any reduction of Federal Housing Tax Credits for which an adjustment to the Investor Limited Partner’s Capital Contribution, a payment by the Partnership of an Excess Federal Adjuster or a distribution by the Partnership of a Capital Adjuster Distribution has been made pursuant to Section 3.2 of this Agreement.

“Fifty Percent Test” means the satisfaction by the Partnership of the test set forth in Section 42(h)(4)(B) of the Code.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction or government agency regarding the Federal Housing Tax Credits and has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), or (ii) the date on which the IRS has entered into a binding agreement with the Partnership with respect to such

issues or has reached a final administrative or judicial determination with respect to such issues which, whether by law or agreement, is not subject to appeal.

“First Adjusted Payment” means the Third Federal Payment.

“First Adjustment Date” means the Third Payment Date.

“First Year” means the year 2018, the first year in which Credits shall be allocated to the Investor Limited Partner as projected in the Initial Economic Projections.

“First Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the First Year.

“First Year Investor Housing Tax Credit Amount” means the First Year Federal Investor Housing Tax Credit Amount.

“Fiscal Year” means the calendar year, or such other fiscal year, which the Partnership maintains for federal income tax and accounting purposes in accordance with Section 8.4.

“Fixed Price Cost” means \$2,208,561.02 as increased by change orders, provided that the Co-General Partner has provided additional funds equal to the amount of such change orders.

“Force Majeure” means any strike, lockout, war, acts of terrorism, insurrection, riot, explosion, fire, flood, earthquake or other natural disaster and other events beyond the control of the party for whom performance is required.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America.

“Freddie Mac Commitment” means that certain Mortgage Loan Commitment issued by the Funding Lender dated on or about the Closing Date.

“Funding Lender” means Jones Lang LaSalle Multifamily, LLC, a Delaware limited liability company.

“Future Downward Adjuster Distribution” shall have the meaning set forth in Section 3.2.

“Future Downward Housing Tax Credit Adjustment Amount” shall have the meaning set forth in Section 3.2.

“General Partner” means the Co-General Partner and the Managing General Partner, and any Person who, at the time of reference, has been admitted as substitute or successor Co-General Partner or Managing General Partner.

“Government Permits” means all material building, zoning, health, safety, business and other applicable certificates, permits and licenses necessary to permit the rehabilitation, use, occupancy and operation of the Project.

“Gross Cash Receipts” means all cash receipts of the Partnership from whatever source derived including but not limited to all public subsidy payments due and payable at such time under the HAP Contract, other than from (i) Capital Contributions, (ii) Loans (other than an Operating Deficit Loan), (iii) Extraordinary Transactions, (iv) any casualty insurance funds or condemnation proceeds that will be used to repair or replace the Partnership’s Property, and (v) rent prepayments, security deposits (not otherwise applied to defaulting tenant payment obligations), and interest thereon.

“Guarantors” means, collectively, the Developer and the Co-General Partner.

“Guaranty” means the Unconditional Guaranty of even date herewith, made by the Guarantors in favor of the Investor Limited Partner.

“HAP Contract” means the Housing Assistance Payments Renewal Contract for Mark-Up-To-Market Project Number CA16M000302 by and among HUD, Los Angeles LOMOD Corporation, as the contract administrator, and the Partnership, effective as of the Closing Date, covering 58 units, which contract runs for a period of 20 years.

“Hazardous Substances” means any hazardous or toxic substances, materials, wastes, pollutants, or contaminants which are defined, regulated, or listed as “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutants,” “contaminants,” or “toxic substances,” under federal or state environmental and health and safety laws and regulations, including without limitation petroleum byproducts, flammable explosives, radioactive materials, asbestos, urea formaldehyde insulation, polychlorinated biphenyls (“PCBs”), urea formaldehyde insulation, radioactive materials, asbestos, *Stachybotrys chartarum* and other molds, lead-based paint, and any substance, material or waste now or in the future defined or listed in, or otherwise classified pursuant to or regulated by, any applicable laws or regulations as a regulated substance by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, or toxicity. Hazardous Substances do not include substances that are used or consumed in the normal course of developing, operating or occupying a housing project, to the extent and degree that such substances are stored, used and disposed of in the manner and in amounts that are consistent with normal practice and applicable Hazardous Substances Laws.

“Hazardous Substances Laws” means any and all applicable present or future federal, state and local statutes, regulations, ordinances, codes, rules, orders, guidelines and policies, now or hereafter in force as amended from time to time relating to: the environment; land use; health; safety; transportation; Hazardous Substances as defined herein; and the presence, use, generation, release, disposal, management, control, discharge, treatment, storage, containment, remediation or removal of substance(s) or material(s) that are or may become a threat to public health or the environment in any way and to any degree. Hazardous Substances Laws shall also include, but not be limited to: (i) the Comprehensive Environmental Response, Compensation and Liability Act, (42 U.S.C. § 9601 *et seq.*); (ii) any so-called “Superlien” law; (iii) the Hazardous Materials Transportation Act (49 U.S.C. § 1801 *et seq.*); (iv) the Resource Conservation and Recovery Act (42 U.S.C. § 6901 *et seq.*); (v) the Clean Air Act (42 U.S.C. § 7401 *et seq.*); (vi) the Federal Water Pollution Control Act, as amended by the Clean Water Act (33 U.S.C. § 1251 *et seq.*); (vii) the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*); (viii) the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 *et seq.*); (ix)

the Federal Safe Drinking Water Act (42 U.S.C. § 300f *et seq.*); (x) the Federal Atomic Energy Act (42 U.S.C. § 2011 *et seq.*); (xi) the Federal Occupational Safety and Health Act of 1970 (19 U.S.C. § 651); and (xii) the Federal Oil Pollution Act of 1990 (33 U.S.C. § 2701 *et seq.*).

“Housing Tax Credits” means the Federal Housing Tax Credits.

“Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount.

“Housing Tax Credit Conditions” means, for the duration of the Compliance Period, any and all restrictions including, but not limited to, applicable federal, state and local laws, rules and regulations, which must be complied with in order for the Project to qualify for (and continue to receive) the Housing Tax Credits.

“Housing Tax Credit Percentage” means the “applicable percentage” within the meaning of Section 42(b)(2) of the Code.

“Immediate Family” means with respect to any Person who is an individual, such Person’s spouse, parents, descendants, brothers and sisters.

“Improvements” means the 58-unit rental housing development, plus 84 surface parking spaces, central laundry, community onsite management, recreation rooms, an outdoor courtyard, picnic area, basketball court and playgrounds to be rehabilitated on the Land.

“Incentive Lease-Up Fee” means a fee of up to \$110,000 in the aggregate, payable only during Fiscal Years up to and including the Fiscal Year during which Completion occurs, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.1 and/or from the release of the Lease-Up Reserve as provided in Section 8.7(c). The Incentive Lease-Up Fee shall not accrue or accumulate to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Incentive Management Fee” means the annual fee equal to 90% of Operating Cash Flow, to be paid by the Partnership to the Co-General Partner pursuant to Section 5.1 commencing with the First Year and increasing at a rate of 3% per annum thereafter. In no event shall the Incentive Management Fee exceed twelve percent (12%) of Gross Cash Receipts from Operations. The Incentive Management Fee shall not accrue or accumulate to the extent any portion of it remains unpaid at the end of any Fiscal Year.

“Initial Economic Projections” means the economic projections for the Project as of the Closing Date prepared by the Investor Limited Partner, attached hereto as Exhibit B.

“Initial Rent-Up” means the Project has reached (i) ninety-five percent (95%) physical occupancy of all Units in the Project for the most recent three consecutive months, and (ii) not less than fifty six (56) units occupied at one time prior to the Initial Rent Up Date of the Rental Units in the Project by tenants qualifying such Rental Units as Low-Income Units.

“Initial Tenant Files” shall mean all leases, forms and supporting documentation, including but not limited to the signed income certifications, third party income and asset certifications, and the initial lease of six months or longer, qualifying a Unit as a “low-income unit” within the meaning of Section 42(i)(3) of the Code.

“Interest” means any Partnership Interest or any interest in a corporation, partnership, limited liability company, or other entity that is a Partner.

“Interest Rate” means the per annum rate of interest announced by the Wall Street Journal as the “Prime Rate” plus two hundred basis points. The Interest Rate shall change on the date each change in the “Prime Rate” is announced by the Wall Street Journal. The Interest Rate shall not exceed the highest rate of interest that may be legally charged by the party collecting such interest.

“Investor Limited Partner” means Aegon LIHTC Fund 55, LLC, a Delaware limited liability company.

“Investor Partnership or LLC” means (a) a limited partnership composed of two or more partners, with an Affiliate of Aegon as the general partner (or with an Affiliate of Aegon having direct or indirect control of such general partner), (b) a limited liability company composed of one or more members with an Affiliate of Aegon as the managing member (or with an Affiliate of Aegon having direct or indirect control of such managing member) or (c) a limited liability company composed of one or more members with an Affiliate of Aegon as the non-member manager (or an Affiliate of Aegon having direct or indirect control of such non-member manager).

“IRS” means the Internal Revenue Service.

“Issuer” means the California Statewide Communities Development Authority, a public body corporate and politic, organized and existing under the laws of the State of California.

“Land” means the approximately 2.74 acres of land on which the Project is to be rehabilitated, all of which are located in the City of Palmdale, California and are more particularly described in Exhibit A hereto.

“Lease-Up Reserve” shall have the meaning set forth in Section 8.7(c).

“Lender(s)” means any/all lenders under any Loan together with its respective successors and assigns in such capacity.

“Limited Partner Loan” has the meaning set forth in Section 3.4.

“Limited Partners” means, collectively, the Investor Limited Partner and the Special Limited Partner; each a “**Limited Partner**”.

“Liquidating Partner” means the Co-General Partner, unless the Co-General Partner has been removed, in which case it shall mean the Special Limited Partner.

“Loan” means any or all of the Bond Loan, or any successor or additional loan, including Limited Partner Loans, Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans.

“Loan Conversion” means the date on which Freddie Mac purchases the Bonds from the Funding Lender pursuant to the Freddie Mac Commitment.

“Loan Documents” means any notes, mortgages and any other documents evidencing or securing the Loans.

“Low-Income Unit” has the meaning set forth in Section 42(i)(3) of the Code.

“Manager’s Unit” means the one (1) dwelling unit in the Project that will be occupied by either a resident manager or a resident maintenance person.

“Managing General Partner” means IH CDP Partnership LLC, a California limited liability company, or its successors or assigns as permitted by this Agreement.

“Managing General Partner Assignment, Pledge and Security Agreement” means the Managing General Partner Assignment, Pledge and Security Agreement dated as of even date herewith by the Managing General Partner in favor of the Investor Limited Partner and the Partnership.

“Minimum Debt Service Coverage Ratio” means an average Debt Service Coverage Ratio of 1.15 to 1.0 with respect to the Bond Loan.

“Net Income and Net Losses” mean, for each Fiscal Year of the Partnership, an amount equal to the Partnership’s taxable income or loss for such Fiscal Year, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(a) Any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Net Income or Net Losses shall be added to such taxable income or loss;

(b) Any expenditures of the Partnership described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(c) Gain or loss resulting from any disposition of Partnership property with respect to which gain or loss is recognized for federal income tax purposes, shall be computed by reference to the Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Value;

(d) Depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss shall be excluded;

(e) Any selling commissions, underwriting fees and other expenses of the Partnership in syndicating the Partnership Interests not otherwise taken into account in computing Net Income or Net Losses shall be subtracted from such taxable income or loss;

(f) Notwithstanding any other provision of this Section, any items which are specially allocated under Sections 6.2 or 6.3(c) shall not be taken into account in computing Net Income or Net Losses; and

(g) If the Value of any Partnership asset is adjusted pursuant to clause (b) of the definition of Value hereunder, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing and allocating Net Income or Net Losses.

“Nonprofit Management Agreement” means the Nonprofit Management Agreement between the Partnership and the Managing General Partner dated as of the Closing Date.

“Nonprofit Management Fee” means the annual fee equal to \$2,500 to be paid by the Partnership to the Managing General Partner pursuant to Section 5.1, commencing with the First Year and increasing at a rate of 3% per annum thereafter. The Nonprofit Management Fee shall accrue to the extent any portion of it remains unpaid at the end of any Fiscal Year during the term of the Partnership.

“Notice of Default” means a written Notice of an Event of Default by the Special Limited Partner to a General Partner pursuant to Section 11.3.

“Operating Cash Flow” means, for any fiscal period, Gross Cash Receipts plus amounts drawn from Reserves for such fiscal period, reduced by the sum of the following: (i) all Partnership Expenses and (ii) any amounts (not already included as a Partnership Expense) required to fund the Capital Replacement Reserve pursuant to Section 8.7(a). Operating Cash Flow shall be determined under cash basis accounting principles and no deductions shall be made from Operating Cash Flow for non-cash deductions such as depreciation or amortization.

“Operating Deficit” means, for any Fiscal Year, the amount (if any) by which (i) Partnership Expenses (excluding the Subordinated Partnership Expenses) for the Fiscal Year (or a portion of the Fiscal Year in the First Year) exceeds (ii) the sum of (A) the Gross Cash Receipts (excluding Operating Deficit Loans), plus (B) amounts drawn from any Reserves for such Fiscal Year or portion thereof.

“Operating Deficit Guaranty Period” means the period commencing on the Rent-Up Date and ending on the expiration of the Compliance Period.

“Operating Deficit Loan” means a loan by the Co-General Partner or the Guarantor to the Partnership, payable solely from Operating Cash Flow and Extraordinary Cash Proceeds, which bears interest at a rate of up to 5.0% per annum.

“Operating Reserve” shall have the meaning set forth in Section 8.7(b).

“Operating Reserve Minimum Balance” shall mean a minimum balance in the Operating Reserve of \$287,022.

“Original Agreement” has the meaning set forth in the Recitals.

“Outside Completion Date” shall have the meaning set forth in the definition of Completion Date.

“Partner(s)” means any/all of the Co-General Partner, the Managing General Partner, the Investor Limited Partner, the Special Limited Partner or any successors in interest at the time of the reference thereto.

“Partner Nonrecourse Debt Minimum Gain” shall have the meaning set forth in Sections 1.704-2(i)(2) and (3) of the Allocation Regulations.

“Partnership” means Palmdale Park Apartments, LP, a California limited partnership, the limited partnership continued by this Agreement.

“Partnership Expenses” means all cash costs and cash expenses paid by the Partnership of every kind and nature in connection with the Partnership’s management, business affairs and operations including, without limitation, Capital Expenditures, amounts allocated to the Reserves by the Co-General Partner, debt service on the Loans, including any Limited Partner Loans (but excluding any payments payable solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2), and payment of any fees (except any fees paid solely out of Operating Cash Flow or Extraordinary Cash Proceeds pursuant to Section 5.1 or 5.2 or are otherwise deferred or subordinated). Partnership Expenses shall not include amounts paid from the proceeds of any Loans (other than Operating Deficit Loans) and/or from Capital Contributions, including Development Costs. Any Partnership Expenses which relate to more than one period shall be allocated pro rata to the periods to which such Partnership Expenses relate.

“Partnership Interest” means a Partner’s entire ownership interest in the Partnership as of the time of determination, including any and all rights, powers and benefits accorded such Partner under this Agreement and the duties and obligations of such Partner thereunder.

“Partnership Minimum Gain” shall have the meaning set forth in Section 1.704-2(d) of the Allocation Regulations.

“Partnership Representative” means the “partnership representative” under Section 6223 of Chapter 63 of the Code.

“Partnership Tax Return” means the United States Partnership Income Tax Return (Form 1065) for the Partnership, together with all Schedules K-1 included therein, and all state and local tax returns and other similar schedules required to be filed with respect to operations of the Partnership.

“Payment Date” means the relevant date on which all of the conditions set forth in Section 3.1 are satisfied for the applicable Federal Payment (and collectively referred to herein as the “**Payment Dates**”).

“Percentage Interest” means with respect to the Investor Limited Partner, 99.99%, with respect to the Special Limited Partner, 0.00%, with respect to the Co-General Partner, 0.0051%

and with respect to the Managing General Partner, 0.0049% (collectively, the “**Percentage Interests**”).

“**Permitted Encumbrances**” means the list of permitted exceptions, liens and encumbrances referenced on **Schedule B** on that certain Policy of Title Insurance issued by Fidelity National Title Company, Order No. 002-30007539-1MB.

“**Person**” means any individual, partnership, corporation, limited liability company, trust or other entity.

“**Plans**” means the plans and specifications for the Project as prepared by the Architect, as subsequently approved by the Lenders and the Investor Limited Partner and all amendments thereto approved by the Lenders and the Investor Limited Partner.

“**Proceeds**” means (i) the proceeds of all Loans, (ii) the interest income and net rental income, if any, generated by the Project which are permitted by the Lenders to be applied to the payment of Development Costs, (iii) the Capital Contributions made or to be made by the Partners, and (iv) any insurance proceeds arising out of casualties or condemnation occurring prior to Completion.

“**Project**” has the meaning set forth in the Recitals.

“**Project Costs**” means costs included in the Construction Budget attached as **Exhibit C**, as amended by change orders approved by the Special Limited Partner to the extent required hereunder.

“**Project Documents**” means any and all material agreements of the Partnership relating to the financing, development, rehabilitation, use or operation of the Project, including, but not limited to, all agreements set forth in **Exhibit K**, and as any such documents may be amended from time to time.

“**Projected Acquired Personal Property Basis**” shall have the meaning set forth in Section 3.2(b)(vi).

“**Projected Acquired Site Improvement Basis**” shall have the meaning set forth in Section 3.2(b)(vi).

“**Projected Annual Investor Housing Tax Credit Amount**” means the amount of Housing Tax Credits projected in the Initial Economic Projections to be allocable to the Investor Limited Partner during each Fiscal Year of the Credit Period. It is currently anticipated that the Partnership will allocate Housing Tax Credits to the Investor Limited Partner of (i) \$180,212 in 2018, (ii) \$432,510 with respect to each year from 2019 to 2027 and (iii) \$252,297 in 2028. If the amount of Housing Tax Credits allocable to the Investor Limited Partner during any Fiscal Year is determined to be greater or less than that reflected in the Initial Economic Projections, the term “**Projected Annual Investor Housing Tax Credit Amount**,” as used herein, shall mean such revised amount, provided that any adjustments, payments, or distributions required under Section 3.2 of this Agreement have in fact been made.

“Projected Basis” shall have the meaning set forth in Section 3.2(b)(vi).

“Projected Federal Housing Tax Credit Amount” means the projected Federal Housing Tax Credits allocable to the Partnership per annum of \$432,553 during the Credit Period, for a total of \$4,325,530 of Federal Housing Tax Credits during the Credit Period.

“Projected First Year Federal Investor Housing Tax Credit Amount” means \$180,212 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the First Year.

“Projected Second Year Federal Investor Housing Tax Credit Amount” means \$432,510 of Federal Housing Tax Credits allocable to the Investor Limited Partner during the Second Year.

“Property” means the fee interest in the Land and the Improvements and any other real or personal property acquired by the Partnership.

“Property Management Agreement” means the Management Agreement between the Partnership and the Property Manager entered into pursuant to Section 7.13 hereof, substantially in the form attached hereto as Exhibit J.

“Property Management Fee” means the annual property management fee payable to the Property Manager under the Property Management Agreement, which fee has initially been established at \$50 per Unit per month.

“Property Manager” means The John Stewart Company, or any subsequent Person selected to provide management services to the Project from time to time in accordance with Section 7.13.

“Property Tax Exemption” has the meaning set forth in Section 9.40

“Purchase Option Agreement” means the Purchase Option and Right of First Refusal Agreement dated as of even date herewith among the Partnership, the General Partners and the Limited Partners for the purchase of the Project or the Partnership Interests of the Limited Partners by the Co-General Partner or its Affiliate.

“Put Option Agreement” means the Put Option Agreement dated as of even date herewith between the Partnership, the Co-General Partner, the Limited Partners and consented to by the Managing General Partner regarding the option of the Investor Limited Partner and the Special Limited Partner to sell their Interests in the Partnership.

“Qualified Allocations” means an allocation of income, gain, loss, deduction and credit to an Exempt Partner that satisfies the requirements of Code Section 168(h)(6)(B) so that at no time will any portion of the property held by the Partnership be classified as tax-exempt use property for purposes of Code Section 47(c)(2)(B)(v).

“Qualified Housing Tax Credit Basis” means the qualified basis of each qualified low-income building in the Property, determined in accordance with the provisions of Section 42(c) of the Code.

“Qualified Tenants” means tenants with incomes that satisfy the requirements of Section 42(g)(1) of the Code who lease a Qualified Unit in the Project at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Qualified Unit” means a Unit leased to a household with an income that satisfies the requirements of Section 42(g)(1) of the Code at a rent that satisfies the requirements of Section 42(g)(2) of the Code.

“Recapture Adjuster Distribution” shall have the meaning set forth in Section 3.2(d).

“Recapture Adjustment Year” shall have the meaning set forth in Section 3.2(d).

“Regulations” mean the final Treasury Regulations promulgated under the Code, as amended from time to time.

“Rental Unit” means each of the fifty-eight (58) dwelling units in the Project which are intended for rental pursuant to the Low-Income Housing Tax Credit Program pursuant to Section 42 of the Code.

“Rent-Up Date” means the earliest date on which (a) there is Completion of the Project, (b) the Project has reached Initial Rent-Up, (c) the Project has achieved a Debt Service Coverage Ratio of 1.0 to 1.0 for a period of 90 days and (d) Loan Conversion has been achieved.

“Repurchase Option” has the meaning set forth in Section 4.4.

“Reserves” means the amount of cash the Co-General Partner is required to cause the Partnership to reserve by this Agreement, any Loan Agreements, and/or any Project Documents including but not limited to the Operating Reserve, the Capital Replacement Reserve, the Development Reserve the Lease-Up Reserve and such other amounts as the Co-General Partner from time to time determines to be reasonably necessary or advisable for the operation and/or maintenance of the Project of the Partnership.

“Second Adjusted Payment” means the Final Federal Payment.

“Second Adjustment Date” means the Final Payment Date.

“Second Year” means the year 2019, the second year in which Credits shall be allocated to the Investor Limited Partner.

“Second Year Federal Investor Housing Tax Credit Amount” means the Federal Housing Tax Credit Amount that will be allocated to the Investor Limited Partner in the Second Year.

“Second Year Investor Housing Tax Credit Amount” means the Second Year Federal Housing Tax Credit Amount.

“Security Agreement” means the Security Agreement dated as of even date herewith among the Partnership and the Limited Partners.

“Seller” means Who Does Not Want to Wear The Ribbon, LP, a California limited partnership.

“Share of Partner Nonrecourse Debt Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partner nonrecourse debt minimum gain,” determined in accordance with the provisions of Section 1.704-2(i)(5) of the Allocation Regulations.

“Share of Partnership Minimum Gain” means, for each Partner, an amount equal to such Partner’s “share of partnership minimum gain,” determined in accordance with the provisions of Section 1.704-2(g) of the Allocation Regulations.

“Sources and Uses Statement” means a master sources and uses statement identifying all Proceeds of the Partnership for the Project as of the applicable Payment Date, including the proceeds from the Loans and any Capital Contributions to the Partnership (including the Capital Contribution being made on such Payment Date) and how such funds will be utilized by the Partnership and a forecast of sources and uses on a monthly basis going forward through the Final Payment Date.

“Special Allocations” means the allocations as set forth in Section 6.2.

“Special Limited Partner” means Transamerica Affordable Housing, Inc., a California corporation, and its successors and assigns.

“State” means the State of California.

“State Tax Code” means the California Revenue and Taxation Code.

“Subordinated Partnership Expenses” means the Asset Management Fee, the Nonprofit Management Fee, the Incentive Lease-Up Fee and the Incentive Management Fee.

“Substituted Partner” means any Person admitted as a Partner to the Partnership pursuant to Section 10.3(b).

“Tax” or “Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax imposed by the IRS or any other taxing authority.

“Tax Benefits” means the sum of (a) the Limited Partners’ share of the Projected Federal Housing Tax Credit Amount or the Federal Housing Tax Credit Amount, as applicable, for the entire Compliance Period, and (b) the maximum federal corporate income tax rate, assumed to be twenty-one percent (21%), times the taxable losses that are projected to be available to the Limited Partners.

“Tax Credits” means the Federal Housing Tax Credits permitted under the Code against federal income tax liability of any Partner as a result of activities or expenditures of the Partnership.

“Tax Credit Approvals” means, with respect to the Project, the written determinations and conditions required to be satisfied pursuant to the required provisions of Sections 42(h)(6)(C), 42(m)(1)(D), and 42(m)(2)(D) of the Code.

“Transfer” means, as a verb, to transfer, sell, assign, exchange, pledge, give, hypothecate or otherwise convey or encumber all or any portion of an Interest and, as a noun, any transfer, sale, assignment, exchange, charge, gift, hypothecation or other conveyance or encumbrance of all or any portion of an Interest.

“Upward Cap” shall have the meaning set forth in Section 3.2.

“Unit” means each of the fifty-eight (58) rental units comprising the Project.

“Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(a) The Value of any asset contributed by or distributed to a Partner shall be the gross fair market value of such asset, as determined at the time of contribution or distribution by agreement between the contributing or distributing Partner and the other Partners;

(b) The Values of all Partnership assets shall be adjusted to equal their respective gross fair market values, as determined by a unanimous decision of the Partners (or by Appraisal if the Partners cannot reach a unanimous decision) as of the following times: (x) the acquisition of an additional Partnership Interest by any new or existing Partner in exchange for a capital contribution not presently provided for under the Agreement; (y) the distribution by the Partnership to a Partner of Partnership Property other than money, unless all Partners receive simultaneous distributions of undivided interest in the distributed Property in proportion to their Partnership Interests; and (z) the termination of the Partnership for federal income tax purposes pursuant to Section 708(b)(1)(B) of the Code or the liquidation of the Partnership within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that clause (x) or (y) shall not apply to a contribution or distribution of property of a de minimis gross fair market value;

(c) If the Value of a Partnership asset has been determined or adjusted pursuant to clause (a) or (b), such Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Income and Net Losses;

(d) The term “gross fair market value” means the amount which would be paid for a particular property by a willing buyer to a willing seller (neither under any compulsion to buy or sell) unreduced by any liabilities secured by the property or assumed by any party in connection therewith;

(e) The Values of Partnership assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 732(d), Code Section 734(b) or Code Section 743(b), but only to the extent that

such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Section 6.2(b) hereof; provided, however, that Values shall not be adjusted pursuant to this clause (e) to the extent that an adjustment pursuant to clause (b) hereof is made in connection with a transaction that would otherwise result in an adjustment pursuant to clause (e).

“Withdrawing” or “Withdrawal” (including the verb form “Withdraw” and the adjective forms “Withdrawing” and “Withdrawn”) means as to a General Partner, the occurrence of the Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including without limitation, any Transfer of its Interest and those situations when a General Partner may no longer continue as a General Partner by reason of any law or pursuant to any terms of this Agreement.

“Withdrawing Limited Partner” means Palmdale Park Apartments GP, LLC, a California limited liability company.

ARTICLE 2 ORGANIZATION

2.1 Continuation.

Upon execution of this Agreement, each of the Investor Limited Partner and the Special Limited Partner is admitted to the Partnership and the Withdrawing Limited Partner withdraws from the Partnership and acknowledges that it has no further interest in the Partnership. The General Partners and the Limited Partners do hereby amend and restate the Original Agreement in its entirety and continue the Partnership as a limited partnership pursuant to the Act for the purposes and upon the terms and conditions set forth in the Agreement.

2.2 Name.

The name of the Partnership shall be “Palmdale Park Apartments, LP”. All business of the Partnership shall be conducted under such name.

2.3 Principal Place of Business.

The principal place of business and office of the Partnership shall be 215 S. Cienega Blvd., Suite 203, Beverly Hills, CA 90211. The Co-General Partner may change the principal place of business of the Partnership to any other place upon filing an amendment to the Certificate and giving thirty (30) days’ written notice to the Limited Partners.

2.4 Purposes.

The purpose of the Partnership shall be to acquire the Land and rehabilitate the Improvements, and maintain, own, operate, lease and otherwise deal with the Project as a low-income rental housing project in order to provide decent, safe, sanitary and affordable housing to low-income persons in accordance with the Project Documents and the provisions of this Agreement and in a manner not inconsistent with the charitable purposes of the Managing General Partner. Consistent with such purposes, the Partnership shall operate using sound

business practices to generate a positive cash flow from operations to ensure the viability and success of the Project. The Partnership shall not engage in any other business or activity without the prior written approval of all the Partners.

2.5 Term.

The term of the Partnership shall continue until the Partnership is terminated pursuant to Article 12. This Agreement shall be effective as of the date first above written.

2.6 Partners.

Unless and until Substituted Partners are admitted pursuant to the terms of Article 10 and upon the withdrawal of the Withdrawing Limited Partner, the Co-General Partner and Managing General Partner shall be the sole general partners of the Partnership and the Limited Partners shall be the sole limited partners of the Partnership (within the meaning of the Act). Except as otherwise expressly provided herein, no Partner may be removed as a Partner of the Partnership without such Partner's prior written approval.

2.7 Filings

(a) Certificate of Limited Partnership; Amendments. The Co-General Partner shall timely cause amendments to the Certificate of Limited Partnership to be filed whenever required by the Act. The Co-General Partner shall timely take any and all other actions as may be necessary or appropriate (i) to comply with all laws that apply to the Partnership or the conduct of its business; (ii) to perfect and maintain the status of the Partnership as a limited partnership under the Act and the laws of the State and any other states or jurisdictions in which the Partnership engages in business; and (iii) to protect the limited liability of each of the Limited Partners.

(b) Agent for Service of Process. The agent for service of process of the Partnership in the State shall be National Registered Agents, Inc., or any successor individual or entity named by the Partnership.

(c) Fictitious Business Name Statement. The Co-General Partner shall cause appropriate fictitious business name and like statements to be filed and published for the Partnership if and as required by law.

(d) Taxpayer Identification Number. The federal taxpayer identification number for the Partnership is 82-4334620.

2.8 Outside Activities of Partners.

Except as otherwise provided herein, each of the Partners and any Affiliate may engage or possess interests in other business ventures of every kind and description for its own account, including, without limitation, the ownership or management of other real estate projects, developments or undertakings. Neither the Partnership nor the other Partners shall have any rights by virtue of this Agreement in such independent business ventures or to income or profits derived therefrom.

ARTICLE 3
CAPITALIZATION OF PARTNERSHIP;
PARTNERSHIP INTERESTS

3.1 Capital Contributions.

(a) Co-General Partner. On or before the Closing Date, the Co-General Partner will each make a Capital Contribution to the Partnership in the amount of \$50 and its Capital Account balance as of the Closing Date shall be \$50. The Co-General Partner shall also be required to make additional Capital Contributions, as needed, in accordance with Section 3.2(c) of this Agreement. If the Deferred Development Fee is not paid in full on or before December 31st of the thirteenth (13th) year following the year in which Completion occurs, the Co-General Partner shall make a Capital Contribution of funds to the Partnership in an amount sufficient to pay the Deferred Development Fee in full. The deferred portion of the Development Fee is estimated to be \$0.

(b) Managing General Partner. On or before the Closing Date, the Managing General Partner will make a Capital Contribution to the Partnership in the amount of \$50 and its Capital Account balance as of the Closing Date shall be \$50.

(c) Investor Limited Partner. Subject to the adjustments of Section 3.2 and the satisfaction of the conditions precedent in this Section 3.1(c) and in Section 3.1(d), as applicable, the Investor Limited Partner shall make a total Capital Contribution to the Partnership in the amount of \$4,119,743 as follows:

(i) First Federal Payment. \$2,681,647 (the “**First Federal Payment**”), a portion of which in the amount of \$10,900 shall be applied on behalf of the Investor Limited Partner to payment of its legal fees and expenses in connection with the closing of the investment contemplated hereunder, shall be made upon the Closing Date.

(ii) Second Federal Payment. \$1,027,211 (the “**Second Federal Payment**”) shall be made upon the later to occur of (1) January 1, 2019 or (2) satisfaction of the conditions set forth in this Section 3.1(c)(ii) for the payment of the Second Federal Payment (the “**Second Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Completion has occurred.

(B) Intentionally Omitted.

(C) Delivery to the Limited Partners of the Architect’s Certificate dated within ten (10) days of this Payment Date, substantially in the form of Exhibit E, that the Project is substantially complete with only minor outstanding punch list items.

(D) Delivery to the Limited Partners of a certificate of the General Partner dated as of this Payment Date, substantially in the form of Attachment A to Exhibit E.

(E) Delivery of copies of any additional Governmental Permits required to be issued for Completion of the Project, if applicable, and the readiness thereof for occupancy.

(F) Delivery of a pay-off letter from the Contractor dated within ten (10) days of this Payment Date, executed by an authorized officer of the Contractor, which states with respect to the Project (1) that all amounts payable to the Contractor for work done through Completion of the Project have been paid in full, excluding punch list items, retainage and amounts which are to be paid from this Federal Payment; (2) the amount to be paid to the Contractor from this Federal Payment; (3) the total unpaid amount due to the Contractor, including all amounts relating to punch list items and retainage; (4) that funds from payment of this Federal Payment shall be sufficient to satisfy all of the Partnership's obligations to the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project, other than such amounts relating to punch-list items and retainage, and upon receipt of such amounts from such Federal Payment, and the payment by the Partnership or the Contractor of amounts due to subcontractors, all liens or rights of lien which either the Contractor or any materialman or subcontractor with whom the Contractor has dealt with respect to the Project for all work done through Completion of the Project will be fully paid and discharged; and (5) that the Partnership is not in violation of any provision of the Construction Contract.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership's owner's title policy dated as of this Payment Date reflecting no new title exceptions (except as previously approved by Limited Partners) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Limited Partners).

(H) Intentionally Omitted.

(I) Intentionally Omitted.

(J) An asbestos abatement closure report, in form and substance satisfactory to the Investor Limited Partner, from an abatement contractor or an independent qualified consultant (which is not an Affiliate of a General Partner), including a summary of abatement scope, affirmation that all applicable regulations were adhered to, copies of all pre-abatement regulatory filings and waste manifests.

(K) Evidence that all tenant leases contain notifications regarding lead-based paint required by the Environmental Protection Agency.

(L) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(iii) Third Federal Payment. \$335,885 (the “**Third Federal Payment**”) shall be made upon the later to occur of (1) April 1, 2019 or (2) satisfaction of the conditions set forth in this Section 3.1(c)(iii) for the payment of the Third Federal Payment (the “**Third Payment Date**”), all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Initial Rent-Up has been achieved, including, without limitation, delivery of a current rent roll and the most recent financial statements for the Partnership;

(B) Loan Conversion has occurred (the Asset Manager shall be provided at least ten (10) Business Days to review and approve the permanent Loan Documents, if any, before they are executed by the Partnership) or will occur simultaneously with the payment of this Federal Payment;

(C) The Project has achieved a Debt Service Coverage Ratio of 1.15 to 1.0 for each of the most recent three (3) consecutive months.

(D) A draft Cost Certification and draft Accountants’ Fifty Percent Test Certification for the Project prepared by the Accountant, which shall be acceptable to the Limited Partners, showing the Federal Housing Tax Credits available to the Project as of the date of the draft Cost Certification or Partnership Tax Return and delivered to the Investor Limited Partner during the First Year.

(E) The Asset Manager has received an electronic copy of Initial Tenant Files for not less than fifty six (56) units (which have incorporated all modifications requested by the Compliance Auditor) and a rent roll listing all tenants relied upon to fulfill the Initial Rent-Up requirement.

(F) The Asset Manager has received a copy of the Compliance Audit.

(G) Delivery of a title search report conducted by the title insurer insuring the Project and an endorsement to the Partnership’s owner’s title policy dated as of the Fourth Payment Date reflecting no new title exceptions (except as previously approved by Investor Limited Partner) and showing that no intervening claim, lien or other encumbrance or impediment to title has been filed or recorded affecting the Project, with no survey exceptions (except as previously approved by Investor Limited Partner).

(H) The Accountants have delivered to the Co-General Partner and the Limited Partners the Accountants’ Certificate substantially in the form of Exhibit G, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Fourth Federal Payment in accordance with Section 3.2.

(I) The Operating Reserve and Capital Replacement Reserve have each been fully funded or will be fully funded with the funding of the Third Federal Payment.

(J) The Co-General Partner has given the Limited Partners at least thirty (30) days prior written notice of the Partnership's proposed date for payment.

(K) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(L) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(iv) Final Federal Payment. \$75,000 (the "**Final Federal Payment**") shall be made upon the later to occur of (1) October 1, 2019 or (2) satisfaction of the conditions precedent to the Final Payment Date, all of which shall be in form and substance satisfactory to the Investor Limited Partner, as follows:

(A) Delivery of a copy of the Cost Certification for the Project, in a form accepted by the Credit Agency.

(B) Delivery of a copy of the Accountants' Fifty Percent Test Certification to the extent not included in the Cost Certification.

(C) Delivery of a copy of the Form 8609 issued with respect to each building in the Project.

(D) The Extended Use Agreement has been recorded in the land records where the Project is located and all Lenders have subordinated their mortgages of record to the Extended Use Agreement to the extent required by Section 42(h)(6) of the Code.

(E) The Accountants have delivered to the Co-General Partner and the Investor Limited Partner the Accountants' Certificate substantially in the form of Exhibit G, updated based upon the actual facts to show any applicable adjustments to the Capital Contributions and the Final Federal Payment in accordance with Section 3.2.

(F) In the event the footprint of the Project has changed from the Initial Closing, delivery of a current as-built ALTA Survey (or equivalent) of the Project acceptable to (i) the Limited Partners and (ii) the title insurance company issuing the Partnership's owner's policy.

(G) The Co-General Partner has given the Limited Partners at least thirty (30) days prior written notice of the Partnership's proposed date for payment.

(H) All elections contemplated by the Partnership Agreement have been made and copies have been provided to the Investor Limited Partner.

(I) Evidence that the Partnership has received the Property Tax Exemption for all Qualified Units.

(J) All conditions and provisions of Section 3.1(d) shall have been satisfied.

(d) Additional Conditions Precedent to Capital Contributions. The obligation of the Investor Limited Partner to make each Federal Payment (except as otherwise provided) is subject to each of the following conditions, each of which shall be satisfactory to the Investor Limited Partner:

(i) Prior Installment Conditions. All conditions for all previous installments of Capital Contributions shall have been satisfied and all of such prior installments shall have become due.

(ii) No Event of Default. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by a General Partner as of the applicable Payment Date.

(iii) Partnership Accounts. All accounts, including all Reserves, of the Partnership required to be maintained under the terms of the Project Documents are currently funded to levels required by this Agreement and any Lender or Authority.

(iv) Reporting Requirements. All reporting obligations of the Co-General Partner under Section 8.2 and 8.3 of this Agreement have been satisfied, to the extent then applicable.

(v) No Loans or Grants. Except for Operating Deficit Loans, Conversion Loans, Depreciation Adjuster Loans, or Limited Partner Loans which are or have been disclosed to the Investor Limited Partner, no loans or grants have been made to the Partnership except as contemplated in the Initial Economic Projections.

(vi) Initial Economic Projections. There have been no material modifications to the terms of any loans reflected in the Initial Economic Projections.

(vii) Representations and Warranties. The Co-General Partner represents and warrants to the Partnership and the Limited Partners that as of each Payment Date:

1. All of the conditions precedent set forth in Section 3.1(c) with respect to the relevant Federal Payment are satisfied;

2. No Event of Default has occurred (including any default under any Project Document) and is continuing;

3. All of the representations and warranties of the Co-General Partner made as of the Closing Date and each prior Payment Date, as applicable, are true and correct in all material respects as of the relevant Payment Date;

4. The Partnership has not been notified by a federal, state or municipal agency that it is in material violation of any Hazardous Substances Laws and that such material violation is continuing, nor to the actual knowledge of the Co-General Partner does such a material violation exist. As used in this section, “material violation” means any violation of a Hazardous Substances Law (A) which jeopardized or could jeopardize the ability of the Partnership to develop, own, or operate the Project as housing eligible for the Housing Tax Credits, and (B) the correction of which will require the Partnership to spend funds beyond those likely to be available to the Partnership for such purposes in the ordinary course of events;

5. To the best knowledge of the Co-General Partner, nothing has occurred that would reduce the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that required adjustments thereof have been made pursuant to Section 3.2 of this Agreement;

6. There has been no material change in the representations made by the General Partners hereunder;

7. There has been no material change in the financial condition of the Co-General Partner; and

8. No financing commitment (or other document enter into by the Partnership relating to any Loan) has been terminated or materially modified.

(viii) Deliverables. Each and every one of the following documents, all in form and substance reasonably satisfactory to the Limited Partners, shall be executed by all necessary parties, be in final form and delivered to the Limited Partners no later than seven (7) Business Days prior to each Payment Date:

1. A certificate of the Co-General Partner dated as of the relevant Payment Date, substantially in the form of Exhibit E, certifying that all of the representations and warranties of the Co-General Partner in Section 3.1(d) are true and correct in all material respects as of the applicable Payment Date.

2. For each Federal Payment other than the First Federal Payment, an estoppel certificate from each Lender dated within ten (10) days of the relevant Payment Date, in form and substance reasonably satisfactory to the Limited Partners, stating the principal balance of each Loan then outstanding and that, to the best of its knowledge, there are no defaults or events which, with notice or the passage of time or both, would constitute a default under such Loan.

3. For each Federal Payment other than the First Federal Payment, an estoppel certificate from the Property Manager dated within ten (10) days of the relevant Payment Date, in form and substance satisfactory to the Limited Partners, stating that the Property Management Agreement is in full force

and effect and that, to the best of its knowledge, no material breach or default has occurred hereunder.

4. Copies of any written notices or other written communications or documentation received from the Credit Agency with respect to the Project.

5. A Sources and Uses Statement.

6. If the Investor Limited Partner determines in good faith and using its reasonable discretion that there has been material change in the representations set forth in this Agreement affecting the Federal Housing Tax Credits upon which the opinion of the Investor Limited Partner's tax counsel delivered on the Closing Date was based, an opinion of the Investor Limited Partner's tax counsel in form and substance reasonably satisfactory to the Investor Limited Partner addressing the impact of such change at the Partnership's expense.

7. The (i) most recent year-end financial statements of each of the Guarantors, obtained at the expense of the Guarantors, which financial statements shall be reviewed by a certified public accountant reasonably acceptable to the Investor Limited Partner, (ii) the Guarantors' most recently filed tax returns prepared by an outside accountant showing no material adverse change in Guarantors' ability to satisfy the financial covenants set forth in the Guaranty and (iii) a certificate of each Guarantor that there has been no material adverse change.

3.2 Adjustment of Capital Contributions; Recapture.

If the actual Federal Housing Tax Credit Amount, the First Year Investor Housing Tax Credit Amount and/or the Second Year Investor Housing Tax Credit Amount varies from that set forth in the Initial Economic Projections, then adjustments will be made to the Investor Limited Partner's Capital Contributions as of the First Adjustment Date and Second Adjustment Date in accordance with this Section 3.2. Notwithstanding anything to the contrary in this Agreement, in no event shall the Investor Limited Partner's Capital Contribution be increased by an amount in excess of \$411,974 (the "**Upward Cap**"). If the Investor Limited Partner notifies the Co-General Partner that it is unable or unwilling to make an additional Capital Contribution in excess of the Upward Cap, then within thirty (30) days after receipt of such notice, the Co-General Partner shall have the right to have its Percentage Interest increased and the Investor Limited Partner shall have its Percentage Interest correspondingly reduced by a percentage equal to the additional Federal Housing Tax Credits for which the Investor Limited Partner does not increase its Capital Contribution divided by the revised Federal Housing Tax Credits to be received by the Partnership, such that the Investor Limited Partner's Percentage Interest shall not be reduced in a manner that would cause the Investor Limited Partner to receive less than the Federal Housing Tax Credits for which Capital Contributions have been (or are anticipated to be) paid or diminish the economic benefits which were contemplated to be received by the Investor Limited Partner at the time of the execution of this Agreement or Notwithstanding the foregoing, in no event shall

the Percentage Interest of the Investor Limited Partner be reduced to less than 90% of all outstanding Partnership Interests and in no event shall the Co-General Partner Transfer any additional Partnership Interest received pursuant to this Section 3.2 without the consent of the Investor Limited Partner. Additionally, the Co-General Partner shall indemnify the Investor Limited Partner for any reasonable accounting and attorneys' fees and costs incurred by them in connection with the allocation to the Co-General Partner and adjustment in Interests pursuant to this Section 3.2. To the extent that the Investor Limited Partner's Capital Contribution would be increased by an amount in excess of the Upward Cap solely as a result of a Change in Tax Law fixing the Housing Tax Credit Percentage at 4.00% (such excess Federal Housing Tax Credits, the "**Excess Housing Tax Credit Percentage Amount**"), the Investor Limited Partner shall have the option, in its sole discretion, to make a Capital Contribution to the Partnership for such Excess Housing Tax Credit Percentage Amount in an amount equal the product of (A) the Excess Housing Tax Credit Percentage Amount times (Z) \$0.88 (the "**Excess Housing Tax Credit Percentage Option**"). Notwithstanding anything to the contrary herein, in no event shall the Percentage Interest of the Investor Limited Partner be reduced if the Investor Limited does not exercise the Excess Housing Tax Credit Percentage Option.

(a) **Notice of Payment Date.** The Co-General Partner shall give the Limited Partners and the Accountants at least thirty (30) days' Notice of the First Adjustment Date and Second Adjustment Date. Notice of the First Adjustment Date and Second Adjustment Date shall not be given until the draft Cost Certification is final, as to the First Adjustment Date, and the Credit Agency has issued an IRS Form 8609 for each building included in the Project, as to the Second Adjustment Date. The Accountants shall immediately proceed to determine whether there has been any change in the Housing Tax Credit Amount(s) and/or an insufficient First Year Investor Housing Tax Credit Amount(s) and/or an insufficient Second Year Investor Housing Tax Credit Amount(s) in accordance with Section 3.2(b) below, and shall provide the Partnership and the Limited Partners the Accountants' Certificate contemplated on the First Adjustment Date and Second Adjustment Date showing any adjustments to the Limited Partners' Capital Contributions.

(b) **Accountants' Certificate.** For purposes of preparing the Accountants' Certificate as of the First Adjustment Date and Second Adjustment Date, the Accountants shall:

(i) Determine whether the Federal Housing Tax Credit Amount, as calculated below, is less than or greater than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections. As of the First Adjustment Date and Second Adjustment Date, the Accountants shall determine the Eligible Basis from the draft Cost Certification, as to the First Adjustment Date and the IRS Form 8609s for the Project, as to the Second Adjustment Date. Upon a determination that the Federal Housing Tax Credit Amount differs from the Projected Federal Housing Tax Credit Amount, the Accountants shall calculate the decrease or the increase ("**Federal Housing Tax Credit Adjustment Amount**"). The Federal Housing Tax Credit Adjustment Amount shall equal an amount such that the Investor Limited Partner's total Capital Contribution shall equal the product of (V) the Qualified Housing Tax Credit Basis times (W) the Housing Tax Credit Percentage times (X) 10 times (Y) \$0.95 times (Z) 99.99%, provided that under no circumstances shall the product of (V) and (W) exceed the Federal Housing Tax Credit Amount allocated or allowable pursuant to Section 42 of the Code to the

Partnership (subject to any further adjustment pursuant to this Section 3.2, all subject to the Upward Cap.

(ii) Determine whether the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such decrease is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is less than the Projected First Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the first taxable year following the expiration of the Credit Period (the “**Deferred First Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred First Year Federal Housing Tax Credits, which present value loss is hereby stipulated by the Partners to equal \$0.46 per dollar of Deferred First Year Federal Housing Tax Credit. Notwithstanding the foregoing, no adjustment with respect to Deferred First Year Federal Housing Tax Credits shall be required to the extent such deferral was a result of the Investor Limited Partner’s requested election to defer the first year of the Credit Period.

(iii) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent such decrease is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is less than the Projected Second Year Federal Investor Housing Tax Credit Amount and that such difference will be deferred to the second taxable year following the expiration of the Credit Period (the “**Deferred Second Year Federal Housing Tax Credits**”) then the Accountants shall determine the loss in present value of the Deferred Second Year Federal Housing Tax Credits, which present value loss is hereby stipulated by the Partners to equal \$0.46 per dollar of Deferred Second Year Federal Housing Tax Credit. Notwithstanding the foregoing, no adjustment with respect to Deferred Second Year Federal Housing Tax Credits shall be required to the extent such deferral was a result of the Investor Limited Partner’s requested election to defer the first year of the Credit Period.

(iv) Determine whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent such increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount except to the extent already accounted for pursuant to Section 3.2(b)(i) (such difference being defined herein as the “**Additional First Year Federal Housing Tax Credits**”), then the Accountants shall determine the gain in present value of the Additional First Year Federal Housing Tax Credits, which present value gain is hereby stipulated by the Partners to be \$0.46 per dollar of Additional First Year Federal Housing Tax Credit, provided, however, that any increase in the Investor Limited Partner’s Capital Contribution pursuant to this Section 3.2(b)(iv) shall be subject to the Upward Cap.

(v) Determine whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit

Amount except to the extent such increase is already accounted for pursuant to Section 3.2(b)(i). If the Accountants determine that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount except to the extent already accounted for pursuant to Section 3.2(b)(i) (such difference being defined herein as the “**Additional Second Year Federal Housing Tax Credits**”), then the Accountants shall determine the gain in present value of the Additional Second Year Federal Housing Tax Credits, which present value gain is hereby stipulated by the Partners to be \$0.46 per dollar of Additional Second Year Federal Housing Tax Credit, provided, however, that any increase in the Investor Limited Partner’s Capital Contribution pursuant to this Section 3.2(b)(v) shall be subject to the Upward Cap.

(vi) Depreciation Adjusters.

(A) To the extent that the Accountants determine, as of the First Adjustment Date, that the actual basis eligible for depreciation under Section 168 of the Code with respect to acquired personal property (“**Actual Acquired Personal Property Basis**”) is or is projected to be lower than \$975,000 (“**Projected Acquired Personal Property Basis**”), then the Capital Contributions of the Investor Limited Partner shall be immediately reduced by an amount equal to the product of (i) \$0.12 and (ii) the difference between Actual Acquired Personal Property Basis and Projected Acquired Personal Property Basis (such reduction amount to be referred to as an “**Acquired Personal Property Depreciation Adjuster**”)

(B) To the extent that the Accountants determine, as of the First Adjustment Date, that the actual basis eligible for depreciation under Section 168 of the Code with respect to acquired site improvements (“**Actual Acquired Site Improvement Basis**”) is or is projected to be lower than \$185,000 (“**Projected Acquired Site Improvement Basis**”), then the Capital Contributions of the Investor Limited Partner shall be immediately reduced by an amount equal to the product of (i) \$0.08 and (ii) the difference between Actual Acquired Site Improvement Basis and Projected Acquired Site Improvement Basis (such reduction amount to be referred to as an “**Acquired Site Improvement Depreciation Adjuster**” and collectively with the Acquired Personal Property Depreciation Adjuster, a “**Depreciation Adjuster**”).

(C) If it has not previously been funded, the Depreciation Adjuster shall reduce unfunded Capital Contributions commencing with the next to occur, to the extent possible. If the Depreciation Adjuster exceeds the total of all unfunded Capital Contributions (as computed prior to the reduction provided in this provision), then within 30 days of receiving notice thereof from the Investor

Limited Partner, the Co-General Partner shall either (a) make a non-interest bearing loan to the Partnership equal to the amount of such excess ("**Depreciation Adjuster Loan**") which is repayable from Operating Cash Flow, and the Partnership shall immediately distribute the amount of the Depreciation Adjuster Loan to the Investor Limited Partner as a return of its Capital Contribution, or (b) if the notice provided by the Investor Limited Partner states 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, pay directly to the Investor Limited Partner an amount which, on an After-Tax Basis, is equal to the Depreciation Adjuster. In addition to the foregoing, to the extent not reflected in a payment or reduced capital contribution pursuant to the foregoing, if any of the following applies, it shall be considered a "**Delayed Depreciation Adjustment Event**": (i) the filing of the Partnership's tax returns showing a shortfall ("**Basis Shortfall**") in the amount of the Actual Acquired Personal Property Basis and the Actual Acquired Site Improvement Basis ("**Actual Basis**") compared against the sum of the Projected Acquired Personal Property Basis and the Projected Acquired Site Improvement Basis ("**Projected Basis**") set forth in the Initial Economic Projections, (ii) an audit by the Internal Revenue Service which results in the assessment of a deficiency by the Internal Revenue Service against the Partnership or the Investor Limited Partner with respect to a denial of Depreciation deductions previously claimed, unless the Partnership shall timely file a protest with the Internal Revenue Service Appeals or a petition with respect to such deficiency with the United States Tax Court or any other federal court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such protest or petition, (iii) a decision by the United States Tax Court or any other federal court of competent jurisdiction upholding the assessment of such deficiency against the Partnership or the Investor Limited Partner with respect to Depreciation deductions previously claimed, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (iv) the decision of a federal court of competent jurisdiction affirming such decision, or (v) the Partnership's failure to diligently pursue relief with the IRS or an appropriate court, in accordance with the foregoing, as reasonably determined by the Investor Limited Partner. In the case of a Delayed Depreciation Adjustment Event, then within 30 days following a demand therefore from the Investor Limited Partner, the Co-General Partner shall pay directly to the Investor Limited Partner an amount which, on an After-Tax Basis, is equal to the Depreciation Adjuster (using the amount of the Basis Shortfall determined in connection with the Delayed Depreciation

Adjustment Event, or as determined by the Investor Limited Partner's accountants, if provision (v) of the preceding sentence applies), plus interest and penalties, if any, imposed (or applicable) in connection therewith. If any payment to the Investor Limited Partner is not made at the time called for hereunder, interest shall accrue thereon at the Interest Rate.

(c) Adjustment(s) to Limited Partner Capital Contribution(s).

(i) Adjustment to Investor Limited Partner's Capital Contribution. Upon the Partners receiving the Accountants' Certificate showing any Federal Housing Tax Credit Adjustment Amount, Deferred First Year Federal Housing Tax Credits, Deferred Second Year Federal Housing Tax Credits, Additional First Year Federal Housing Tax Credits, and/or Additional Second Year Federal Housing Tax Credits, the total amount of the Investor Limited Partner's Capital Contribution shall be adjusted (A) upward or downward by the Federal Housing Tax Credit Adjustment Amount, and/or (B) downward by the loss in present value of the Deferred First Year Federal Housing Tax Credits (as such present downward adjustment is determined pursuant to Section 3.2(b)(ii)), and/or (C) downward by the loss in present value of the Deferred Second Year Federal Housing Tax Credits (as such present downward adjustment is determined pursuant to Section 3.2(b)(iii)), and/or (D) upward by the amount calculated pursuant to Section 3.2(b)(iv) or 3.2(b)(v) and/or (E) downward by the amounts calculated pursuant to Section 3.2(b)(vi). If on the First Adjustment Date and/or Second Adjustment Date the total of the adjustments contemplated by clauses (A), (B), (C) (D) and (E) of the preceding sentence is downward and exceeds the remaining Federal Payment (the "**Excess Federal Adjuster**"), then the Excess Federal Adjuster shall be repaid by the Partnership to the Investor Limited Partner as a return of capital, provided that if the Partnership does not have sufficient funds, the Co-General Partner shall promptly contribute sufficient funds to the Partnership to allow the Partnership to distribute the amount of the Excess Federal Adjuster.

If there is an Excess Federal Adjuster due pursuant to Section 3.2 of this Agreement as of the First Adjustment Date or Second Adjustment Date, and such Excess Federal Adjuster is due in whole or in part to a change in the Federal Housing Tax Credit Amount expected to be allocable to the Investor Limited Partner, a schedule of the adjusted Federal Housing Tax Credits shall be prepared for the remaining period during which Federal Housing Tax Credits are expected to be allocable to the Investor Limited Partner and shall serve as the baseline for calculating future adjustments in Federal Housing Tax Credits for purposes of this Partnership Agreement.

(d) Payment of Federal Recapture Amount. If, as a result of a Federal Recapture Event, the Investor Limited Partner is required to recapture all or any portion of the Federal Housing Tax Credits previously allocated to it by the Partnership, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Federal Recapture Amount. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Federal Recapture Amount exceeds the amount of the remaining Investor Limited Partner Capital

Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds (“**Recapture Adjuster Distribution**”) arising in the Fiscal Year in which such adjustment is determined (“**Recapture Adjustment Year**”) prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Federal Recapture Amount as described above during the Recapture Adjustment Year, the Co-General Partner shall, following the end of such Fiscal Year, promptly contribute funds to the Partnership equal to the unpaid balance of the Federal Recapture Amount and make an immediate Recapture Adjuster Distribution.

(e) **Payment of Annual Housing Tax Credit Shortfall Amount.** If there is an Annual Housing Tax Credit Shortfall, the Investor Limited Partner's remaining Capital Contribution payments shall be reduced in chronological order by an amount equal to the Annual Housing Tax Credit Shortfall Amount as calculated by the Accountants within ten (10) days following the Accountants' Determination or Final Determination that an Annual Housing Tax Credit Shortfall exists. In the event that (i) there are no remaining Investor Limited Partner Capital Contribution payments or (ii) the adjustment required to pay the Annual Housing Tax Credit Shortfall Amount exceeds the amount of the remaining Investor Limited Partner Capital Contribution payments, the Partnership shall distribute the remaining amount due to the Investor Limited Partner from Operating Cash Flow or Extraordinary Cash Proceeds (“**Annual Shortfall Adjuster Distribution**”) arising in the Fiscal Year in which such adjustment is determined (“**Annual Shortfall Adjustment Year**”) prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds to fully fund the Annual Housing Tax Credit Shortfall Amount in the Annual Shortfall Adjustment Year, the Co-General Partner shall, following the end of such Fiscal Year, promptly contribute funds to the Partnership equal to the unpaid balance of the Annual Housing Tax Credit Shortfall Amount and make an Annual Shortfall Adjuster Distribution. Notwithstanding anything to the contrary in this Section 3.2(e), neither a reduction to the Investor Limited Partner's remaining Capital Contribution payments nor an Annual Shortfall Adjuster Distribution shall be required with respect to any Fiscal Year in the Credit Period to the extent such reduction in the Investor Limited Partner's remaining Capital Contribution payments or Annual Shortfall Adjuster Distribution would be duplicative of any adjustments or payments made pursuant to Sections 3.2(c) and 3.2(d) hereof.

(f) **Payment of Future Downward Housing Tax Credit Adjustment Amount.** If at any time after the Final Payment Date there is an Accountants' Determination or a Final Determination that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount (an “**Aggregate Housing Tax Credit Shortfall**”, which, shall take into account the years remaining in the Credit Period after the expiration of the current Fiscal Year) due to a shortfall or reduction in the Eligible Basis, the Partnership shall distribute to the Investor Limited Partner an amount (the “**Future Downward Housing Tax Credit Adjustment Amount**”) equal to the product of (1) the Aggregate Housing Tax Credit Shortfall times (2) \$0.95 times (3) 99.99% (the “**Future Downward Adjuster Distribution**”). Any such Future Downward Adjuster Distribution shall be made from Operating Cash Flow or Extraordinary Cash Proceeds arising in the Fiscal Year in which such adjustment is determined prior to the payment or distribution of any other amounts to the Partners. If the Partnership does not generate sufficient Operating Cash Flow or Extraordinary Cash Proceeds in the applicable Fiscal

Year to fully pay the Future Downward Housing Tax Credit Adjustment Amount, the Co-General Partner shall promptly contribute to the Partnership sufficient funds to allow the Partnership to make a Future Downward Adjuster Distribution equal to the unpaid balance of the Future Downward Housing Tax Credit Adjustment Amount. Amounts returned to the Investor Limited Partner pursuant to this Section 3.2(f) shall be in addition to, and shall not be offset or otherwise reduced by, but shall not be duplicative of, any amount paid pursuant to Section 3.2(e).

(g) Limitation on the Obligation to Pay Future Downward Housing Tax Credit Adjustment Amount. Notwithstanding anything to the contrary contained herein, in the event that there is an Aggregate Housing Tax Credit Shortfall for any reason other than a shortfall or reduction in the Eligible Basis (i.e. 15 of the Units in the Project are supposed to be Rental Units, but the Partnership rents 2 vacant units that previously were occupied by Qualified Tenants to market-rate tenants in violation of the next available unit rule, resulting in a reduction in the Qualified Housing Tax Credit Basis but not a shortfall or reduction in the Eligible Basis), the Co-General Partner shall not be required to contribute funds to the Partnership to make a Future Downward Adjuster Distribution, and the sole compensation due to the Investor Limited Partner with respect to such Aggregate Housing Tax Credit Shortfall shall be the Annual Housing Tax Credit Shortfall Amount payable on an annual basis in accordance with Section 3.2(e).

3.3 Liability of Limited Partners; No Other Contributions.

Each of the Limited Partners shall be liable only to make payments of its Capital Contributions as and when due under this Agreement. The Limited Partners shall not be liable for any debts, liabilities, contracts or obligations of the Partnership. Except as provided in Sections 3.2, Article 4 and the Guaranties contemplated thereunder and Section 12.3, no Partner shall be required to make Capital Contributions in excess of the amounts established pursuant to Section 3.1, as adjusted by Section 3.2, without the prior written consent of such Partner. Except as provided in Section 3.2, no Partner shall have the right to make voluntary Capital Contributions to the capital of the Partnership.

3.4 Limited Partner Loans.

Any Limited Partner may, in its sole discretion, make loans to the Partnership (a "**Limited Partner Loan**") in the event that the Partnership is unable to make any required payments under applicable Loan Documents or pay other material expenses; provided that the Limited Partners may make such loans by making the payments directly on behalf of the Partnership. A Limited Partner Loan shall be payable out of Operating Cash Flow in accordance with Section 5.1 and shall bear interest at the rate per annum equal to the lesser of (a) the Interest Rate plus three percent (3%) or (b) the maximum rate permitted by law. If required by any Loan Documents, the Co-General Partner shall provide notice to the applicable Lender upon the making of any Limited Partner Loan.

3.5 Capital Accounts.

(a) A separate Capital Account shall be maintained in respect of each Partner in accordance with the applicable requirements of Section 704(b) of the Code and the applicable provisions of the Regulations relating to the allocation of tax attributes to the Partners. Each Partner's Capital Account shall be credited with (i) the amount of such Partner's Capital

Contributions as and when made by such Partner, (ii) such Partner's distributive share of any Net Income of the Partnership allocated to such Partner under Section 6.1, (iii) any imputed interest specially allocated to such Partner under Section 6.3, (iv) any amounts in the nature of income or gain specially allocated to such Partner under Section 6.2, and (v) the amount of any Partnership liability assumed by, or secured by property distributed to, such Partner. Each Partner's Capital Account shall be debited with (x) the amount of any money and the Value (determined as of the date of distribution) of any property other than money distributed by the Partnership to such Partner, (y) such Partner's share of any Net Losses and Depreciation of the Partnership allocated to such Partner under Section 6.1 or any amounts in the nature of losses or expenses specially allocated to such Partner under Section 6.2, and (z) the amount of any liabilities of such Partner assumed by, or secured by property contributed by such Partner to, the Partnership (determined in accordance with Code Section 752(a) and any other applicable provisions of the Code and Regulations).

(b) In the event any Partnership Interest is transferred in accordance with the terms of this Agreement, the Assignee or Substituted Partner shall succeed to the Capital Account of the transferor Partner to the extent it relates to the transferred Partnership Interest with adjustments to the Capital Account for a partial Fiscal Year to be determined on a daily basis, using any method permissible under Code Section 706 and the Regulations thereunder selected by the Co-General Partner.

(c) In the event that the Values of the assets of the Partnership are adjusted, the Capital Accounts of the Partners shall be adjusted for the hypothetical "book" gain or loss that would have been realized by the Partners if the Partnership had sold all the assets of the Partnership for their Values in a cash sale, with the net amount of any gain or loss being treated as actually recognized for purposes of Article 6 and shall be adjusted in accordance with Regulations § 1.704-1(b)(2)(iv)(g) for allocations of gain, loss or depreciation as computed for book purposes.

(d) The provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Sections 1.704-1(b) and 1.704-2 and shall be interpreted and applied in a manner consistent with such Regulations.

3.6 No Interest on Capital; Capital Withdrawals and Returns

No interest shall be paid to any Partner on all or a portion of a Capital Contribution or on a balance in its Capital Account. No Partner shall have the right to withdraw or reduce its Capital Contributions to the capital of the Partnership except in accordance with this Agreement.

3.7 Withholding of Capital Contribution Upon Default

In the event that: (i) the Co-General Partner has not substantially complied with any material provisions of this Agreement; (ii) any financing commitment of the Lender(s), or any agreement entered into by the Partnership for financing related to the Project, has terminated prior to the closing of such financing; or (iii) foreclosure proceedings have been commenced against the Project, then the Investor Limited Partner, at its sole election, may withhold payment of any installment of Capital Contributions otherwise payable to the Partnership; provided however, if a payment of all or any portion of the then due installment of Capital Contribution

will cure the event justifying the withholding, then the Investor Limited Partner shall pay such installment otherwise payable if it is applied to cure such event. At the sole election of the Investor Limited Partner, it may directly apply all or any part of any unpaid installment of Capital Contribution to cure the event justifying the withholding. Unless applied as set forth above, all amounts so withheld by the Investor Limited Partner under this Section shall be promptly released to the Partnership only after the Co-General Partner or the Partnership has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to Investor Limited Partner.

3.8 Investor Limited Partner Default

In addition to the rights and remedies otherwise granted to the Partnership and the General Partners, if the Investor Limited Partner fails to make any of its Capital Contributions as required by this Agreement (a “**Payment Default**”), the Partnership and the General Partners shall have the rights set forth in the Security Agreement.

ARTICLE 4 FINANCING AND GUARANTIES

4.1 Financing.

(a) The Co-General Partner shall cause the Partnership to obtain the financing for the Project as set forth in the Financing Summary attached hereto as Exhibit H in accordance with this Section 4.1, subject to the prior approval of the Limited Partners to any changes in the loan terms set forth in the Financing Summary and to any amendments to the Loan Documents.

(b) On or before the Closing Date, the Partnership shall enter into the Bond Loan.

(c) After Completion of the Project and not later than the required date for Loan Conversion under the Bond Loan Documents, the Co-General Partner shall cause the Partnership to take all action necessary to achieve Loan Conversion. In the event there are insufficient Proceeds to achieve Loan Conversion, the Co-General Partner shall advance to the Partnership all funds necessary to achieve Loan Conversion (“**Conversion Payments**”). Any such advances shall be made in fulfillment of the Co-General Partner’s obligations to the Partnership hereunder, and shall be deemed a capital contribution of the Co-General Partner; provided, however such treatment as a capital contribution does not adversely impact the Investor Limited Partner. Notwithstanding the foregoing, if the Co-General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Conversion Payments as a Loan of the Co-General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Conversion Payment will be treated as a Loan by the Co-General Partner to the Partnership (a “**Conversion Loan**”).

4.2 Completion and Development Deficiency Guaranty.

(a) The Co-General Partner hereby unconditionally and irrevocably guarantees to the Partnership and the Limited Partners that if for any reason or under any contingency, the Contractor shall (i) be in default under the Construction Contract after expiration of any notice and cure periods; (ii) abandon rehabilitation of the Project for a period of thirty (30) consecutive days before Completion; (iii) fail to complete rehabilitation of the Project in accordance with the Plans, the rehabilitation schedule approved by the Investor Limited Partner and the requirements of all loan commitments for all Loans; (iv) fail to pay all costs of rehabilitation so that the Project will be rehabilitated and Completed free and clear of mechanic's and materialmen's liens (except for liens which are bonded against or insured over in a manner to preclude the holder from having any recourse to the Property or the Partnership for payment of any debt secured thereby); or (v) fail to achieve Completion of the Project on or before the Outside Completion Date for an amount which is less than or equal to the Fixed Price Cost plus any Reserves required to be funded on or before such date to be used for construction, then, in any such event, the Co-General Partner will, within ten (10) Business Days after notice from the Partnership or the Limited Partners, assume all responsibility for Completion of the Project in accordance with the Construction Contract and the requirements of all Lenders in accordance with the Plans and, at the Co-General Partner's own cost and expense, but only to the extent not payable from Proceeds provided that Proceeds shall not be used without the Consent of the Special Limited Partner for items not otherwise set forth in the current Construction Budget approved by the Special Limited Partner (subject to change orders to the extent permitted without the consent of a Limited Partner hereunder), cause the Project to reach Completion no later than ninety (90) days after the Outside Completion Date. The Co-General Partner shall pay from Proceeds all bills, expenses, charges, costs and fees relating in any manner to or otherwise in connection with such rehabilitation (provided, the Partnership shall reimburse the Co-General Partner for such costs, fees and expenses funded by the Co-General Partner pursuant to this Section in an amount not to exceed the Proceeds less all other amounts expended by the Partnership in connection with the rehabilitation of the Project).

(b) If the Co-General Partner does not assume responsibility for Completion of rehabilitation and commence to diligently prosecute rehabilitation within ten (10) Business Days after written notice, the Co-General Partner shall be in default under this Agreement and the Limited Partners shall have the rights given to them in Section 11.3 hereof. In the event the Limited Partners exercise any rights under Section 11.3, the Partnership, at the request of the Special Limited Partner may, at its option but without obligation to do so, take over rehabilitation of the Project and take such actions as the Partnership shall deem necessary or desirable to reach Completion of the Project. All expenditures made by the Partnership in excess of Proceeds shall be immediately due and payable from the Co-General Partner to the Partnership and shall bear interest from the date of expenditure, at the Interest Rate. No such action by the Partnership shall release or limit the liability of the Co-General Partner hereunder or affect the rights and obligations of the parties under the Construction Contract.

(c) The Co-General Partner hereby covenants, agrees and promises to pay to the Partnership on the terms set forth below, the funds required to pay any Development Deficiency incurred by the Partnership during the Development Deficiency Guaranty Period (each, a "**Development Deficiency Payment**"). Such Development Deficiency Payments shall be made by payment to the Partnership of the amounts requested, within ten (10) Business Days of the Co-General Partner's receipt of a written request from the Partnership. If the Co-General Partner

shall fail to pay any Development Deficiency Payment as requested, the Development Deficiency Payment will bear interest at the Interest Rate from the date the Development Deficiency Payment is requested until it is paid in full. All such interest shall be due and payable by the Co-General Partner to the Partnership on demand. All Development Deficiency Payments shall be made in fulfillment of the Co-General Partner's obligations to the Partnership hereunder, and the Co-General Partner shall have no right of repayment from the Partnership (except as provided in Section 4.2(a), above) or any Partner. In no event shall any Development Deficiency Payment by the Co-General Partner affect in any way whatsoever (i) the Percentage Interests of the Partners set forth herein, (ii) the distributions provided for in Article 5 hereof, (iii) the Capital Account of any Partner, or (iv) the allocations provided for in Article 6 hereof. Notwithstanding the foregoing, if the Co-General Partner, at its sole expense, provides evidence in form and substance reasonably acceptable to the Investor Limited Partner that treating the Development Deficiency Payments as a Capital Contribution of the Co-General Partner will have no adverse effect on the Tax Benefits projected to be available to the Investor Limited Partner for the duration of the Compliance Period, then such Development Deficiency Payment will be treated as a Capital Contribution of the Co-General Partner.

(d) The Co-General Partner hereby agrees that its obligations under this Section 4.2 shall constitute a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Co-General Partner. The undertakings of the Co-General Partner set forth in this Article 4 are made for the benefit of the Partners and shall not inure to the benefit of any creditor of the Partnership other than a Partner, notwithstanding any pledge or assignment by the Partnership of this Agreement or any rights hereunder.

(e) The Co-General Partner shall deliver to the Special Limited Partner on reasonable request evidence sufficient to apprise the Special Limited Partner of the status of rehabilitation of the Project and enable the Special Limited Partner to determine whether rehabilitation is likely to be completed by the Outside Completion Date. In the event that the Special Limited Partner shall give notice to the Co-General Partner that the Special Limited Partner has reasonably determined that Completion is unlikely to occur by the Outside Completion Date, then on the forty-fifth (45th) day following the date on which such notice is given, the Co-General Partner shall be in default hereunder unless, within said 45 day period, the Co-General Partner shall have taken all steps necessary to assure, to the Special Limited Partner's reasonable satisfaction, that Completion will in fact occur by the Outside Completion Date.

4.3 Operating Deficit Guaranty.

(a) In the event that an Operating Deficit arises prior to the Rent-Up Date, the Co-General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership to fund Operating Deficits. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall not be subject to any limitations and/or caps as outlined in Section 4.3(b) below, shall bear interest at a rate of up to 5.0% per annum and shall be repayable only out of (a) available Operating Cash Flow, or (b) Extraordinary Cash Proceeds.

(b) In the event that an Operating Deficit arises after the Rent-Up Date, the Co-General Partner hereby covenants and agrees to make Operating Deficit Loans to the Partnership, on the terms set forth below, to fund Operating Deficits as they arise, after utilization of the Operating Reserve if, and only to the extent, such utilization is permitted pursuant to Section 8.7 hereof. Such Operating Deficit Loans shall be made by payment to the Partnership of the amounts requested, on a quarterly basis (or more often as is necessary to meet immediate operating deficit needs), within five (5) Business Days of the Co-General Partner's receipt of a written request from the Partnership or a Limited Partner. Each Operating Deficit Loan shall be nonrecourse to the Partners, shall bear interest at a rate of up to 5.0% per annum and shall be repayable only from Operating Cash Flow or Extraordinary Cash Proceeds as provided in Article 5 of this Agreement. The obligations of the Co-General Partner under this Section 4.3 shall continue throughout the term of the Compliance Period. Notwithstanding anything to the contrary contained herein (except to the extent necessary to pay amounts owed because of a failure to attain, a termination of or a reduction in the Property Tax Exemption), the Co-General Partner shall not be obligated to make any additional Operating Deficit Loans when the total of all outstanding unpaid Operating Deficit Loans is \$572,000 or more. Operating Deficit Loans may be funded and subsequently repaid in whole or in part by the Partnership, and the Co-General Partner's obligations to make additional Operating Deficit Loans shall continue during the Operating Deficit Guaranty Period. This is a guaranty of payment and performance and not of collection and shall be unconditional irrespective of the regularity or enforceability of this Agreement or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or guarantor or any other circumstances which might otherwise limit the recourse to the Co-General Partner. The Partners acknowledge that no such amounts loaned by the Co-General Partner pursuant to this Section 4.3 shall be treated as contributions to the Partnership by the Co-General Partner, that no amounts paid to the Co-General Partner with respect to any Operating Deficit Loan shall be treated as a distribution to a partner, and the provision of such amounts shall not affect the Percentage Interests or the allocations provided for in Article 6 whatsoever.

4.4 Repurchase Option.

(a) The Limited Partners shall have the right to require the Co-General Partner to repurchase the Investor Limited Partner's Partnership Interest and the Special Limited Partner's Partnership Interest (the "**Repurchase Option**") upon the occurrence of any one of the following circumstances:

(i) the failure of the Project to meet the "placed in service" requirements of Section 42 of the Code by December 31, 2019, unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(ii) the failure of the Partnership to meet the Fifty Percent Test prior to the end of the First Year; or

(iii) if at any time it becomes apparent that more than 30% of the Tax Credits projected in the Initial Economic Projections are not likely to be realized (such deficiency

the “**Tax Credit Deficiency**”), unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to the existence of the Tax Credit Deficiency as provided for in Section 3.2; or

(iv) proceedings are commenced, filed or initiated to foreclose any loans prior to the Rent-Up Date 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; or

(v) the failure of the Partnership to obtain and deliver to the Investor Limited Partner Forms 8609 for each building in the Project by the date required to enable the Investor Limited Partner to claim Tax Credits for the First Year, unless (A) the Investor Limited Partner determines in its reasonable discretion that the delay in receiving Forms 8609 is outside the control of the Co-General Partner (including, without limitation, failure of the Credit Agency to respond despite persistent efforts by the Co-General Partner to do so) and (B) the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(vi) there is not a valid Extended Use Agreement recorded against the Project prior to the end of the twelve month period following the placement in service of the final building in the Project to be placed in service, unless (A) the Co-General Partner has timely provided to the Credit Agency all information and documentation required by the Credit Agency to issue the Extended Use Agreement, and the Investor Limited Partner determines in its reasonable discretion that the actions or omissions of the Co-General Partner or its Affiliates are not a cause of the failure of the Credit Agency to issue the Extended Use Agreement, and (B) the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(vii) the construction schedule of the Project is delayed in excess of six months from the construction schedule agreed to as of Closing Date or Completion will not occur prior to the Completion Date; or

(viii) if more than two of the Rental Units fail to be Qualified Units within twelve (12) months of the Completion Date unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(ix) the failure of the Partnership and/or the Project to satisfy the Housing Tax Credit Conditions necessary to enable the Investor Limited Partner to claim Tax Credits for the First Year unless the Partnership, the Co-General Partner or the Guarantors cause the elimination of the reduction in Housing Tax Credits or the payment of any Housing Tax Credit adjusters due to any such failure as provided for in Section 3.2; or

(x) a commitment for any Loan is terminated or materially altered without the Consent of the Investor Limited Partner and a substitute commitment acceptable to the Investor Limited Partner in its reasonable discretion is not obtained within sixty (60) days of such termination or alteration or such shorter time period as is reasonably necessary to insure Completion of the Project by the Outside Completion Date; or

(xi) the Rent-Up Date does not occur on or before December 31, 2019; or

(xii) prior to the Rent-Up Date, the occurrence of a casualty or condemnation of the Project and the insurance proceeds shall be insufficient to restore the Project within 24 months of the casualty and the Co-General Partner does not fully fund such shortfall in proceeds necessary to restore the Project within 24 months of the casualty; or

(xiii) the occurrence of a material default under any of the Project Documents prior to the Rent-Up Date (subject to any applicable notice and cure period); and/or

(xiv) prior to the Rent-Up Date, a loss or reduction in any grant, tax exemption or abatement, or rental subsidy that is necessary to construct or operate the Project or that has been relied upon by the Investor Limited Partner in making its determination to invest in the Partnership, and such default or condition is not cured within the lesser of thirty (30) days or one-half of any applicable cure period set forth in the Loan Documents and/or the Project Documents (as the case may be) with respect to such default, provided, however, that that if the loss or reduction in any such grant, tax exemption or abatement or rental subsidy is not a result of a default by any General Partner or Guarantor, the cure period shall be thirty (30) days.

(b) The purchase price of the Limited Partners' Partnership Interests shall be the total of the following amounts less the net economic value of any Tax Benefits or cash distributions actually received by the Limited Partners to date and that are not subject to recapture as a result of the exercise and closing of the Repurchase Option:

(i) An amount equal to the Limited Partners' Capital Contributions paid to date, together with interest at the rate of ten percent (10.00%) per annum, compounded monthly, from the date of each contribution to the date of repayment; and

(ii) The actual out-of-pockets of the Limited Partners (including reasonable attorneys' fees, accounting fees and consulting expenses of the Limited Partners) incurred in connection with the Limited Partners' investment in the Partnership (to the extent not already reimbursed) or the exercise of the Repurchase Option.

(c) The Repurchase Option may be exercised by the Limited Partners by giving written notice of their intent to exercise the Repurchase Option (the "**Exercise Notice**") to the Partnership and the Co-General Partner as set forth in Section 13.1, and complying with the contract and closing requirements as set forth in Section 4.4(d) hereof. Upon delivery of the Exercise Notice, the Limited Partners shall have no further obligations under this Agreement, including any obligation to make payment of the Limited Partners' Capital Contributions, and the Co-General Partner shall indemnify and hold harmless the Limited Partners from and against any damage, cost, or liability arising from and after the date of such delivery with respect to any

obligations under this Agreement. The Co-General Partner shall take all such actions and shall pay all costs necessary to enable the Limited Partners to receive and retain the purchase price set forth in Section 4.4(b) as against any creditor of the Co-General Partner or the Partnership. Notwithstanding the purchase by the Co-General Partner of the Limited Partners' Partnership Interest, to the extent permitted under the applicable provisions of the Code, the Limited Partners shall be allocated any Net Income or Net Losses and Credits in respect of the Limited Partners' Partnership Interest for the period prior to the date of the receipt by the Limited Partners of payment therefor. Anything herein to the contrary notwithstanding, title to the Limited Partners' Partnership Interest shall not vest in the Co-General Partner until payment in full of the purchase price therefor. If at the time of such purchase, the payment of the purchase price to the Limited Partners constitutes a violation of the Act then the Co-General Partner shall (i) contribute or cause to be contributed sufficient additional capital to the Partnership to permit such repurchase without constituting such a violation, and (ii) indemnify and hold harmless the Limited Partners against any and all loss and damage by reason of such purchase being in violation of the Act.

(d) Within ten (10) Business Days of the Co-General Partner's receipt of the Exercise Notice, the Partnership, the Limited Partners and the General Partners shall enter into a written contract for the purchase and sale of the Limited Partners' Partnership Interest 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 in which the Project is located, providing for a closing not later than thirty (30) days after the Co-General Partner's receipt of the Exercise Notice. In the absence of any such contract, this Agreement shall be specifically enforceable upon the exercise of the Repurchase Option. The purchase and sale contemplated in this Section 4.4(d) shall be closed through an escrow with the title insurer for the Project or another mutually acceptable title company.

(e) The performance by the Co-General Partner of its obligations under this Section 4.4 shall be fully, unconditionally, and absolutely guaranteed by the Guarantors pursuant to the Guaranty.

4.5 Collateral.

The Co-General Partner and the Developer shall enter into the Co-General Partner Assignment, Pledge and Security Agreement to secure the obligations of the Guarantors under the Guaranty. In addition, the Managing General Partner shall enter into the Managing General Partner Assignment, Pledge and Security Agreement to secure its obligations under this Agreement.

4.6 Purchase Option Agreement.

Concurrent with the Closing Date, the General Partners, the Limited Partners, and the Partnership shall enter into the Purchase Option Agreement regarding certain rights of the Co-General Partner to purchase the Project and/or the Limited Partners' Partnership Interests.

4.7 Put Option Agreement

Concurrent with the Closing Date, the Co-General Partner and the Limited Partners shall enter into the Put Option Agreement regarding certain rights of the Investor Limited Partner and the Special Limited Partner to sell their Interests.

ARTICLE 5 DISTRIBUTIONS

5.1 Operations.

Except as otherwise provided in Article 12 and subject to any limitations imposed under any Loan Document or by any Authority and Sections 5.3 and 5.4 hereof, the Partnership's Operating Cash Flow for each Fiscal Year shall be disbursed in the following order of priority:

- (i) First to payment of any unpaid Excess Federal Adjuster and/or any Capital Adjuster Distribution and/or any Limited Partner Loans due to the Investor Limited Partner;
- (ii) Second, to payment of the current and accrued annual Asset Management Fee;
- (iii) Third, for Fiscal Years up to and including the Fiscal Year during which Completion occurs, to payment of the Incentive Lease-Up Fee;
- (iv) Fourth, to payment of the current and accrued annual Nonprofit Management Fee;
- (v) Fifth, to pay amounts due with respect to the Deferred Development Fee until such Deferred Development Fee is paid in full;
- (vi) Sixth, in the event the Operating Reserve is below the Operating Reserve Minimum Balance, to the replenishment of the Operating Reserve to the Operating Reserve Minimum Balance;
- (vii) Seventh, to repayment of any Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans;
- (viii) Eighth, to payment of the Incentive Management Fee; and
- (ix) Ninth, 89.9951% to the Co-General Partner, 0.0049% to the Managing General Partner and 10% to the Investor Limited Partner.

Additionally, and notwithstanding anything to the contrary contained herein: (i) in no event shall the amount of all fees paid to the Co-General Partner or any Affiliate thereof (but excluding the Development Fee and the Incentive Lease-Up Fee) exceed, in the aggregate, twelve percent (12%) of Gross Cash Receipts, (ii) if the amount of the distribution to the Investor Limited Partner under Section 5.1(ix) is less than 10% of the Operating Cash Flow of the Project (provided that for purposes of this provision only "Operating Cash Flow" shall exclude any

payments made to any Limited Partner or Affiliate thereof pursuant to Sections 5.1(i), 5.1(ii) and 5.4 and shall exclude and funds applied to replenishment of the Operating Reserve, the Deferred Development Fee and repayment of any Operating Deficit Loans and Depreciation Adjuster Loans) then the Investor Limited Partner shall receive a priority distribution before any distributions under 5.1(viii) and 5.1(ix) in an amount such that, when added to the sum distributable to the Investor Limited Partner under Section 5.1(ix) shall equal 10% of Operating Cash Flow.

5.2 Extraordinary Transactions.

Except as provided in Article 12 and subject to any limitation imposed under any Loan (except for Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans) or by any Authority, Extraordinary Cash Proceeds shall be applied as follows:

(i) First, to payment of any unpaid Excess Federal Adjuster, and/or any Capital Adjuster Distribution and/or any Limited Partner Loans due to the Investor Limited Partner;

(ii) Second, to the Investor Limited Partner an amount equal to, on an After-Tax Basis, the Taxes (if any) owed by it as a result of the Extraordinary Transaction pursuant to clause (i) of Section 6.1(c);

(iii) Third, to payment of the current and any accrued and unpaid annual Nonprofit Management Fee;

(iv) Fourth, to payment of the Deferred Development Fee until such Deferred Development Fee has been paid in full;

(v) Fifth, to payment of the current and any accrued and unpaid annual Asset Management Fee.

(vi) Sixth, to repayment of any Operating Deficit Loans, Conversion Loans and Depreciation Adjuster Loans;

(vii) Seventh, for any Extraordinary Transaction constituting a sale, transfer or disposition of all or substantially all of the Partnership's Property, to payment of the Disposition Fee;

(viii) Eighth, for any Extraordinary Transaction constituting a sale, transfer or disposition of all or substantially all of the Partnership's Property, to payment of the Co-General Partner Disposition Fee; and

(ix) Ninth, 89.9951% to the Co-General Partner, 0.0049% to the Managing General Partner and 10% to the Investor Limited Partner (after including as part of such 10%, the amount of any payment under Section 5.2(ii)).

5.3 Tax Credit Guaranty.

In the event that any amount is owed by the Co-General Partner to the Partnership pursuant to Section 3.2 to fund the payment by the Partnership of an Excess Federal Adjuster,] and/or a Capital Adjuster Distribution to the Investor Limited Partner, then any amounts payable to the Co-General Partner, Developer or their respective Affiliates pursuant to this Agreement shall be paid directly to the Investor Limited Partner by the Partnership as a return of capital (and shall be treated as a capital contribution by the Co-General Partner to the Partnership).

5.4 Payment of Limited Partners' Taxes.

Notwithstanding anything to the contrary contained in Sections 5.1 and/or 5.2 above, in any Fiscal Year in which the Partnership generates Net Income, Operating Cash Flow in an amount equal to the Taxes payable by the Investor Limited Partner or the Special Limited Partner on their shares of such Net Income (and, if applicable, on the distribution pursuant to this Section 5.4) shall first be distributed to the Investor Limited Partner and the Special Limited Partner before any other distributions or payments are made to the Developer or General Partners from Operating Cash Flow in such Fiscal Year. If there is insufficient Operating Cash Flow in any Fiscal Year to pay the amount specified in this Section 5.4, the Co-General Partner shall advance the amount of the deficiency to the Partnership as an Operating Deficit Loan.

5.5 Timing and Calculation.

The Co-General Partner shall cause the Partnership to make distributions of Operating Cash Flow in accordance with Section 5.1 within thirty (30) days of receipt of the audited financial statements described in Section 8.3(c), but in no event shall distributions of Operating Cash Flow be made later than one hundred eighty (180) days after the end of the Fiscal Year. The Co-General Partner shall cause the Partnership to make distributions of Extraordinary Cash Proceeds in accordance with Section 5.2 within sixty (60) days after the occurrence of the Extraordinary Transaction.

5.6 Liquidation.

Distributions shall be in cash except that upon liquidation of the Partnership pursuant to Article 12, the Liquidating Partner may, in its discretion if it deems it appropriate, cause the Partnership to distribute assets other than cash on the basis of the fair market value of such distributed assets on the date of distribution.

ARTICLE 6 ALLOCATIONS

6.1 General Allocations.

After giving effect to the Special Allocations, Net Income, Net Losses and Credits in respect of each Fiscal Year of the Partnership (and, in each case, each item of income, gain, loss, deduction and tax preference, required to be taken into account separately under Section 702(a) of the Code by the Partners, which are included in the computation of such Net Income or Net Losses for such Fiscal Year) shall be allocated to the Partners on the last day of such Fiscal Year as follows:

(a) Net Income shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Losses have been allocated to the Partners pursuant to Section 6.1(b) for any prior period, Net Income shall be allocated to offset any Net Losses allocated pursuant to Section 6.1(b)(ii) in proportion to their respective shares of Net Losses being offset; and

(ii) Second, any remaining Net Income shall be allocated to the Partners in accordance with their respective Percentage Interests.

(b) Net Losses shall be allocated as follows and in the following order of priority:

(i) First, in the event Net Income has been allocated pursuant to Section 6.1(a)(ii) for any prior period, Net Losses shall be allocated to offset any Net Income allocated pursuant to Section 6.1(a)(ii) in proportion to their respective shares of Net Income being offset; and

(ii) Second, any remaining Net Losses shall be allocated 99.99% to the Investor Limited Partner, 0.0051% to the Co-General Partner and 0.0049% to the Managing General Partner.

(c) Notwithstanding the foregoing, Net Income from an Extraordinary Transaction shall be allocated as follows and in the following order of priority:

(i) First, in the event that any Partner has a negative Capital Account as of close of business on the day of the Extraordinary Transaction, after giving effect to all contributions, distributions and allocations as of such date, Net Income from such Extraordinary Transaction shall be allocated to the Partners with negative Capital Accounts at such time in proportion to the amounts by which they were negative until such Partners' Capital Account balances are increased to zero; and

(ii) Second, to the Investor Limited Partner until its Capital Account is, on an After-Tax Basis, equal to the Taxes owed by the Investor Limited Partner with respect to its share of Net Income allocated pursuant to clause (i) of this Section 6.1(c).

(iii) Third, any remaining Net Income from such Extraordinary Transaction shall be allocated to the Partners in amounts necessary to increase their respective Capital Account balances to the amounts distributable to them under Section 5.2(ix).

(d) Notwithstanding Section 6.1(a), 6.1(b) and 6.1(c), Depreciation shall be allocated 99.99% to the Investor Limited Partner, 0.0051% to the Co-General Partner and 0.0049% to the Managing General Partner. Federal Housing Tax Credits shall be allocated to the Partners in the same manner as Depreciation. Any recapture of Federal Housing Tax Credits shall be allocated among the Partners in the same manner as the Federal Housing Tax Credits were originally allocated.

(e) Notwithstanding anything to the contrary in this Article 6, no allocation shall be made pursuant to this Article 6 to the extent it would cause the Partnership's acquisition of the Project to fail to meet the requirements of Section 42(d)(2)(B) of the Code.

6.2 Special Allocations.

It is the intention of the Partners that the allocation of tax attributes arising from the Partnership comply with the applicable provisions of Regulations Section 1.704-1(b) and 1.704-2. To conform further the allocation provisions of this Agreement to the Regulations, the Partners agree that the following Special Allocations shall apply; provided however, that in respect of any particular allocations the following rules shall supersede the rules otherwise applicable under this Article 6 only to the extent necessary to cause such allocation to be respected under the Regulations and the remaining portion of such allocation shall not be affected. In the event of any inconsistency between the Regulations and the provisions of the following Sections (a) through (h) of this Section 6.2, the Regulations shall govern.

(a) Loss Limitation Rule. If any allocation of Net Losses for any Fiscal Year otherwise provided in this Article 6 would (if made) cause or increase a deficit balance in the Capital Account of a Partner (determined for this purpose by taking into account such Partner's share of Operating Cash Flow in respect of such Fiscal Year and all other adjustments for such Fiscal Year otherwise required under this Agreement) that exceeds the amount such Partner is obligated to restore to the Partnership pursuant to Regulations Sections 1.704-1(b)(2)(ii)(c) or 1.704-1(b)(2)(ii)(d) or is deemed obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) less the amount of the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5) and 1.704-1(b)(2)(ii)(d)(6), the amount of Net Losses otherwise allocable to such Partner shall be reduced by the minimum amount necessary to eliminate such deficit. Any amount of an allocation denied to a Partner under the first sentence of this Section 6.2(a) shall be reallocated to the Partners whose allocations of Net Losses for such year (determined under this Section 6.2) are not affected by this Section, such reallocation to be made pro rata in accordance with the ratio that each Partner's interest in profits and losses bears to the aggregate of the interests of all such Partners.

(b) Minimum Gain Chargeback. If during any Fiscal Year there is a net decrease in the partnership minimum gain (as determined under Regulations Sections 1.704-2(b)(2) and 1.704-2(d)(1)), then items of income and gain of the Partnership shall be allocated to each Partner, for such Fiscal Year (and, if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to each Partner's share of the net decrease in partnership minimum gain during such Fiscal Year in accordance with Regulations Section 1.704-2(g)(2). This Section (b) is intended to comply with the minimum gain chargeback requirement in such Regulations Sections and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If a Limited Partner unexpectedly receives an adjustment, allocation or distribution described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) (modified, as appropriate, by Regulations Section 1.704-2(g)(1) and 1.704-2(i)(5)) which causes or increases a negative balance in such Partner's Capital Account (determined for this purpose with the adjustments required under Section 6.2(a)), such Partner will, to the extent required by Regulations Section 1.704-1(b)(2)(ii)(d), be specially allocated an amount of gross

income and/or gain (consisting of a pro rata portion of each item of Partnership income and gain for such Fiscal Year) sufficient to eliminate such negative balance as quickly as possible; provided, however, that an allocation pursuant to this Section 6.2(c) shall be made if and only to the extent that such Partner would have a deficit in its Capital Account (determined as aforesaid) after all other allocations provided for in Article 6 have been tentatively made as if this Section 6.2(c) were not in this Agreement.

(d) Nonrecourse Deductions. The “nonrecourse deductions” for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(b)(1)) shall be specially allocated to the Partners in proportion to their Percentage Interests and otherwise as provided in Regulations Section 1.704-2(e).

(e) Partner Nonrecourse Deductions. The “partner nonrecourse deductions” for any Fiscal Year of the Partnership (as defined in Regulations Section 1.704-2(i)(2) and 1.704-2(b)(4)) shall be specially allocated to the Partner that bears the economic risk of loss for such deductions within the meaning of Regulations Sections 1.704-2(i)(1) and 1.752-2 and otherwise as provided in Regulations Section 1.704-2(i).

(f) Partner Minimum Gain Chargeback. If during any Fiscal Year of the Partnership there is a net decrease in minimum gain attributable to Partner nonrecourse debt, within the meaning of Regulations Section 1.704-2(b)(4) and 1.704-2(i)(3), each Partner with a share of such Partner minimum gain shall be allocated items of partnership income and gain for such Fiscal Year (and if necessary, subsequent periods) in proportion to, and to the extent of, an amount equal to such Partner’s share of the net decrease in the minimum gain attributable to partner nonrecourse debt determined in a manner consistent with the provisions of Regulations Section 1.704-2(i)(4). This Section 6.2(f) is intended to comply with the partner nonrecourse debt minimum gain chargeback requirement of such Regulations Sections and shall be interpreted consistently therewith.

(g) 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 Regulations Section 1.752-3(a)(3), each Partner’s interest in Partnership profits shall be such Partner’s Percentage Interest.

(h) Section 732(d), 734(b) and 743(b) Adjustments. To the extent that an adjustment to the adjusted tax basis of any Partnership asset pursuant to Code Section 732(d), 734(b) or 743(b) is required under Regulations Section 1.704-1(b)(2)(iv)(m), to be taken into account in adjusting Capital Accounts, the amount of such adjustment to the Capital Accounts shall 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 shall be allocated to the Partners in a manner that achieves the adjustments to their respective Capital Accounts that are required to be made pursuant to such Section of the Regulations.

(i) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any Fiscal Year in excess of the sum of (i) the amount that such Partner must restore pursuant to any provision of this Agreement, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentence of Treas. Reg. § 1.704-2(g) and §

1.704-2(i)(5), such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible, provided that an allocation pursuant to this Section 6.2(i) shall be made if and only to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 6 have been tentatively made as if this Section 6.2(i) and Section 6.2(c) hereof were not in this Agreement.

(j) Change in Regulations. If any of the specific Regulations upon which the special allocations provided for in this Section 6.2 are based are hereafter changed or if new Regulations are promulgated that in the opinion of reputable tax counsel retained by the Investor Limited Partner or the Partnership make it necessary to revise the foregoing special allocation rules or provide further special allocation rules in order to avoid a significant risk that a material portion of any allocation of Net Income, Net Losses, Credits or other tax attributes otherwise provided for in Section 6.1 above would be altered as a result of a challenge thereto by the Internal Revenue Service, the Partners agree to make such reasonable amendments to this Agreement as, in the opinion of such counsel, are necessary or desirable, taking into account the interests of the Partners as a whole and all other relevant factors, to avoid or reduce significantly such risk to the extent possible without materially affecting the amounts distributable to any Partner pursuant to this Agreement.

(k) Curative Allocations. The allocations set forth in Sections (a) through (i) of Section 6.2 (the “**Special Allocations**”) are intended to comply with the requirements of the Regulations. It is the intent of the Partners that, to the extent possible, all Special Allocations shall be offset with other Special Allocations or with special allocations of other items of Partnership income, gain, loss, or deduction pursuant to this Section 6.2(k). Therefore, notwithstanding any other provision of Article 6 (other than the Special Allocations), the Co-General Partner shall make such offsetting allocations of Partnership income, gain, loss or deduction in whatever manner it reasonably determines is appropriate so that, after such offsetting allocations are made, each Partner’s Capital Account balance is, to the extent possible, equal to the Capital Account balance which such Partner would have had if the Special Allocations were not part of this Agreement and all Partnership items were allocated pursuant to Article 6. In exercising its discretion under this Section 6.2(k), the Co-General Partner shall take into account future Special Allocations under Sections (b) and (f) that, although not yet made, are likely to offset other Special Allocations previously made under Sections 6.1(d) and 6.1(e). Notwithstanding the foregoing provisions of this Section 6.2(k), the Co-General Partner shall not, without the unanimous consent of all of the Partners, make any allocation under this Section 6.2(k) unless the Co-General Partner obtains advice of counsel that such allocation is unlikely to cause any allocation made or to be made under this Agreement to fail to be respected under Code Section 704 or the Regulations thereunder.

6.3 Special Rules.

The allocations set forth in this Agreement shall be subject to the following special rules:

(a) Tax Allocations.

(i) For each Fiscal Year, the Partnership's items of income, loss, deduction, gain and other items governed by Section 702(a) of the Code and comparable provisions of state and local law shall be allocated among the Partners proportionately to the allocation of the Net Income and Net Losses to such Partners for such year; provided, however, that Credits shall be allocated among the Partners as provided in Section 6.1(d), and any income or loss attributable to an Operating Deficit Loan, which shall not include any Depreciation, shall be allocated solely to the Co-General Partner; and provided that appropriate adjustments shall be made in the event that an election under Section 754 of the Code is in effect; and provided further that any gain recognized from any disposition of an asset which is treated as ordinary income because it is attributable to the recapture of any depreciation or amortization shall be allocated among the Partners in the same ratio as the prior allocations of income or loss which included such depreciation or amortization (but, in each case, only to the extent such gain is otherwise allocable to a Partner).

(ii) Any taxable income of the Partnership resulting from debt forgiveness, debt exchange, debt modification, state credits, donations, contributions, grants or subsidies shall be allocated entirely to the Co-General Partner. In addition, notwithstanding any other provision of this Agreement, before any other allocation of gross income and gain is made under this Agreement, in the event that any unanticipated gross income arises from a subsequent recharacterization of a tax reporting position of the Partnership, it is the intent of the Partners that all such gross income shall be allocated to the Co-General Partner.

(iii) If the amount of Depreciation (as determined for federal income tax purposes) for any taxable year of the Partnership exceeds any increase in Partnership Minimum Gain in such taxable year, the losses allocable to the Investor Limited Partner for such taxable year pursuant to Section 6.1 and any other applicable provisions of this Article 6 shall first consist of Depreciation and then other losses or deductions that may properly be allocated to the Investor Limited Partner after the application of the provisions of Section 6.2(a) and any other applicable provisions of this Article 6.

(b) Changes in Interests. If the Percentage Interest of a Partner is adjusted during the period in question, the Partnership's books shall be closed as of the date immediately preceding the date of such adjustment. For the period ended on such date, the Net Income and Net Losses shall be allocated based on the Percentage Interest in effect prior to the date of such adjustment; provided, however, that any adjustments to the Value of a Partnership asset treated as gain or loss shall be allocated only to those persons who were Partners immediately before the event giving rise to such adjustment. For the balance of such Fiscal Year the Net Income and Net Losses shall be allocated based on the Percentage Interest as so adjusted. For purposes of the foregoing, the expenses of the Partnership shall be allocated between the two periods based upon the date when accrued; provided that amortization, depreciation and other items attributable to specific items of property shall be deemed to accrue ratably over the period of time during which the Partnership holds the property to which such items relate.

(c) Imputed Interest. To the extent the Partnership has imputed interest income pursuant to any provision of the Code with respect to the obligation of a Partner to contribute capital:

(i) Such interest income shall be specially allocated to the Partner owing such obligation; and

(ii) The amount of such interest income shall be excluded from the Capital Contribution credited to such Partner's Capital Account in connection with payments of principal.

(d) Section 704(c). In accordance with Section 704(c) of the Code and the Regulations thereunder, income, gain, loss and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its Value. In the event the Value of any Partnership asset is adjusted, subsequent allocations of income, gain, loss and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the Accountants in any manner that reasonably reflects the purpose and intent of this Agreement. Allocations pursuant to this Section 6.3(d) are solely for purposes of federal, state and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Income, Net Losses or other items or distributions pursuant to any provision of this Agreement.

(e) Fees. In the event that the deduction of all or a portion of any fee paid or incurred by the Partnership to a Partner or an Affiliate of a Partner is disallowed for federal income tax purposes by the Internal Revenue Service with respect to a taxable year of the Partnership, the Partnership shall then allocate to such Partner an amount of gross income of the Partnership for such year equal to the amount of such fee as to which the deduction is disallowed.

(f) Minimum Allocation to General Partner. Notwithstanding anything to the contrary in this Article 6, subject to the Special Allocations, the Co-General Partner shall at all times have a minimum 0.0051% allocation of each material item of Partnership income, gain, loss, deduction and credit, and the Managing General Partner shall at all times have a minimum 0.0049% allocation of each material item of Partnership income, gain, loss, deduction and credit.

(g) Deficit Restoration Obligation. In the event that the Co-General Partner has a negative balance in its Capital Account following the liquidation of the Partnership, after taking into account all Capital Account adjustments for the Partnership taxable year in which such liquidation occurs, the Co-General Partner shall pay to the Partnership in cash an amount equal to the negative balance in its Capital Account. Deficit Capital Account restoration payments shall be made by the end of such taxable year (or, if later, within 90 days after the date of such liquidation) and shall, upon liquidation of the Partnership, be paid, first, to recourse creditors of the Partnership and, thereafter, distributed to other Partners in accordance with the positive balances in their Capital Accounts. Liquidation distributions shall be made by the end of the

taxable year in which the liquidation occurs or, if later, within 90 days after the date of liquidation or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations. Notwithstanding the foregoing, the obligation of the Co-General Partner to contribute any such deficit shall be limited to the amount of any deficit created by losses and deductions specially allocated to it under Section 6.3 (the "**Extraordinary DRO Amount**") and the amount by which the Co-General Partner's obligation with respect thereto shall be automatically and permanently reduced to the extent that, as of the end of any Fiscal Year after the Fiscal Year in which any Extraordinary DRO Amount arises, the amount of any deficit balance in the Co-General Partner's Capital Account, after reduction for the items described in Treas. Reg. Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6), is less than its remaining obligation (if any) to restore the deficit Capital Account. It is intended that the reduction in the Co-General Partner's obligation pursuant to the immediately preceding sentence will be made only to the extent such reduction will not affect prior allocations to it in accordance with Treas. Reg. Section 1.704-1(b)(2)(ii)(f) of the Regulations, and such sentence shall be interpreted and applied in a manner consistent with that intent.

(h) **Optional DRO.** Except as hereinafter specifically provided, a Limited Partner shall have no obligation to make any contribution to the capital of the Partnership with respect to any deficit in its Capital Account, and such deficit shall not be considered to be a debt owed to the Partnership or to any other Person for any purpose whatsoever. Notwithstanding the foregoing, any Limited Partner or Co-General Partner may elect, by written notice to the Partnership (a "**DRO Notice**"), on or before the earlier of (i) the due date for the filing of the Partnership's tax return for any Fiscal Year or (ii) the last date on which such notice will create a valid Deficit Restoration Obligation for such Fiscal Year, to obligate itself to restore a negative balance in its Capital Account up to the amount specified in such DRO Notice. A Limited Partner or Co-General Partner who delivers a DRO Notice is referred to herein a "**DRO Notice Partner.**" If, following the "liquidation" of the interest of a DRO Notice Partner in the Partnership (as defined in Section 1.704-1(b)(2)(ii)(g) of the Allocation Regulations) or the dissolution of the Partnership and the distribution or liquidation of its assets in accordance with the provisions of Section 12.3, such DRO Notice Partner has a negative balance in its Capital Account after adjusting such Capital Account to reflect the allocations and distributions required under Sections 5.1, 5.2 and 6.1 above (including, without limitation, the allocation to such DRO Notice Partner of his or its Share of Partnership Minimum Gain and/or Share of Partner Nonrecourse Debt Minimum Gain), the amount of such negative balance (which in the case of a DRO Notice Partner shall not exceed the maximum amount specified in the DRO Notice) shall be contributed by such DRO Notice Partner to the Partnership on the first to occur of (i) the date which is ten (10) days after the delivery to such DRO Notice Partner of a certificate of the Accountants, prepared in good faith and at the expense of the Partnership, setting forth the calculation of the negative Capital Account balance of the DRO Notice Partner, or (ii) the later of (A) the last day of the taxable year of the Partnership in which such liquidation occurs, or (B) ninety (90) days after the date of the liquidation. Any such amount shall be distributed to those Partners having positive Capital Account balances in proportion to, and to the extent necessary to eliminate such positive balances, or in such other manner as may be required under Section 1.704-1(b)(2)(ii)(b)(3) of the Allocation Regulations.

(i) Qualified Allocations. Notwithstanding any other provision of this Agreement, including but not limited to Sections 6.1 through 6.3, each and every allocation made to the Managing General Partner shall be 0.0049% and shall be a Qualified Allocation.

ARTICLE 7
MANAGEMENT

7.1 Management Vested in General Partners

Subject to the limitations expressly provided herein, including without limitations, any limitations contained in Section 7.18, the General Partners shall have full, exclusive and complete charge of the management and control of the affairs of the Partnership and shall have all of the rights, powers and authority consistent with accomplishing the Partnership's purposes. Except as otherwise set forth in this Agreement, all decisions and consents of the General Partners shall be made by majority vote of the General Partners. For such purposes, each General Partner shall have a voting interest proportionate to its Interest in the Partnership provided, however, that the Co-General Partner is authorized to execute all of the Project Documents and any other agreements or instruments of any nature whatsoever individually and without the signature of the Managing General Partner. Neither General Partner shall assign, delegate or permit the assignment of its management rights, whether voluntary or involuntary, without the prior written consent of the Limited Partners, provided, however, that the Limited Partners hereby consent to the terms of the Property Management Agreement and the delegation of certain responsibilities between the General Partners as set forth in this Agreement. Without limiting the generality of the foregoing, but subject to the limitations specified in this Agreement, the General Partners shall have the power and duty to do all of the following on behalf of, and at the expense of, the Partnership:

(a) To acquire (by lease, purchase, or otherwise) the Land and the Improvements, to purchase, lease or otherwise acquire any other real or personal property necessary for the Project and to sell, convey, mortgage, assign and grant options with respect to such real or personal property;

(b) To rehabilitate the Project in accordance with the Plans, the Construction Budget and the Construction Contract approved by the Lenders and the applicable Authorities and to make changes to such Plans as the General Partner deems necessary and advisable, provided such changes do not conflict in any material respect with (i) the Project Documents and any provisions in this Agreement, (ii) all applicable statutes, rules and regulations with respect thereto, and (iii) the Housing Tax Credit Conditions;

(c) To execute, deliver and, where appropriate acknowledge, on the Partnership's behalf, all of the Project Documents, including, without limitation, all Project Documents required to obtain the Loans and all Project Documents necessary for the acquisition and rehabilitation of the Project; provided, however, that the Investor Limited Partner has received and approved such documents prior to their execution by the General Partners;

(d) To delegate duties to and employ from time to time, at the Partnership's expense, any Persons necessary or advisable for the management and operation of the Partnership's business, including, but not limited to, property managers, on-site personnel, insurance brokers,

leasing agents, real estate consultants, attorneys, architects and engineers, on terms and for compensation as are reasonable and customary for similar services;

(e) To cause the Partnership to pay all Partnership Expenses and to fund the Reserves;

(f) To obtain and maintain insurance in accordance with Section 7.11 hereof;

(g) Subject to Section 7.13 hereof, to make all property management decisions, including, without limitation, hiring and firing of the Property Manager;

(h) To lease the Units in the Project and otherwise operate the Project to cause the Partnership to satisfy all requirements so that the Project initially qualifies and continues to comply with the Housing Tax Credit Conditions, and other restrictions set forth in the Project Documents such that it qualifies for, obtains and maintains the Housing Tax Credits in full throughout the Compliance Period;

(i) To satisfy all requirements necessary for occupancy of the Project, including the approval of any Authority required to permit occupancy of all the Units in the Project;

(j) To comply in all material respects with all provisions of the Project Documents;

(k) To exercise reasonable good faith in all activities relating to the conduct of business of the Partnership;

(l) To use reasonable best efforts to ensure that all assets and property (of any kind) owned by the Partnership will be free and clear of all security interests and encumbrances except for the Loans;

(m) To provide the Partnership with such information and sign such documents as are necessary for the Partnership and the Limited Partners to make timely, accurate and complete submissions of federal and state income tax returns;

(n) To execute on behalf of the Partnership all documents necessary to elect, pursuant to Section 734, 743 and 754 of the Code, to adjust the basis of the Partnership's Property within ten (10) Business Days after written notice from any Limited Partner to the Partnership;

(o) To cause the Land, the Project, and/or any other Partnership Property to be maintained and operated in accordance with all Hazardous Substances Laws and not allow the use of any Hazardous Substances on the Land, the Project, or any other Partnership Property except in strict compliance with Hazardous Substances Laws;

(p) To cause the Partnership to satisfy the Housing Tax Credit Conditions;

(q) To cause the Partnership to receive and maintain the Property Tax Exemption;

(r) To cause the Partnership to remain in good standing in the State;

(s) To cause the Partnership to maintain and satisfy all conditions attributable to the HAP Contract;

(t) To take any other reasonable action, including, without limitation, the negotiation, execution and delivery of any and all contracts, leases, assignments and other instruments, incidental to any of the foregoing actions set forth in this Agreement or to the purposes of the Partnership.

The Co-General Partner shall be entitled to take any or all of the foregoing actions acting alone, without obtaining the approval (whether written or oral) of the Managing General Partner.

7.2 Limitations on Authority of General Partners

Notwithstanding any other provision of this Agreement, neither General Partner shall have any authority to perform any act in violation of any applicable laws or regulations, the Project Documents or any agreement between the Partnership and any Authority or any Lender. Neither General Partner shall enter into, or approve, any transaction on behalf of the Partnership which is not consistent with the purposes of the Partnership or any of the following actions without the prior written consent of the Investor Limited Partner:

- (a) Do any act in contravention of this Agreement;
- (b) Do any act in contravention of the Project Documents;
- (c) Possess Partnership Property or assign rights in Partnership Property, in either case, other than for the Partnership's purposes;
- (d) File for Bankruptcy on behalf of the Partnership;
- (e) Confess a judgment against the Partnership in excess of \$25,000;
- (f) Act in any manner which such General Partner knows or should have known after due inquiry will (i) cause the termination of the Partnership for federal income tax purposes, or (ii) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;
- (g) Except with respect to Unit leases, sell, convey, lease or otherwise encumber all or any portion of the Project or other Property;
- (h) Modify, prepay or refinance any of the Loans, provided, however, that the Investor Limited Partner shall not unreasonably withhold its consent to a requested financing after the Compliance Period;
- (i) Withdraw, admit or substitute a General Partner to the Partnership;
- (j) Make a loan of Partnership funds to any Person, including a General Partner or any Affiliate thereof;

(k) Borrow funds or incur any indebtedness in the name of the Partnership (except for the Loans on the terms contemplated herein and in the Loan Documents and except for trade payables in the normal course of business, and except for Operating Deficit Loans and Depreciation Adjuster Loans)

(l) Accept or receive any grant funds or any subsidies in the name of the Partnership;

(m) Dissolve the Partnership;

(n) Amend the Agreement;

(o) Make income tax elections;

(p) Acquire any items of real or personal property, tangible or intangible, in addition to the Project, the value of which property exceeds \$10,000 other than as may be contemplated in the current Annual Operating Budget;

(q) Except as specifically provided in the Project Documents (as in effect on the date hereof), become personally liable on, or to guarantee, the Loans or otherwise to assume the economic risk of loss for payment of the indebtedness secured thereby;

(r) Pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as provided in this Agreement or the Project Documents;

(s) Terminate the services of the Accountants, the Architect, the Developer, the Contractor or the Property Manager;

(t) Engage substitute Accountants, Architect, Developer, Contractor or Property Manager or approve the delegation of all or a substantial portion of their respective duties to a third party;

(u) Materially amend or terminate any Project Document, or grant any waiver or consent with respect to any material matter thereunder;

(v) Following Completion, to rehabilitate any new or replacement capital improvements on the Project, (i) which would substantially alter the use or character of the Project, (ii) which would adversely affect the availability of the Tax Benefits to the Investor Limited Partner or violate the Housing Tax Credit Conditions, or (iii) which would cost in excess of \$50,000, other than as contemplated in the current Annual Operating Budget;

(w) Cause the Partnership to redeem or repurchase all or any portion of the Partnership Interest of a Partner;

(x) Accept additional Capital Contributions other than those expressly provided for in this Agreement;

(y) Admit additional Limited Partners to the Partnership except in accordance with the express terms hereof or grant or pledge any rights to any limited partner interest in the Partnership;

(z) Cause the Partnership to convert the Project to cooperative or condominium ownership or have any employees;

(aa) Cause or permit the Partnership to be merged with any other entity;

(bb) Modify or make expenditures in variance with the Construction Budget for the rehabilitation of the Project except in accordance with Section 7.3, provided, however, that the use of contingency funds for cost overruns or the execution of change orders that result in no net increase in the overall Construction Budget shall not be a breach hereof, provided that such use of contingency funds shall be made in compliance with Section 7.3;

(cc) Modify or make expenditures at variance with the Annual Operating Budget for the operation of the Project which exceed five percent (5%) of the Annual Operating Budget in the aggregate or ten percent (10%) within any individual line item of the Annual Operating Budget; or

(dd) Take or omit to take any action which would cause a Federal Recapture Event, reduction (other than as a result of a rehabilitation or other cost savings) or disallowance of any Federal Housing Tax Credits such that the Federal Housing Tax Credit Amount is less than the Projected Federal Housing Tax Credit Amount; or

(ee) Take any action with respect to the business and property of the Partnership which is not reasonably related to the achievement of the purpose of the Partnership.

7.3 Construction Period Review.

(a) Prior to Completion of the Project and with each monthly construction loan draw, if any, the Co-General Partner shall promptly provide the Limited Partners for review and approval, which approval shall not be unreasonably withheld, conditioned or delayed, with copies of the summary and cover sheet for each disbursement request, if any, at the time of such request.

(b) The Limited Partners shall have the right to inspect periodically the ongoing rehabilitation of the Project, upon two (2) Business Days' prior notice, during normal business hours. The Limited Partners and the Construction Inspector shall be given notice of and the right to attend any meetings held by the Lenders and the Co-General Partner. The Limited Partners' failure to inspect the Project and/or notify the Co-General Partner of any concern shall not be deemed a waiver or consent by the Limited Partners to any deviation from the Plans.

(c) The General Partners shall promptly notify the Limited Partners of any periodic engineering inspections, reports updating the engineer's evaluation of the structure, and any change orders and shall obtain the prior written approval of the Limited Partners, which approval shall not be unreasonably withheld, conditioned or delayed, to any material change order except under conditions where the General Partners reasonably determine that an immediate material change order is critical for health and safety reasons. For purposes of the foregoing a material change order shall mean a change order which is (i) equal to or greater in amount than \$25,000 individually or, when aggregated with all other change orders to date, \$100,000, (ii) sufficient to cause the "contingency" line item to fall below four percent (4%) of the cost of the work

remaining to be completed under the Construction Contract, (iii) greater in amount than the amount of any unused contingency, or (iv) greater in amount than the amount of any additional financing.

7.4 Annual Operating Budget

Attached hereto as Exhibit D is the pro forma Annual Operating Budget for the Project. By no later than November 1 of each year, the Co-General Partner shall prepare a proposed Annual Operating Budget for the next Fiscal Year and shall submit a copy to the Limited Partners. The Annual Operating Budget shall include a proposed plan for Capital Expenditures for the Fiscal Year. The Co-General Partner shall use its best efforts to ensure that the Annual Operating Budget will provide for rents to be established at a level sufficient to achieve the Minimum Debt Service Coverage Ratio, plus sufficient net operating income to satisfy the annual payments projected in the schedule entitled Cash Flow From Operations found in the Initial Economic Projections attached to this Agreement, subject to the Housing Tax Credit Conditions. The Limited Partners shall have the right to review and approve the Annual Operating Budget if the estimated operating expenses exceed the operating expenses in the current Annual Operating Budget by five percent (5%) or more. The Limited Partners shall have thirty (30) days to notify the Co-General Partner that they do not approve part or all of the proposed Annual Operating Budget and the reasons therefore, and in such event the Co-General Partner and the Limited Partners shall negotiate in good faith to reach agreement on a new Annual Operating Budget provided, that until such issues are resolved, the current year's Annual Operating Budget shall be used for the following year, increased by three percent (3%). Any Annual Operating Budget submitted by the Partnership for approval by any Lender shall have been approved by the Limited Partners pursuant to this Section.

7.5 Devotion of Skill and Time; Fiduciary Duty.

(a) The General Partners shall manage the affairs of the Partnership to the best of their abilities and shall use their reasonable best efforts to carry out the purposes of the Partnership. The Co-General Partner shall cause the Partnership to promptly take all action which may be necessary or appropriate for the proper development, rehabilitation, maintenance, and operation of the Project in accordance with the provisions of this Agreement, the Project Documents and any applicable laws and regulations. The Co-General Partner shall provide office space, support staff and administrative services and shall cause its officers and employees diligently to pursue and apply their general skills to the Partnership's business and devote as much time as is reasonably necessary to manage and operate the Partnership and its business in the best interests of all of the Partners. The Co-General Partner shall not engage in any other activities unrelated to the Partnership without the consent of the Investor Limited Partner. The Managing General Partner and its Affiliates, the Co-General Partner and its Affiliates and of the officers and employees of the Co-General Partner or the Managing General Partner may engage in other business, including business identical or similar to the Partnership's business without notice and consent from, or payment to any other Partner.

(b) The Co-General Partner shall have a fiduciary responsibility to the Limited Partners for the safekeeping and use of all Partnership Property, whether or not in the Co-

General Partner's immediate possession or control, and shall not employ Partnership Property in any manner except for the Partnership's exclusive benefit. The Co-General Partner shall not contract away its fiduciary duties under the common law of agency.

7.6 Environmental Matters.

(a) *Environmental Representations and Warranties.* The Co-General Partner represents that:

(i) Except for the Hazardous Substances identified in the Environmental Reports, to Co-General Partner's knowledge, the Property is not nor has it been contaminated with any Hazardous Substances (other than except for *Stachybotrys chartarum* and other molds that create a health hazard) and the use of the Property and business operations conducted thereon have been, are currently, and will continue to be in compliance with any and all Hazardous Material Laws;

(ii) Except for the Hazardous Substances identified in the Environmental Reports, the Co-General Partner has no knowledge of any Hazardous Substances on, in, under, released or discharged from or otherwise affecting the Property;

(iii) The Co-General Partner has no knowledge of and has not received any report or notice of violation of Hazardous Substances Laws or of any inquiry or investigation at the Property or that there have been actions commenced or threatened by any party for noncompliance which affects the Property;

(iv) Except for the Environmental Reports, the Co-General Partner has no knowledge after due inquiry, of the existence of any report, analysis, study or other document prepared by or for any person which identifies any Hazardous Substances as being located upon, in, or under or as being released or discharged from the Property provided however that no representation is made as to *Stachybotrys chartarum* and other molds that create a health hazard.

(b) *Environmental Covenants and Obligations.* The Co-General Partner hereby covenants as follows:

(i) The Co-General Partner shall keep the Property free of Hazardous Substances (provided that with respect to *Stachybotrys chartarum* and other molds that create a health hazard that may be present at the Property, the Co-General Partners shall cause the Partnership to diligently comply with the terms of that certain Moisture Management Plan dated February 19, 2018, prepared by Blackstone Consulting LLC, Project No. JLLATX032.07). The business and operations conducted on the Property shall be in compliance with all Hazardous Substances Laws. The Co-General Partner shall remove or cause to be removed all Hazardous Substances which are now, or at any time in the future, in, on, under, released or discharged from or otherwise affecting the Property, irrespective of the source thereof. The Co-General Partner shall not suffer or permit the Property to be used to generate, manufacture, refine, transport, treat, dispose of, transfer, produce or process Hazardous Substances. Furthermore, the Co-General Partner shall not suffer or permit to be used at the Property any Hazardous Substances.

(ii) The Co-General Partner shall immediately, upon obtaining knowledge of the occurrence of any of the following, notify the Limited Partners, in writing:

(A) the release of any Hazardous Material on, under or otherwise affecting the Property in violation of any Hazardous Substances Laws;

(B) receipt by the Co-General Partner or any tenant, subtenant or other occupant of the Property of any notice concerning the Property regarding any violation of Hazardous Substances Laws or of any inquiry or investigation relating to any Hazardous Material on, under, from or affecting the Property in violation of Hazardous Substances Laws;

(C) any violation of any Hazardous Substances_Laws affecting the Property; and

(D) any claim made against the Co-General Partner relating to damage, contribution, cost of recovery, compensation, loss or injury resulting from any Hazardous Material affecting the Property or with respect to the off-site disposal of any Hazardous Substances from the Property.

(iii) The Co-General Partner hereby expressly covenants, for the benefit of the Limited Partners and the Partnership, to take all actions diligently, from and after the date hereof, as may be necessary or appropriate with regard to assessment, containment, protection, treatment, disposal and/or removal of the Hazardous Substances on and cleanup of the Property and/or other property to which the Hazardous Substances have migrated, including taking all actions as are required by applicable law, including but not limited to the Hazardous Substances Laws, or any governmental agencies, all of which shall be undertaken and performed by the Co-General Partner at its sole cost and expense (to the extent the Partnership does not have sufficient cost savings or funds available to the Partnership for such purposes in the ordinary course of events), or with the funds provided for such expenditures by other parties, and in compliance with all applicable laws and regulations, including but not limited to the Hazardous Substances Laws. The Co-General Partner shall make all reasonable efforts to avoid any interruption of the use of the Property and, if such interruption is not so avoidable, shall make all reasonable efforts to minimize such interruption. The Co-General Partner shall provide each Limited Partner immediately with copies of all notices, orders, communications and the like that the Co-General Partner may receive from any regulatory agency involved in the regulation or control of Hazardous Substances on the Property and any responses to such notices by the Co-General Partner to such regulatory agencies, together with copies of all reports and filings which the Co-General Partner makes to any such agency.

(iv) The Limited Partners and their contractors, agents and representatives shall have the right at any time and from time to time on the Property during reasonable business hours and with prior written notice of at least two Business Days to take and remove soil or groundwater samples, to require the Co-General Partner to provide split samples of the Co-General Partner's soil or groundwater samples, and to conduct tests and/or site assessments or inspections on any part of the Property (collectively, "**Site**

Assessments”) for the purpose of determining whether there exists on the Property any condition that could result in any material (in the reasonable judgment of the Limited Partners) liability, cost or expense to the Limited Partners or any occupier or operator of the Property, if different, arising under any Hazardous Substances Law or to verify the Co-General Partner’s compliance with each and every term, covenant and condition of this Section 7.6. The Limited Partners have no duty, however, to conduct any Site Assessment, and no Site Assessment shall impose any liability on any Limited Partner or affect their status as Limited Partners or otherwise with respect to any liability or obligation relating to any remediation or other work at the Property. In no event shall the completion by the Limited Partners of any Site Assessment be a representation that Hazardous Substances are or are not present in, on, under or around the Property, or that there has been or shall be compliance with any Hazardous Substances Law or any other law. The Limited Partners owe no duty of care to protect the Co-General Partner or any other party against, or to inform the Co-General Partner or any other party of any Hazardous Substances or any other adverse condition affecting the Property.

(v) The Limited Partners shall have the right to review all reports, logs, field notes, boring logs, laboratory results and any other documentation, including but not limited to, notices, orders and communications from any person or authority, wherever located related to any remediation regarding the Property.

(vi) The fact that the Limited Partners may have conducted a Site Assessment as set forth in Section 7.6(b)(iv) or reviewed any documentation referenced in Section 7.6(b)(v) shall not relieve the Co-General Partner from the liability and indemnification obligations to the Limited Partners to which the Co-General Partner is subject pursuant to the provisions of this Agreement, and the Co-General Partner agrees that the Limited Partners shall not have any duty to the Co-General Partner with respect to the remediation work at the Property solely as a result of any such Site Assessment or review of any such documentation.

(vii) The performance by the Co-General Partner of its obligations under this Section 7.6 shall be fully, unconditionally and absolutely guaranteed by the Guarantors pursuant to the Guaranty.

7.7 General Partner or Affiliate Dealing With the Partnership.

A General Partner or any of its Affiliates shall have the right to contract or otherwise deal with the Partnership for the sale of goods or services to the Partnership in addition to those set forth in this Article 7 if (a) the fees, terms and conditions of the transactions are at least as favorable to the Partnership as would be obtainable in an arm’s-length transaction, (b) any necessary Authority consent is obtained, (c) such General Partner has furnished, in advance of their effective dates, copies of the contracts or other arrangements for furnishing goods or services to the Limited Partners, and (d) if the contract or arrangement would result in projected payments by the Partnership to such General Partner or Affiliate of \$15,000 or more in any 12-month period, the Limited Partners have consented to such contract or arrangement. The Limited Partners shall be deemed to have consented to (i) the Development Agreement and the payment of the Development Fee, (ii) the Property Management Agreement and the payment of

the fees set forth in the Property Management Agreement to the Property Manager, (iii) the payment of the Incentive Lease-Up Fee to the Co-General Partner, (iv) the payment of the Incentive Management Fee to the Co-General Partner and (v) the payment of the Nonprofit Management Fee to the Managing General Partner. Any payment made to a General Partner or any Affiliate for the goods and services shall be fully disclosed to the Limited Partners in the reports required under Article 8. Any contract or arrangement described above with a General Partner or any of its Affiliates shall contain a provision that allows any Limited Partner to cancel the contract or arrangement with such General Partner or its Affiliate if such General Partner is removed from the Partnership.

7.8 Indemnification of Partners.

(a) The Co-General Partner shall indemnify and hold harmless each of the Investor Limited Partner, the Special Limited Partner, and all directors, officers, employees, agents, and Affiliates thereof (collectively, the “**Indemnified Limited Partners**”) from and against any and all actual out-of-pocket costs, expenses (including, without limitation, reasonable attorney’s fees), damages or liabilities incurred by such Indemnified Limited Partners, (i) which may arise out of or relate to any untrue statement of a material fact, or omission to state a material fact necessary to make any such statement in light of the circumstances under which it was made not misleading, by a General Partner or any of its agents set forth in any document delivered by a General Partner or its agents in connection with the Project, the investment by each Indemnified Limited Partner in the Partnership and the execution of the Partnership Agreement and (ii) in connection with the gross negligence, breach of fiduciary duty, willful misconduct, or malfeasance of a General Partner or any Affiliate of a General Partner.

(b) The Co-General Partner shall indemnify, hold harmless, and defend (including prior to, at trial and at appellate levels and otherwise and with attorneys and consultants acceptable to Indemnitees) the Indemnified Limited Partners and the Partnership (collectively, the “**Indemnified Parties**”) from and against any and all Environmental Costs or other actions, suits, proceedings, claims, liabilities, damages or expenses, of any kind, including without limitation attorneys’ and other professional expenses and fees, suffered or incurred by, or asserted against the Indemnified Parties, which arise from or relate to in whole or in part any Hazardous Substances affecting the Property, including Hazardous Substances from, on, in, under, released, discharged from, or about the Property or a General Partner’s failure to perform under this Agreement. The Co-General Partner agrees that the Indemnified Parties shall not suffer any costs or losses of any nature whatsoever, including any diminution of cash distributions to which the Indemnified Parties would otherwise be entitled from the Partnership, or have any liability, by contribution or otherwise, in whole or in part on account of any violation of any Hazardous Substances Law in connection with the Property. Without limiting the generality of the foregoing, the Co-General Partner’s obligation under this Agreement to indemnify, defend and hold the Indemnified Parties harmless shall extend to any cost or damage to the Property or to any other property or resource and public and private water sources and supplies as a result of any Hazardous Substances. Notwithstanding the foregoing, nothing herein shall be construed otherwise to alter the Co-General Partner’s obligations set forth herein with respect to assessment, containment, protection, treatment, disposal, transport and/or removal of any Hazardous Substances and remediation of the Property.

(c) The Partnership shall indemnify the Partners, and the employees, officers, and directors, partners, agents and Affiliates of such Persons, and shall hold them harmless on an After-Tax Basis, from any claim, demand, judgment, cost or expense arising out of or related to any act or omission by the Partnership, the Partners or the agents, employees and contractors, and Affiliates of the Partnership or the Partners, arising after the date hereof except (i) for any act or omission which is performed or omitted to be performed in bad faith or which constitutes gross negligence, willful misconduct or breach of fiduciary duty of a Partner (or the employees, officers, directors, partners, agents and Affiliates of such Person), or (ii) for which liability arises under the provisions of any other agreement by and between or among any Partners (or the agents, employees, contractors and Affiliates of the Partners) and the Partnership. Any indemnification hereunder shall be satisfied solely out of the assets of the Partnership, including without limitation any insurance proceeds available to the Partnership. The Partners shall not be subject to personal liability by reason of this indemnification provision. Unless a Partner's right to indemnification under this Section 7.8(c) is being contested by any other Partner, expenses incurred by the indemnified person in defending any claim, demand, action, suit or proceeding subject to this Section shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the indemnified person to repay such amount unless and until a court of competent jurisdiction determines that such person is entitled to be indemnified as authorized in this Section.

(d) Except as otherwise provided in this Agreement, no General Partner nor any Affiliate thereof shall have any liability to the Partnership or any Partner as a result of any action or inaction by such General Partner which such General Partner reasonably believes in good faith to be within the scope of the authority conferred upon it under this Agreement and such action (or failure to act) does not constitute fraud, willful misconduct, a material breach of such General Partner's fiduciary duty or duty as Partnership Representative, gross negligence or a violation of state or federal securities laws.

(e) The obligations of each General Partner under this Section 7.8 shall survive the removal of a General Partner or the transfer, sale or assignment of such General Partner's Partnership Interest, any judicial foreclosure, transfer by power of sale, deed in lieu of foreclosure, transfer of the Property, and sale or other transfer by a General Partner of its Partnership Interest; provided, however, after a General Partner no longer has any interest in the Partnership, such General Partner shall have no obligation for any conditions that are caused by the actions of the successor general partner of the Partnership.

7.9 The Co-General Partner as Partnership Representative.

The Co-General Partner shall be the Partnership Representative and in connection with any review or examination of the federal income tax returns of the Partnership, the Co-General Partner shall take any and all action required under the Code or Treasury Regulations, as in effect from time to time, to designate itself the Partnership Representative. The designation of an entity other than the Co-General Partner as the Partnership Representative will require the Consent of the Special Limited Partner. At the time of a review, examination, or otherwise, the Partnership Representative shall inform the IRS that a copy of all correspondence will be provided to the Investor Limited Partner:

(a) The Partnership Representative shall furnish or cause to be furnished to each other Partner notice and information with respect to the following: (i) closing conference with an examining agent, (ii) proposed adjustments, rights of appeal, and requirements for filing a protest, (iii) time and place of any appeals conference, (iv) acceptance by the IRS of any settlement offer, (v) consent to the extension of the period of limitation with respect to all Partners, (vi) filing of a request for administrative adjustment on behalf of the Partnership, (vii) filing by the Partnership Representative or any other Partner of any petition for judicial review, (viii) filing of any appeal with respect to any judicial determination and (ix) a final judicial redetermination. If the Partnership Representative decides to litigate any administrative determination relating to federal income tax matters, then the Partnership Representative shall obtain the Consent of the Special Limited Partner to litigate such matter in such court. If the Special Limited Partner does not consent to such litigation, the Partnership Representative may litigate at its own expense. In discharging its duties and responsibilities, the Partnership Representative shall act as a fiduciary (1) to the Investor Limited Partner (to the exclusion of the other Partners) insofar as tax matters related to the Housing Tax Credits are concerned, and (2) to all of the Partners in other respects. The Partners consent and agree that in connection with any audit, review, examination, or other of the Partnership, or if the Partnership Representative withdraws from the Partnership or the Partnership Representative becomes Bankrupt, then the Special Limited Partner may become, in its sole discretion, a special general partner and become the Partnership Representative. The Investor Limited Partner will make no claim against the Partnership in respect of any action or omission by the Partnership Representative during such time as the Special Limited Partner acts as the Partnership Representative. The Co-General Partner shall not enter into any settlement agreement purporting to bind the Partnership without the Investor Limited Partner's consent.

(b) If the Partnership receives a written notice of final partnership adjustment from the IRS, the Partnership Representative shall promptly forward a copy of such written notice to the Investor Limited Partner and its legal counsel. The Partnership Representative shall, unless otherwise directed in writing by the Investor Limited Partner, timely file an election described in Section 6226(a) of the Code with respect to any written notice of final partnership adjustment received by the Partnership and take such other actions as are required so that Section 6225 of the Code shall not apply with respect to any imputed underpayment with respect to any adjustment of an item of the Partnership or any Partner's distributive share thereof. Each Partner shall take any and all actions necessary to effect such election, including but not limited to making any payments required under Section 6226(b) of the Code. In the event that an election described in Section 6226(a) of the Code is not made with respect to any written notice of final partnership adjustment, each Partner shall be obligated to make a Capital Contribution in an amount equal to such Partner's share of the imputed underpayment (and any associated interest and penalties) owed by the Partnership under Section 6225 of the Code. For purposes of the preceding sentence, each Partner's share of such imputed underpayment (and associated interest and penalties) shall be determined by taking into account (1) such Partner's share of the Net Income, Net Losses and Credits to which such adjustment and imputed underpayment relate, as determined by the Accountants; (2) such Partner's obligation (if any) to indemnify, defend, or hold harmless the Partnership or any other Partner for such imputed underpayment (and any associated interest and penalties) under this Agreement; (3) such Partner's obligations and liabilities arising from or related to such Partner's representations, warranties and covenants in this Agreement; (4) the obligations of the General Partner under Section 3.2; and (5) any taxes or

other amounts paid by such Partner which result in a modification of an imputed underpayment of the Partnership under Section 6225(c) of the Code. For example, if an imputed underpayment were to relate to an adjustment or disallowance of Federal Housing Tax Credits previously allocated to the Investor Limited Partner and such adjustment or disallowance would give rise to an obligation of the Co-General Partner to make a Capital Contribution under Section 3.2, then the Co-General Partner, rather than the Investor Limited Partner, would be required to make the Capital Contribution described in this Section 7.9(b).

(c) If the Partnership meets the requirements of Section 6221(b) of the Code to elect not to have Section 6221(a) of the Code apply with respect to any adjustment to Partnership tax items, the Partnership Representative may, with the consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), make such election described in Section 6221(b) of the Code for each tax year, as applicable.

(d) Notwithstanding anything to the contrary in this Section 7.9(d), none of the Partnership, the General Partners or the Partnership Representative shall, without the prior consent of the Investor Limited Partner (which consent may be withheld in the Investor Limited Partner's sole discretion), take any action or make any election (or omit to take any action or make any election) under the federal tax audit rules pursuant to the Code and Regulations which would or could reasonably be expected to have a materially adverse effect on the Investor Limited Partner (or its direct or indirect owners). The rights of the Investor Limited Partner under this Section 7.9(d) shall survive any sale, exchange, liquidation, retirement or other disposition of any Partner's Partnership Interest.

(e) The Investor Limited Partner, without the consent of the General Partners, may take into account adjustments related to its allocable share of Partnership-related items, which may result in a modification of an imputed underpayment of the Partnership, under the procedures set forth in Section 6225(c) of the Code. Notwithstanding anything to the contrary in this Section 7.9, the obligations of the Co-General Partner under Section 3.2 shall extend to any amounts paid by the Investor Limited Partner under Section 6225(c) of the Code and the Co-General Partner shall indemnify, defend, or hold harmless the Partnership and the Investor Limited Partner for any amounts paid by the Investor Limited Partner under this Section 7.9(e) (and any associated interest and penalties) as otherwise set forth in this Agreement.

7.10 Reports to Lenders and Authorities.

The Co-General Partner shall furnish or cause to be furnished the information regarding the Project (a) to any Lender or Authority as reasonably requested from time to time, or (b) to any Authority or other Person as required to satisfy the Housing Tax Credit Conditions. In accordance with Section 8.3(a), the Co-General Partner shall furnish the other Partners with copies of any such reports.

7.11 Insurance.

The Co-General Partner shall obtain and maintain throughout the term of the Partnership, or shall cause to be obtained, maintained and evidenced by others, as applicable, insurance on the Project satisfactory to the Lenders and the Limited Partners and at least the types and amounts of insurance on the Project as set forth on Exhibit I hereto, no later than the Closing Date.

7.12 Housing Tax Credit Conditions.

The Co-General Partner acknowledges the importance to the Limited Partners' Tax Benefits of achieving and maintaining the appropriate low-income set aside requirement and the Co-General Partner agrees that it shall use commercially reasonable best efforts to avoid any failure to achieve and maintain such levels, including but not limited to the following:

(a) The Co-General Partner shall cause to be kept all records (including the tenant qualification documents for each tenant throughout the Compliance Period), and cause to be made all elections and certifications required to satisfy the Housing Tax Credit Conditions and qualify for and maintain the full Housing Tax Credit Amount and the Tax Benefits.

(b) The Co-General Partner shall elect for each building the appropriate minimum low-income set-aside requirement within twelve (12) months after placement in service of such building or such other time period as may hereafter be required by the Code or Regulations for the Housing Tax Credits; provided, however, that in the event it becomes reasonably certain that such set-aside will not be met, the Co-General Partner shall promptly so notify the other Partners in writing and shall proceed to elect such other minimum set-aside requirement as will best protect or enhance the Tax Benefits to the Limited Partners under the circumstances. Notwithstanding the foregoing, the Co-General Partner acknowledges that 100% of the Units in the Project are intended to be used for low-income housing.

(c) The Co-General Partner shall certify compliance with the elected set-aside requirement and report the dollar amount of Qualified Housing Tax Credit Basis, maximum applicable percentage, date of placement in service, and any other information required for the Housing Tax Credits in a timely manner but in no event later than December 31st of the first year in which any building in the Project is placed in service and for each Fiscal Year thereafter during the Compliance Period for such Housing Tax Credits, or such other time periods as may hereafter be required by the Housing Tax Credit Conditions.

(d) In the event at any time the Co-General Partner makes the good faith determination in its reasonable view that the Tax Benefits projected in the Initial Economic Projections, as modified for any adjustments to the Capital Contributions made in accordance with Section 3.2 which are approved by the Investor Limited Partner, are not likely to be substantially realized, the Co-General Partner shall promptly notify the Investor Limited Partner of the circumstances.

(e) The Co-General Partner shall cause the Partnership to meet the Fifty Percent Test within the time period necessary to permit the Partnership to satisfy the requirements of Section 42(h)(4)(B) of the Code.

7.13 Project Management.

(a) The Co-General Partner, on behalf of the Partnership, shall enter into the Property Management Agreement with the Property Manager. The Co-General Partner shall cause the Partnership to diligently enforce all of the obligations of the Property Manager thereunder, and to perform all of the Partnership's obligations as owner thereunder. The Property Manager shall be

entitled to receive the Property Management Fee pursuant to the terms of the Property Management Agreement.

(b) The Co-General Partner may not remove a Property Manager, or select a new Property Manager without the consent of the Investor Limited Partner (and the Credit Agency and any Lender, if applicable); provided that as long as the Property Management Agreement is in the form attached hereto as Exhibit J, the Investor Limited Partner's approval is not required for the renewal of the Property Management Agreement with the Property Manager. Furthermore, at the request of the Special Limited Partner, the Co-General Partner shall terminate the Property Management Agreement. Furthermore, if at any time the Co-General Partner is removed or otherwise ceases to be general partner for any reason, then the Investor Limited Partner can require the removal of the Property Manager.

(c) Any Property Management Agreement shall contain specific provisions requiring the Property Manager to satisfy all Housing Tax Credit Conditions necessary for the Partnership to be entitled to claim Housing Tax Credits in the full Housing Tax Credit Amount.

7.14 Casualty or Condemnation.

(a) In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any portion thereof, the Co-General Partner shall promptly give the other Partners written notice thereof. To the extent casualty insurance and condemnation award proceeds are available for rebuilding, net of expenses reasonably incurred in obtaining such proceeds and subject to the rights of the Lenders and any other sources of financing available to the Co-General Partner and the Partnership, the Co-General Partner shall use reasonable efforts to rebuild the Project in such manner as will as fully as possible implement the Initial Economic Projections and achieve the financial forecast of Tax Benefits contained therein. Any casualty insurance or condemnation award proceeds that are not fully expended in such rebuilding shall constitute proceeds of an Extraordinary Transaction. In connection with any such rebuilding, the Co-General Partner shall seek legal, tax, and accounting counsel and take all necessary or advisable steps to preserve as fully as possible the Initial Economic Projections and Housing Tax Credit Amount.

(b) Notwithstanding Section 7.14(a) above, in the event the nature of the casualty or condemnation, or any lack of sufficient casualty insurance or condemnation award proceeds and other financing sources for rebuilding, or the effect of tax laws then applicable makes it impossible or unlikely that rebuilding of the Project or portion thereof can be accomplished or that the projected Tax Benefits in combination with any other projected economic benefits to the Investor Limited Partner would not be substantially as much from rebuilding the Project or such portion thereof as they would be without rebuilding, then the Co-General Partner shall, at its election, (i) obtain the consent of the Investor Limited Partner to an alternative proposal or (ii) refrain from rebuilding and proceed to utilize as proceeds of an Extraordinary Transaction any casualty insurance or condemnation award proceeds allocable to the Project or such portion thereof.

(c) Except under circumstances in which portions of the Project are unaffected by the casualty or condemnation or are rebuilt as contemplated hereunder, the Co-General Partner shall,

unless the Limited Partners consent to any alternative proposal, proceed to terminate and liquidate the Partnership, selling Partnership assets, repaying indebtedness, and distributing net proceeds of Extraordinary Transactions to the Partners as provided in Article 12 hereof. In the event of rebuilding, the Co-General Partner shall have no obligation to enter into construction or rehabilitation contracts at a price exceeding the amount of casualty insurance or condemnation award proceeds available for rebuilding. In such event, all fees to the Co-General Partner and Affiliates shall remain as set forth in the Project Documents and the Co-General Partner shall not pay additional amounts to third parties to perform their obligations hereunder, unless otherwise agreed in writing by the Co-General Partner and by the Limited Partners, provided that the consent of the Limited Partners shall not be required if and to the extent there are sufficient casualty insurance or condemnation award proceeds to pay additional and reasonable fees to the Co-General Partner and Affiliates or third parties without adversely affecting the rebuilding of the Project.

(d) Nothing contained herein shall be construed to affect the Co-General Partner's liability for any failure to provide insurance to the full extent required under Section 7.11 hereof.

7.15 Development Agreement and Development Fee.

Concurrent with the execution of this Agreement, the Partnership and the Developer shall enter into the Development Agreement. Pursuant to the Development Agreement, the Developer shall be paid the Development Fee in accordance with the terms of the Development Agreement.

7.16 Asset Management Fee; Asset Manager

The Partners hereby appoint Aegon as the initial Asset Manager. The Partnership shall pay annually to the Asset Manager the Asset Management Fee from Operating Cash Flow in the priority set forth in Section 5.1 and/or from Extraordinary Cash Proceeds in the priority set forth in Section 5.2. The Investor Limited Partner may, from time to time, appoint a third party to act as the Asset Manager for its investment in the Project in lieu of Aegon. The General Partners shall use reasonable efforts to cooperate with any Asset Manager appointed by the Investor Limited Partner. The Asset Manager shall have the right to conduct on-site visits to inspect the Project during normal business hours with prior written notice of at least two (2) Business Days. On-site visits shall include the right to inspect all residential, community and commercial areas of the Project, including, but not limited to management and leasing offices and vacant units (if no vacant units are available, then at least one occupied unit of each unit type in the Project).

7.17 Signage and Groundbreaking Events.

No General Partner shall have the right to use the name or any trademarks of Aegon or any Limited Partner in any publicity regarding the Project, including any press releases, signs, etc., without the prior written approval of Aegon and/or the applicable Limited Partner. Aegon and the Limited Partners shall have the right, in their sole discretion, to participate in any publicity or signs placed on the Project by the Co-General Partner or the Partnership or to place a sign or signs on the Project announcing their participation in the Project. During rehabilitation of the Project, if requested by the Special Limited Partner, the Co-General Partner shall cause the Partnership to provide, erect and maintain, at the expense of the Partnership, at the site of the Project, a sign approved by the Special Limited Partner, which sign shall include language

and a logo provided by the Special Limited Partner stating that the Limited Partners, any affiliate thereof, and/or, if directed to by the Special Limited Partner, any investor in a Limited Partner, that has assisted in the financing of the Project. The Co-General Partner shall invite the Limited Partners to attend any groundbreaking, ribbon-cutting or other public relations ceremony or special event with respect to the Project. The Co-General Partner shall provide reasonable advance notice to the Limited Partners of any such event so the representatives of the Limited Partner and their affiliates may attend.

7.18 Managing General Partner Provisions.

(a) At all times during this Agreement, the following shall be true: (i) the Managing General Partner materially participates in the management and day-to-day operations of the Partnership; (ii) the Managing General Partner is and shall be a non-profit organization exempt from taxation under Code Section 501(c)(3) or a limited liability company meeting the requirements of BOE Property Tax Rule 136; (iii) the articles of incorporation of the Managing General Partner or its sole member shall at all times satisfy the requirements of Rule 143 as adopted by the BOE; and (iv) the Managing General Partner shall obtain and maintain the Property Tax Exemption for the Project under Section 214(g) of the State Tax Code. Under Rule 140.2 of the BOE Property Tax Rules, as amended, a limited partnership in which the managing general partner is an eligible tax-exempt corporation or eligible limited liability company meeting the requirements of proposed Rule 140.1 of the BOE Property Tax Rules, as amended, that owns low income property for which it intends to claim the Property Tax Exemption under the State Tax Code Section 236 and 214(g) must file with the BOE an application for Supplemental Clearance Certificate (the “**BOE Supplemental Certificate**”) for each low income housing project. The BOE Supplemental Certificate will only be granted if the managing general partner has already been granted an organizational clearance certificate by the BOE as required under Revenue and Taxation Code Section 254.6. The Managing General Partner hereby represents and warrants to the Partners that it will obtain an organizational clearance certificate for itself. The application for the BOE Supplemental Certificate is filed prior to the initial welfare exemption filing and shall be filed by the Managing General Partner thereafter as required by the BOE. In addition, in lieu of submitting the Partnership’s limited partnership agreement annually to the BOE for review, the Managing General Partner hereby agrees to annually file any certificate required by the BOE at that time. In the event that the Managing General Partner fails to timely (i) obtain an organizational clearance certificate, (ii) file for the BOE Supplemental Certificate, (iii) obtain the Property Tax Exemption, or (iv) maintain the Property Tax Exemption in each year of the Credit Period, the Managing General Partner may be removed by the Partners in accordance with Article 11. The savings resulting from any Property Tax Exemption are used to maintain the affordability of the units in the Project as provided in, and subject to the terms of, this Agreement and the BOE Property Tax Rules because such savings are necessary in order for the Partnership to meet its debt underwriting and financing requirements and assumptions while still maintaining affordable rents to tenants. The Partners undertake that they would not undertake to develop and operate the Project and provide the affordable housing created by the Project unless the Property Tax Savings were available to assist in the underwriting of the Project’s operating expenses and debt

service payments. If the Managing General Partner withdraws or is removed as a General Partner or for any other reason ceases to meet the requirements of this Section, then the remaining Partners shall immediately satisfy such requirements by substitution of another qualified non-profit organization or limited liability company which satisfies all of the foregoing requirements.

(b) The Managing General Partner shall directly or indirectly manage the Partnership and shall devote such time and provide such services to the Partnership as shall be necessary to discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall exercise such power and authority as is necessary to adequately discharge the substantial responsibilities delegated to it pursuant to the terms hereof. The Managing General Partner shall be the “managing general partner” of the Partnership, as such term is used in Section 214(g) of the California Revenue and Taxation Code and as further defined in BOE Property Tax Rules. The Managing General Partner shall have all rights and powers generally conferred by law or necessary, advisable or consistent in connection therewith, or in connection with accomplishing the purposes of the Partnership as set forth in this Agreement, within the authority granted to it under this Agreement, shall materially participate in the control, management and direction of and shall control the Partnership’s affairs to the best of its ability. In discharging its responsibilities hereunder, the Managing General Partner (except where otherwise provided herein) shall use its best efforts to carry out the purposes, business and objectives of the Partnership and shall devote to Partnership business such time and effort as shall be reasonably required for the Partnership’s welfare and success. The Managing General Partner shall have the following specified duties and obligations with respect to the management of the business of the Partnership:

- (i) Rent, maintain and repair the Property, any such duty is delegated to a property management agent, participating in the hiring and overseeing the work of such agent;
- (ii) Participate in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the Partnership;
- (iii) Execute and enforce all contracts executed by the Partnership;
- (iv) Execute and deliver all Partnership documents on behalf of the Partnership; and
- (v) Monitor compliance with all government regulations and files or supervise the filing of all required documents with government agencies.

In accordance with the BOE Regulations, the Managing General Partner may delegate all or any of its powers, rights and obligations under Section 7.18(b)(i)-(v) to the Co-General Partner (but may not otherwise delegate its powers, rights and obligations), and may appoint, employ, contract or otherwise deal with the other Partners for the transaction of the business of the Partnership. The other Partners may, under supervision of the

Managing General Partner, perform any acts or services for the Partnership which may be delegated as described in the preceding sentence as the Managing General Partner may approve; provided, however, such delegation does not excuse the Managing General Partner from overseeing and supervising on an ongoing basis the activities delegated. The Managing General Partner may not delegate any of its powers, rights and obligations hereunder to a party other than the Co-General Partner without the prior written consent of the Investor Limited Partner. If the Managing General Partner elects to delegate one or more of its duties under this Section 7.18, the Managing General Partner shall retain such records as are reasonably required to demonstrate that it is actually supervising the performance of the delegated duties.

(c) The Managing General Partner will maintain records and documents evidencing the duties performed by the Managing General Partner (the “**Management Documents**”). Such records and documents may include, but are not limited to, the following Partnership documents: (i) accounting books and records; (ii) tax returns; (iii) budgets and financial reports; (iv) reports required by lenders; (v) documents related to the rehabilitation of the Project; (vi) legal documents such as contracts, deeds, notes, leases, and deeds of trust; (vii) documents related to complying with government regulations and filings; (viii) documents related to Project inspections; (ix) documents related to charitable services or benefits provided or the information provided regarding such services or benefits; (x) reports prepared for the Partners; (xi) bank account records; (xii) audited annual financial statements of the Partnership; and (xiii) the Property Management Agreement.

(d) The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that it is meeting all the requirements of the BOE and the Property Tax Rules for the Property Tax Exemption.

(e) The Managing General Partner shall submit on an annual basis a certification to the county assessor for the county in which the Project is located, certifying that the Project meets all of the requirements set forth in the Property Tax Rules applicable to the Property Tax Exemption.

(f) The BOE has issued a directive regarding Welfare Exemption Claim Supplemental Affidavits, Housing for Lower Income Households (FORMS BOE-267-L1 and L2) and the filing requirements for low income rental housing properties eligible for the Property Tax Exemption. Under the filing requirements, the Managing General Partner may certify that this Agreement provides sufficient management authority and duties to qualify it as the managing general partner of the Partnership, as required for the exemption. If this certification (the “**BOE Certification**”) as set forth in Forms BOE-267-L1 or BOE-267-L2, is filed, the Partnership is not required to submit its limited partnership agreement and amendments to the BOE staff for review at the time an exemption claim is filed. The Partners have determined that in order to obtain Property Tax Exemption in the most timely and efficient manner, it is in the best interest of the Partnership to file the BOE Certification in connection with its annual claim for the Property Tax Exemption. The Managing General Partner hereby agrees to file the BOE Certification and related documentation with the BOE in compliance with applicable

procedures. In the event that the Agreement is amended in such a way as to cause the Managing General Partner to be unable to make the representations necessary to execute the BOE Certification under penalty of perjury, the Managing General Partner will not be required to execute the BOE Certification. In such an instance the Property Tax Exemption claim filed by the Managing General Partner will include this Agreement and amendments to date.

(g) The Managing General Partner will consult with and advise the Co-General Partner in all respects relating in the management of the Partnership and the Project as set forth in this Section 7.18.

(h) In the event this Agreement provides for an action that requires a vote of the majority-in-interest of the General Partners, the General Partners shall each vote on such matter in accordance with their voting interests, which shall be two votes for the Co-General Partner and one vote for the Managing General Partner.

(i) The Partners acknowledge and agree that in the course of exercising its duties, the Managing General Partner will act independently of any other Partner, the Managing General Partner is not, and shall not be, under the control of any other Partner, and no other Partner or Affiliate of a Partner has or shall have a controlling vote or a majority interest in the Managing General Partner.

7.19 Related Party Indebtedness.

If the Investor Limited Partner should reasonably determine at any time during the Compliance Period that (i) its share of minimum gain is insufficient to result in losses being allocated to the Investor Limited Partner such that it will be allocated less than 99.99% of the partnership's Tax Credits, and (ii) such insufficiency is due to any fee (including without limitation any Deferred Development Fee) or loan owed to a General Partner or an affiliate of a General Partner that is considered a "related person" (as such term is defined in Treasury Regulation 1.752-4(b), taking into account the rule provided for "tiered partnerships" in Treasury Regulation 1.752-4(a) (the "**Tiered Partnership Rule**" and collectively, the "**Disaffiliation Regulations**")) not being includible in the computation of the Investor Limited Partner's share of minimum gain, then such General Partner shall promptly take appropriate action (a "**Disaffiliation**") to either (a) cause such General Partner and the person who is owed such fee or loan to be "unrelated" in accordance with the Disaffiliation Regulations or (b) cause such General Partner to be treated as a corporation for federal income tax purposes or transfer the ownership or right to payment of such fee or loan to a person who is not more than 20% related to the General Partner. If such General Partner is the Person owed such loan or fee, then such General Partner shall, in addition to the requirements set forth in the foregoing clauses (a) or (b), transfer the loan or fee to another Person as part of the Disaffiliation. Interpretation and application of this section and each of the Disaffiliation Regulations shall be in the sole discretion of the Investor Limited Partner and the General Partners agree to provide such documentation as the Investor Limited Partner may require to determine that a Disaffiliation has occurred in accordance with the Disaffiliation Regulations.

The Partners hereby agree that Disaffiliation shall be the process by which to address the inability to allocate at least 99.99% of the Tax Credits to the Investor Limited Partner under Code Section 704(b) because of a loan or fee as described in this Section. Nothing in this Section shall be construed to require the Investor Limited Partner to undertake a Deficit Restoration Obligation, to require the Partnership to undertake any special allocation of depreciation deductions to the Investor Limited Partner, or for any Partner or the Partnership to take other steps that might also result in an increase in the Tax Credits allocable to the Investor Limited Partner.

ARTICLE 8
BOOKS AND RECORDS; REPORTS; RESERVES

8.1 Maintenance.

(a) The Co-General Partner shall cause to be kept, at the principal place of business of the Partnership, full and proper ledgers and other books of account of all receipts and disbursements and other financial activities of the Partnership, including the following documents of the Partnership:

(i) A current list of the full name and last known business or residence address of each Partner set forth in alphabetical order together with the contribution and share in profit and losses of each Partner;

(ii) A copy of the certificate of limited partnership and all certificates of amendment thereto, together with executed copies of any powers of attorney pursuant to which any certificate has been executed;

(iii) Copies of the Partnership's federal, state and local income tax or information returns and reports, if any, for the six (6) most recent Fiscal Years of the Partnership;

(iv) Copies of the original Partnership Agreement and all amendments thereto;

(v) Financial statements, including a balance sheet and statements of income (or loss), of the Partnership for each of the six (6) most recent Fiscal Years, including quarterly and monthly internal financial statements of the Partnership; and

(vi) The Partnership's books and records for at least the current and past three (3) Fiscal Years.

(b) Any Partner of the Partnership shall have the additional right, upon reasonable notice and at its own expense, directly or through a representative, including the Asset Manager, to inspect and copy during normal business hours any of the records of the Partnership required to be maintained by Section 8.1(a).

(c) The Partnership's books of account shall be maintained, and Capital Accounts and profits, losses and other items described in Article 6 shall be determined, in accordance with federal income tax accounting principles utilizing the accrual method of accounting, subject to

confirmation by the Accountants. Annual, audited Partnership financial statements shall be prepared and maintained at the Partnership's expense in accordance with generally accepted accounting principles for the type of business of the Partnership.

8.2 Tax Returns and Tax Elections.

(a) The Co-General Partner shall instruct the Accountants for the Partnership to prepare and file all required federal, state and local income tax returns for the Partnership. The Co-General Partner shall cause to be sent to the Partners of the Partnership as part of the Annual Report specified in Section 8.3(c) all necessary tax reporting information regarding the Partnership required by the Partners for preparation of their respective federal, state and local income or franchise tax or information returns and a copy of the Partnership's federal, state and local income tax or information returns for the Fiscal Year.

(b) The Co-General Partner has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Tax Credits, that the Special Limited Partner reasonably determines are in the Limited Partners' best interest. In particular, the Co-General Partner shall cause the Partnership to elect to depreciate 100% of its site improvements and personal property improvements in the year in which such assets are placed in service in accordance with Section 168(k) of the Code (the "**Bonus Depreciation**"). The Co-General Partner will not make an election under Section 168(k)(7) of the Code to elect out of such Bonus Depreciation unless instructed to do so, in writing, by the Investor Limited Partner. The Partners shall agree on all other applicable elections, determinations and other decisions under the Code and under applicable state and local tax law, including the tax treatment of the construction period interest and the other positions to be taken on the Partnership's federal, state and local information returns, provided that the most rapid permissible method of depreciation of the Partnership's assets shall be used, including without limitation, Bonus Depreciation. Notwithstanding the foregoing, upon the request of the Limited Partners, the Co-General Partner shall (i) timely file an election under Section 754 of the Code and the Regulations on behalf of the Partnership to adjust the basis of the Partnership's assets under Sections 734(b) or 743(b) of the Code and a corresponding election under the applicable sections of state and local law, provided that the Co-General Partner's obligation to file such Section 754 election shall be subject to applicable law and (ii) timely file an election on behalf of the Partnership to be treated as an "electing real property trade or business" under new Section 168(g)(1)(F) of the Code (as added by Section 13204 of the Tax Cuts and Jobs Act), and (iii) timely file an election on behalf of the Partnership under new Section 168(g)(1)(F) of the Code (as added by Section 13204 of the Tax Cuts and Jobs Act) to use the alternative depreciation system to depreciate the Project over 30 years.

8.3 Reports.

The Co-General Partner shall cause to be prepared and delivered to the other Partners:

(a) Copies of Certain Documents. The Co-General Partner shall deliver to the Limited Partners the following:

(i) concurrent with their filing, copies of any reports filed with any Authority regarding the Project pursuant to Section 7.10, including but not limited to a copy of the annual owner's certification submitted to the Credit Agency;

(ii) within ten (10) days of receipt, copies of any material reports or material written notices received by the Partnership from (a) any Lender or (b) the Credit Agency or any other Authority regarding the Project's compliance with any income and rent restrictions, including but not limited to any state audit performed regarding the Project's compliance with the Housing Tax Credit Conditions, Form 8823's, and any written notice regarding noncompliance affecting the Tax Benefits; and

(iii) all documents required to be prepared and filed by the Managing General Partner pursuant to Section 7.18; provided, however, that this obligation applies solely to the Managing General Partner and not to the Co-General Partner.

(b) Quarterly Reports. Within thirty (30) days after the end of each quarter of each Fiscal Year, including the fourth quarter, the Co-General Partner shall prepare and deliver to the other Partners a quarterly report setting forth and containing the following:

(i) unaudited financial statements for the previous quarter including balance sheet, income statement and statement of cash sources and applications;

(ii) an unaudited comparison of the actual results of the operations of the Partnership during the applicable quarter with the projections for such quarter as set forth in the Annual Operating Budget, including physical and Housing Tax Credit qualified occupancy levels, any deposits to, or withdrawals from, any Reserves and a written explanation of any variance greater than ten percent (10%) to any category in the Annual Operating Budget;

(iii) a statement indicating if there are any Development Deficiencies and/or Operating Deficits or anticipated Development Deficiencies and/or Operating Deficits, and if so, the manner in which it is anticipated such Development Deficiencies and/or Operating Deficits will be funded;

(iv) a management report on the Project containing such material information as is reasonably necessary to advise the Limited Partners about their investment in the Partnership and the development and/or operation of the Project;

(v) a report of aged payables and receivables;

(vi) evidence of payment of property taxes and insurance as required hereunder for the applicable period; and

(vii) any other information regarding the Partnership and its operations during the prior fiscal quarter reasonably deemed by the Co-General Partner to be material to the Limited Partners, for example, any lawsuits involving the Partnership or its Property.

(c) Annual Reports. Within forty-five (45) days after the end of each Fiscal Year (beginning with the Fiscal Year containing the Closing Date) for each item, the Co-General Partner shall prepare and deliver to the other Partners an annual report setting forth the following:

(i) audited financial statements of the Partnership prepared in accordance with generally accepted accounting principles as applied in the United States for the previous Fiscal Year, including balance sheet, income statement and statement of cash sources and applications, and a record of the Capital Replacement Reserve, Lease-Up Reserve and Operating Reserve identifying all payments made to and from such Reserves; a detailed operating statement, which shall include in addition to what is customary, a vacancy number and the line items making up the operating expense categories; an income and cash flow statement; an analysis of the Capital Accounts of each Partner; an analysis of the disbursement of Operating Cash Flow, as set forth in Article 5 of this Agreement; a loss schedule, which need not be audited, for the remainder of the Compliance Period; an adjusted trial balance; and detailed notes which shall include an analysis of the Reserves, identifying all payments made to and from such Reserves and a profile of all debt (including payment priority and amounts paid and accrued) and a comparison of actual results from budgeted results;

(ii) adjusted trial balance prepared by the Accountants;

(iii) an annual projection of Net Income and Net Losses through the end of the Compliance Period;

(iv) a calculation of all distributions during the previous Fiscal Year under the terms of this Agreement;

(v) the federal and state tax returns for the Partnership for the prior Fiscal Year;

(vi) the K-1's for the Limited Partners, which shall be delivered electronically in accordance with Exhibit L;

(vii) a completed Housing Tax Credit monitoring form for the prior Fiscal Year, using the form submitted to the Credit Agency, which shall include a report of the household income restrictions and permitted rental rates for such Fiscal Year and the rent roll for each month during such Fiscal Year of the Project;

(viii) for so long as the Guaranty is outstanding, the annual financial statements of the Guarantors, reviewed by an independent accountant;

(ix) proof of payment of property taxes, if any, and insurance as required hereunder for the Fiscal Year, to the extent not previously provided;

(x) the Compliance Audit required pursuant to Section 8.3(d);

(xi) a copy of the HUD REAC Score, to the extent not previously provided;

(xii) Reconciliation of the Partnership's audited financial statement to federal income tax accounting principles.

(d) Tax Credit Compliance Reports. The Asset Manager shall (i) within six (6) months after the Rent-Up Date, or by the Final Payment Date if earlier, cause to be prepared a full Housing Tax Credit compliance audit (the "**Compliance Audit**") for all Low-Income Units at the expense of the Partnership conducted by the Compliance Auditor approved by and delivered to the Limited Partners in an electronic format, and (ii) for each Fiscal Year thereafter, cause to be prepared a limited tax credit Compliance Audit of a random twenty percent (20%) of Units in the Project, provided that if such Compliance Audit indicates a material compliance problem, then at the request of any Limited Partner after the first Fiscal Year, a full Housing Tax Credit Compliance Audit shall be prepared at the expense of the Partnership. In the event that any Compliance Audit indicates any compliance problems, the Co-General Partner shall take all action as is reasonably necessary to resolve such compliance problems.

(e) Failure to File Timely Reports. If the Co-General Partner does not cause the Partnership to fulfill its obligations pursuant to this Section 8.3, the Limited Partners may assess the Co-General Partner damages in the sum of \$300 per day. The Co-General Partner shall pay Aegon such damages within ten (10) days of notice from a Limited Partner, and failure to do so shall be deemed a material breach of this Agreement. The Co-General Partner shall not be entitled to any distributions or fees payable under any Project Document until the reports are filed and such damages are paid. The Limited Partners may elect to waive any damages due hereunder in their sole discretion. Notwithstanding the foregoing, the Managing General Partner, and not the Co-General Partner, shall be solely responsible for all documentation required to be prepared and filed under Section 8.3(a)(iii). The Managing General Partner shall not be entitled to any distributions or fees payable under any Project Document until copies of the documentation required to be prepared and filed under Section 8.3(a)(iii) are received by the Investor Limited Partner.

(f) Electronic Reporting. The Co-General Partner shall submit the quarterly reports referenced in Section 8.3(b) and the annual reports referenced in Sections 8.3(c)(i) and 8.3(c)(v) electronically to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager). Furthermore, the Co-General Partner shall submit such electronic reports to Integratec at aegon@integratec.biz (or another agent or designee selected by the Asset Manager) on a monthly basis if reasonably requested by the Asset Manager, which such electronic reports shall contain, but not be limited to, a trial balance sheet (in Excel), an aged accounts payable report (in Excel), and a current rent roll (in Excel or PDF). The Co-General Partner shall submit the Schedule K-1's referenced in Section 8.3(c) electronically to the Asset Manager at lihtreporting@aegonusa.com, and the Limited Partners' consent to electronic transmissions of Schedules K-1 is attached hereto as Exhibit L.

8.4 Fiscal Year.

The Fiscal Year for the Partnership shall be the same as the Investor Limited Partner's fiscal year, which is currently a calendar year.

8.5 Bank Accounts.

All funds of the Partnership shall be invested in the name of the Partnership, under such terms and conditions as the Co-General Partner shall approve, provided that such investments shall be limited to (a) financial institutions whose deposits are insured by an agency of the U.S. Government (such as the Federal Deposit Insurance Corporation) and where the instrument's or account's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (b) direct obligations of the U.S. Government (such as U.S. Treasury Bills) where the instrument's maturity does not exceed the time period within which the funds are anticipated to be needed by the Partnership; or (c) such other investments approved by the Limited Partners and which are acceptable to the Co-General Partner. Furthermore, all Partnership funds, including but not limited to, operating funds, tenant deposits, capital replacement reserves, operating reserves, and any other reserves and/or funds shall be held in separate bank accounts and shall not be co-mingled.

8.6 The Accountants.

The Co-General Partner shall employ an accounting firm acceptable to the Limited Partners as the Accountants for the Partnership, and may thereafter replace the same with another accounting firm only upon the consent of the Limited Partners. The fees and expenses of the Accountants shall be a Partnership expense; notwithstanding the foregoing, to the extent such costs are attributable to special computations required by reason of any transactions engaged in, or special tax elections (except for any election under Section 754 of the Code pursuant to Section 8.2) made by or for the benefit of a Partner or any person having an interest in a Partner, such costs shall be borne by that Partner.

8.7 Reserves.

The Co-General Partner shall cause the Partnership to establish and maintain such Reserves as the Co-General Partner reasonably determines is necessary for the Partnership, including anticipated capital needs, and contingency needs of the Partnership, and requirements of the Lenders, and shall establish and maintain at a minimum the following Reserves:

(a) Capital Replacement Reserve. The Partnership shall establish and maintain a capital replacement reserve, which may be held by the Issuer or the Funding Lender, the proceeds of which reserve shall be used for Capital Expenditures, subject to Section 7.2 of this Agreement (the "**Capital Replacement Reserve**"). The Partnership shall commence funding the Capital Replacement Reserve no later than the month in which the first Unit is occupied, and shall initially be funded from monthly operating income in an amount equal to at least \$25 per Unit per month, and prior to Initial Rent-Up the Capital Replacement Reserve shall be funded on a pro rata basis as each Unit in the Project is initially occupied. Beginning on January 1st of the Fiscal Year following the initial funding of the Capital Replacement Reserve on such Unit, and on January 1st of each Fiscal Year thereafter, the Partnership shall fund the Capital Replacement Reserve with no less than an additional \$300 per such Unit that was initially occupied (notwithstanding if it remains occupied) each Fiscal Year increased annually by a factor of not less than 3.0%. The Capital Replacement Reserve shall be available for the Co-General Partner to make necessary repairs and improvements upon notice to the Limited Partners and prior written consent of the Limited Partners for any expenditures in excess of \$20,000, or any expenditures that would reduce the balance of the Capital Replacement Reserve below \$17,400.

(b) Operating Reserve. The Co-General Partner shall cause the Partnership to establish an operating reserve (the “**Operating Reserve**”) in the minimum amount of \$287,022, which reserve amount shall be funded not later than the Investor Limited Partner’s Third Federal Payment. The Operating Reserve shall be used to fund Operating Deficits at any time after the Rent-Up Date (provided, however, that all amounts withdrawn prior to the end of the first full year of Property operations must be restored prior to the end of the first full year of Property operations from Operating Cash Flow or from proceeds of a Co-General Partner advance). Any withdrawals from the Operating Reserve to fund Operating Deficits must be consented to by the Investor Limited Partner, which consent shall not be unreasonably withheld, provided, however that if no response is provided by the Investor Limited Partner within fifteen (15) Business Days of receipt of notice from the Co-General Partner, then written consent shall be deemed to have been given by the Investor Limited Partner. Following the end of the Compliance Period, any amounts remaining in the Operating Reserve shall be released, subject to Lender requirements, and provided that no Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default that is currently being contested by the Co-General Partner, and such released amounts shall be applied to repayment of the Deferred Development Fee, and, to the extent there are any amounts remaining in the Operating Reserve after repayment in full of the Deferred Development Fee, such remaining amounts shall be released to the Co-General Partner. To the extent the balance in the Operating Reserve falls below the Operating Reserve Minimum Balance, the Operating Reserve shall be replenished from Operating Cash Flow until the Operating Reserve Minimum Balance has been restored. The use and establishment of the Operating Reserve shall be consistent with all requirements of the Credit Agency.

(c) Lease-Up Reserve. The Co-General Partner shall establish and maintain a lease-up reserve in the amount of \$101,182 (the “**Lease-Up Reserve**”), which reserve amount shall be set aside not later than the Second Federal Payment. The Lease-Up Reserve shall be used to fund deficits occurring prior to the Rent-Up Date. Any amounts remaining in the Lease-Up Reserve on the Rent-Up Date shall be released and applied first to payment of Development Costs, and thereafter any amounts remaining shall be applied first to pay amounts due with respect to the Deferred Development Fee until the Deferred Development Fee has been paid in full, and thereafter shall be paid to the Co-General Partner as Incentive Lease-Up Fee.

(d) Development Reserve. The Co-General Partner shall cause the Partnership to establish a development reserve in the Partnership’s name (the “**Development Reserve**”) in the amount of \$416,849.23 which reserve amount shall be funded from the proceeds of the Investor Limited Partner’s First Federal Payment. The Development Reserve shall be used to fund Development Costs. Any withdrawals from the Development Reserve must be consented to by the Investor Limited Partner, which consent shall not be unreasonably withheld.

Reserves shall be maintained in such accounts, as may be required by the Lenders and shall comply with all Lender requirements in addition to the requirements set forth herein.

ARTICLE 9 REPRESENTATIONS, WARRANTIES AND COVENANTS OF GENERAL PARTNER

As of the Closing Date, the Co-General Partner as to each of the following other than Sections 9.2, 9.8, 9.40, 9.41 and 9.42, and the Managing General Partner with respect to Sections

9.2, 9.8, 9.40, 9.41, 9.42 9.45 and, solely regarding itself, with respect to Sections 9.6, 9.10, 9.11, 9.13, 9.37, 9.38 and 9.46 hereby represent, warrant and covenant to and with the Partnership and the Limited Partners that as of the date of this Agreement, each Payment Date and throughout the term of this Agreement through the date on which the last Limited Partner withdraws from the Partnership(provided however that, with respect to any of the following representations and warranties that pertain to both General Partners (and/or their respective affiliates and agents), each General Partner makes such representation and warranty solely with respect to itself and its respective affiliates and agents):

9.1 Co-General Partner Organization.

The Co-General Partner is a duly organized limited liability company validly existing under the laws of the State of California as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement.

9.2 Managing General Partner Organization.

The Managing General Partner is a duly organized limited liability company validly existing under the laws of the State of California as a limited liability company and has full power and authority to perform its obligations under the Project Documents, including this Agreement. The sole member of the Managing General Partner is a duly organized nonprofit public benefit corporation validly existing under the laws of the State of California as a nonprofit public benefit corporation.,

9.3 Partnership Organization.

The Partnership is a limited partnership duly constituted and existing under the Act and has full power and authority to perform its obligations under the Project Documents.

9.4 Title to Property.

As of the Closing Date, the Partnership shall have a fee interest in the Land and good and clear record and marketable title to the other Partnership Property free and clear of any liens, charges or encumbrances other than the Permitted Encumbrances. As of the Closing Date and as of each Payment Date, all real estate taxes, assessments, water and sewer charges and other municipal charges with respect to the Land to the extent due and owing, have been paid in full.

9.5 Obligations.

As of the Closing Date and as of each Payment Date, the Co-General Partner certifies that the Partnership has no indebtedness, obligations, commitments or liabilities accrued, absolute, contingent or otherwise which are not reflected in the Project Documents.

9.6 Material Contracts.

As of the Closing Date and as of each Payment Date, there are no material contracts or agreements, written or oral, affecting the ownership or operation of the Project except the Project Documents. As of the Closing Date and as of each Payment Date, neither the General Partners

nor the Partnership nor, to the best knowledge of the Co-General Partner or the Managing General Partner, as applicable, any other party to any of the Project Documents, is (or, with notice or the passage of time, or both, would be) in default under the Project Documents.

9.7 Due Authorization of Co-General Partner.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the Co-General Partner have been or will be duly authorized by all requisite actions and proceedings, and each Project Document to which the Co-General Partner is a party constitutes the legal, valid and binding obligation of the Co-General Partner, enforceable against it in accordance with its terms and the consummation of any such transactions with or on behalf of the Co-General Partner will not constitute a breach or violation of, or a default under, the organizational documents of the Co-General Partner.

9.8 Due Authorization of Managing General Partner.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Partnership or the Project by the Managing General Partner have been or will be duly authorized by all requisite actions and proceedings, and each Project Document to which the Managing General Partner is a party constitutes the legal, valid and binding obligation of the Managing General Partner, enforceable against it in accordance with its terms and the consummation of any such transactions with or on behalf of the Managing General Partner will not constitute a breach or violation of, or a default under, the organizational documents of the Managing General Partner.

9.9 Due Authorization of Partnership.

The execution and delivery of all Project Documents and the performance of all acts heretofore or hereafter made or taken or to be made or taken, pertaining to the Project by the Partnership has been or will be duly authorized by all requisite partnership action and proceedings and constitutes the legal, valid and binding obligation of the Partnership enforceable against it in accordance with their respective terms.

9.10 No Default.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner or the Managing General Partner, as applicable, General Partner, neither General Partner nor the Partnership is in material default with respect to any law, administrative rule, regulation, judgment, decision, order, writ, injunction, decree or demand of any court or any Authority, and the consummation of the transactions contemplated herein will not materially conflict with, or constitute a material breach of or material default under, any of the foregoing or any agreement or instrument applicable to the Partnership, the General Partners, or the Project.

9.11 No Litigation.

As of the Closing Date and as of each Payment Date, there is no litigation or claim pending or, to the best knowledge of the Co-General Partner or the Managing General Partner, as

applicable, threatened against or involving the Land, the Improvements, the Project, either General Partner, the Guarantors or the Partnership or assets of either General Partner or the Partnership (to the extent that any such litigation would materially adversely affect the Property, the Partnership or a General Partner's interest in the Partnership, or would have a material adverse effect on a General Partner's net worth), and, to the best knowledge of the General Partners, there are no facts or circumstances which could give rise to any such claim or litigation. As of the Closing Date and as of each Payment Date, neither the Partnership nor a General Partner has any material liabilities that would be disclosed in a balance sheet that are not disclosed. As of the Closing Date and as of each Payment Date, the Partnership has received no written notice of taking, condemnation, betterment or assessment, actual or proposed, with respect to the Land, the Improvements or the Project.

9.12 Insurance.

The Partnership has obtained the insurance required by Section 7.11 of this Agreement.

9.13 No Prior Syndication.

None of the Partnership, the Co-General Partner or the Managing General Partner, as applicable, nor the Project is subject to any outstanding agreement with any third party pursuant to which any such party has or may acquire any interest in the Project (other than the Loan Documents, the Purchase Option Agreement and tenant leases).

9.14 Compliance with Laws.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner and except as disclosed in the Environmental Reports, the Project complies in all material respects with all applicable laws, rules, restrictions, orders and regulations of all Authorities. As of the Closing Date and as of each Payment Date, neither General Partner nor, to the actual knowledge of the Co-General Partner and except as disclosed in the Environmental Reports any third party, has used, generated, manufactured, stored or disposed of on, under or about the Land or the Project or transported to or from the Land or the Project any Hazardous Substances other than was needed for the normal operation and maintenance of the Project and any Hazardous Substances used were stored and disposed of in accordance with all applicable Hazardous Substances Laws.

9.15 Construction Budget.

As of the Closing Date, the Construction Budget annexed as Exhibit C is a true, correct and complete copy of the estimated budget for the rehabilitation and development of the Project.

9.16 Utility Services.

All utility services necessary for the operation of the Project as anticipated in the Project Documents are available, or will be available prior to Completion.

9.17 Roads.

All roads necessary for the Project have been or will be completed and are, or will be upon Completion, sufficient for the full utilization of the Project.

9.18 Intentionally Omitted.

9.19 Tax Returns.

As of the Closing Date and as of each Payment Date, all federal, state and local tax returns required to be prepared by the Partnership and the Co-General Partner with respect to the Partnership, the Project and the Co-General Partner, respectively, have been timely, duly and accurately completed and filed, and all federal, state and local taxes arising in connection with the Partnership and the ownership and operation of the Project have been paid in full.

9.20 Nonrecourse Debt.

There shall be no direct or indirect personal liability or economic risk of loss with respect to any of the Partners or any Affiliates thereof for the repayment of the principal of or payment of interest on the Loans.

9.21 Tax-Exempt Obligations.

The Project is being financed by a \$9,200,000 issue of tax-exempt obligations that (i) will fund fifty percent (50%) or more of the aggregate basis of each of the buildings and the land attributable thereto (including for this purpose any investment proceeds earned with respect to the bonds), (ii) will be financed with an obligation the interest on which is exempt from tax under Section 103 of the Code, (iii) is within the State's volume cap as provided in Section 146 of the Code, (iv) is not subject to the provisions of Section 146(i)(1) of the Code (i.e. is not refunding existing bonds), and (v) requires principal payments which will be applied within a reasonable period to redeem such obligations.

9.22 Qualified Census Tract/Difficult Development Area.

As of the Closing Date, the Project is located in a "qualified census tract" within the meaning of Code Section 42(d)(5)(B). Accordingly, the Project will be entitled to the 130% increase in basis permitted by Section 42 of the Code.

9.23 Eligible Basis and Housing Tax Credit Percentage.

As of the Closing Date, the Eligible Basis at Completion is anticipated to be no less than \$12,086,017. The Partnership has made a valid election to lock-in the Housing Tax Credit Percentage at 3.29% for costs related to acquisition and 3.29% for costs related to new rehabilitation, the applicable percentages in effect in July, 2018.

9.24 Projected Housing Tax Credits.

As of the Closing Date, the projected Federal Housing Tax Credits to the Project are \$180,230 in 2018, \$432,553 per year for each of the years 2019-2027, and \$252,322 in 2028.

9.25 Housing Tax Credit Conditions.

To the best knowledge of the Co-General Partner, the Project is designed to comply and during the Compliance Period will continue to comply with the Housing Tax Credit Conditions.

9.26 Development Fee.

As of the Closing Date and as of each Payment Date, the amount of the Development Fee and other compensation paid to the Developer and the Co-General Partner and projected to be included in the Eligible Basis of the Project does not exceed the amount permitted by the Credit Agency. As of the Closing Date, the portion of the Development Fee projected to be included in Eligible Basis relates to both the acquisition and the rehabilitation of the Project. The Development Fee shall be apportioned among the Low-Income Units, and as so apportioned shall be fully earned and unconditionally payable with respect to each Low-Income Unit no later than the completion of such Low-Income Unit.

9.27 Accounting Method.

The Partnership has used the accrual method of accounting since its formation and will continue to do so. Each of the General Partners has used the cash method of accounting since its formation and will continue to do so.

9.28 Federal Funds.

The Partnership has not, and will not, be financed directly or indirectly with any federally funded grants (as described pursuant to Section 42(d)(5) of the Code) which would require a reduction in Eligible Basis.

9.29 Credit Occupancy.

Not later than the close of the First Year and continuing throughout the Compliance Period, not less than fifty six (56) of the Rental Units in the Project will be occupied by persons having sixty percent (60%) or less of area median income, as adjusted for family size and subject to future increases of a qualified occupant's income up to one hundred forty percent (140%) of the otherwise applicable limitation; provided that should an occupant's income increase to more than one hundred forty percent (140%) of the otherwise applicable limitation, the next available unit will be rented to a tenant whose income is at or below such limitation. In addition, not later than the close of the First Year of the Credit Period and continuing throughout the Compliance Period, the Manager's Unit shall be occupied by either a resident manager or a resident maintenance person, and such resident manager or resident maintenance person will be on call to provide and will provide maintenance services to the tenants of the Project. In the event that the Manager's Unit is not needed for a resident manager or resident maintenance person, the Manager's Unit may be used as a Low-Income Unit, with the consent of the Limited Partners.

9.30 Rents.

Gross rents (as defined in Section 42(g)(2)(B) of the Code) for the Rental Units with respect to the Project charged to low-income occupants and to occupants who initially qualify as low-income occupants but whose income increases above the applicable limitation, will not

exceed thirty percent (30%) of sixty percent (60%) of area median income, as determined under Section 42(g)(1) of the Code.

9.31 Occupancy of Units.

The Rental Units will be rented on other than a transient basis in a manner consistent with housing policy governing nondiscrimination, as evidenced by rules and regulations established by HUD, including HUD Handbook 4350.3 (or its successor). No such Rental Unit will be part of a hospital, nursing home, sanitarium, lifecare facility, trailer park or intermediate care facility for the mentally and/or physically handicapped. The tenant facilities of the Project will be available to all tenants on a comparable basis without separate mandatory fees.

9.32 Extended Use Agreement.

An Extended Use Agreement will be in effect with respect to the Project as of the end of each taxable year in which a Housing Tax Credit is allowed.

9.33 Residential Rental Property.

Eighty percent (80%) or more of the gross rental income from the Property for each taxable year of the Partnership shall be rental income from dwelling units.

9.34 Intentionally Omitted.

9.35 Material Facts.

As of the Closing Date and as of each Payment Date, to the best knowledge of the Co-General Partner, all material facts and transactions related to the Project have been disclosed to the Limited Partners and all materials furnished by the Co-General Partner or its Affiliates to the Limited Partners with respect to the Project or the Limited Partners' investment in the Partnership are true and complete in all material respects. As of the Closing Date and as of each Payment Date, without limiting the generality of the foregoing, the investment assumptions set forth in the Initial Economic Projections are reasonable in all material respects, subject only to such changes as shall have been disclosed in writing to, and approved in writing by, the Limited Partners.

9.36 Construction Monitoring Fee.

The Co-General Partner shall cause the Partnership to pay the Construction Monitoring Fee.

9.37 Patriot Act.

(a) Each General Partner and each Guarantor (i) is in compliance with all applicable anti-money laundering laws, including, without limitations, the USA Patriot Act, and the laws administered by the United States Treasury Department's Office of Foreign Assets Control ("**OFAC**"), including without limitations, Executive Order 13224, (ii) is not, nor is any affiliate of a General Partner, on the Specially Designated Nationals and Blocked Persons List maintained

by OFAC, and (iii) is not otherwise identified by a governmental entity or legal authority as a person with whom a U.S. Person (as defined below) is prohibited from transacting business. As used herein, “U.S. Person” shall mean any United States Citizen, any permanent resident, alien, any entity organized under the laws of the United States (including foreign branches) or any person in the United States.

(b) Each General Partner hereby represents that none of the Co-General Partner, the Managing General Partner, the Guarantor, the Developer or any Affiliates thereof or any beneficial owner thereof, nor any person or entity that is affiliated with the foregoing and is a party to any financing document being entered into in connection with the Project (i) is listed on the Specially Designated Nationals and Blocked Persons List (“**SCN List**”) administered by the OFAC; (ii) is owned or controlled by the government of, is a national of, or is incorporated in, Burma (Myanmar), Cuba, Iran, or Sudan; (iii) is currently targeted by any economic sanctions issued under the Trading With the Enemy Act, the International Emergency Economic Powers Act, the United Nations Participation Act, the Syria Accountability and Lebanese Sovereignty Act, all as amended, or any enabling legislation, regulations, or executive orders relating thereto (including but not limited to the foreign assets control regulations at 31 C.F.R. Subtitle B, Chapter V); or (iv) is owned or controlled by, or acts for or on behalf of, any person or entity that falls under any of (i)-(iii) above.

9.38 Project Loan Documents.

The General Partners shall not cause the Partnership to enter into any Loan Documents including any amendments or modifications thereto, unless such documents are in form and substance satisfactory to the Investor Limited Partner. The Asset Manager shall be provided at least ten (10) Business Days to review and approve any such Loan Documents, amendments or modifications before they are executed by the Partnership.

9.39 Bond, Surety Ratings Trigger.

In connection with the development of the Project, the Co-General Partner will cause to be obtained by the Contractor at or before the Closing Date, one hundred percent (100%) payment and performance bonds issued by a surety acceptable to Investor Limited Partner and the Lenders (“**Bonding Company**”), in forms and amounts acceptable to the Lenders and the Investor Limited Partner. If at any point prior to lien-free completion and the expiration of all statutory lien periods, the credit rating, as determined by A.M. Best Company, Inc., for the Bonding Company is reduced below “B+”, (such credit rating, a “**Floor Rating**”) the Co-General Partner will cause the Contractor to obtain substitute payment and performance bonds (1) from a Bonding Company with a credit rating at or above the Floor Rating, (2) having such form and substance as consented to by the Investor Limited Partner and Lenders, and (3) provided within such reasonable time as requested by the Investor Limited Partner. The Co-General Partner will cause such language as is necessary to comply with the provisions of this paragraph to be added to the Construction Contract, by such amendment and/or language change order as consented to by the Investor Limited Partner and Lenders.

9.40 Property Tax Exemption.

The Partners acknowledge that the savings contemplated by the welfare exemption provided by Section 214(g) of the State Tax Code (the “**Property Tax Exemption**”), and as further defined in the rules and regulations of the BOE (the “**BOE Property Tax Rules**”), are necessary in order for the Partnership to meet its debt underwriting and financing assumptions and therefore to maintain the Project’s affordability to low-income tenants. The Partners further acknowledge that they would not undertake to develop the Project and provide the affordable housing created by the Project unless the Property Tax Exemption was available to help underwrite the Loans. The Managing General Partner shall use best efforts to obtain and maintain the Property Tax Exemption for the Project during the life of the Partnership. Any savings to the Partnership and the Project attributable to the Property Tax Exemption shall be used in accordance with Section 214 of the State Tax Code and this Agreement.

9.41 Charitable Purposes of Managing General Partner; Nonprofit Status.

The current and intended duties and responsibilities of the Managing General Partner hereunder are in conformance with the tax exempt purposes of the sole member of the Managing General Partner. The sole member of the Managing General Partner, has received a determination letter from the IRS that it is a qualified organization under Section 501(c)(3) of the Code, and has conducted, and will conduct, its business and affairs at all times in a manner consistent with such tax exempt classification. The sole member of the Managing General Partner has not received notice or other correspondence from the IRS pertaining to a challenge or potential challenge to its tax exempt status, is not aware of any reason why its tax exempt status (now or with the passage of time) should not continue in full force and effect, and will take all actions necessary to maintain its tax-exempt status.

9.42 Tax-Exempt Use Property.

Commencing with the tax year in which the Project is placed in service and continuing thereafter, the Managing General Partner will not act in a fashion to cause any portion of the Project to be treated as “tax-exempt use property” within the meaning of Section 168(h) of the Code.

9.43 Commercial Space

The Project does not contain any commercial space.

9.44 Fair Market Value

As of the Closing Date and as of each Payment Date, the Co-General Partner anticipates that the fair market value of the Project at Completion will exceed the total amount of indebtedness, including accrued interest thereon, encumbering the Project and is expected to do so throughout the term of such indebtedness after Completion.

9.45 HAP Contract

The Partners acknowledge that the revenues to be received pursuant to the HAP Contract are necessary for the financial viability of the Project. The Partners further acknowledge that the development of the Project as currently contemplated would not be possible in the absence of the HAP Contract. The General Partners shall undertake best efforts to maintain the HAP Contract for the term thereof.

9.46 General Partner Fees

The General Partners believe that all fees paid to any General Partner or any Affiliate thereof in connection with the Partnership, including without limitation the Incentive Management Fee, the Incentive Lease-Up Fee, the Nonprofit Management Fee and the Co-General Partner Disposition Fee will be reasonable in amount for services actually performed; provided, however, there can be no assurance that the IRS will not successfully challenge the reasonableness of such fees and the General Partners and their Affiliates shall have no liability therefor by virtue of this Section.

9.47 Achievement of Fifty Percent Test.

No portion of the principal amount of the Bond Loan will be repaid unless and until the Accountants' Fifty Percent Test Certification concludes that fifty percent (50%) or more of the aggregate basis of the building and the land attributable thereto (including for this purpose any investment proceeds earned with respect to such obligations) have been financed with tax-exempt obligation(s) based on the Partnership's actual sources and uses during rehabilitation, which certification shall be subject to the reasonable review and approval of the Investor Limited Partner.

9.48 Related-Party Representations

No building constituting part of the Project was previously placed in service by the Partnership or by any "related" person with respect to the Partnership within the meaning of Section 42(d)(2)(B)(iii) of the Code. No person or group of persons which has on the Closing Date a direct or indirect ownership interest of more than 50% in the Partnership also has or ever had in the past a direct or indirect ownership interest of more than 50% in the Seller. The term "ownership interest" as used in the preceding sentence shall mean an interest in any of profits, losses or cash distributions (including fees based on available cash from operations or sale or refinancing other than fees paid to the Developer).

9.49 Transfer Taxes

Transfers of limited partnership interests in the Partnership are governed by California Revenue and Taxation Code Section 64 and 11902 et. seq.

ARTICLE 10
TRANSFER OF PARTNERSHIP INTERESTS

10.1 Generally.

Except as otherwise specifically provided herein, no Partner may transfer all or any portion of its Partnership Interest. Any Transfer of any interest in violation of this Article 10 shall be null and void and of no force whatsoever. No Partner, without the prior written consent of the other Partner, shall withdraw from the Partnership. No additional Partners may be admitted to the Partnership without the Consent of the other Partners or as otherwise specifically permitted herein.

10.2 General Partner.

(a) Assignment. No General Partner may Transfer its Partnership Interest nor shall any interest in the General Partner be Transferred without the prior written consent of each Limited Partner in its sole and absolute discretion, provided, however, that the Limited Partners shall provide their written consent for Transfers of Partnership Interests in the Co-General Partner and the Managing General Partner among the holders of such Partnership Interests so long as there is no change in the management or control of such General Partner and so long as the Investor Limited Partner, in consultation with tax counsel, determines that such Transfer will not result in the disallowance or recapture of any Housing Tax Credits generated by the acquisition of the Project. In addition, no interest in a General Partner may be Transferred to an Entity that would cause such General Partner (or, if such General Partner is classified as a partnership for federal income tax purposes, any partner or member of such General Partner) to be a “tax-exempt controlled entity” as such term is defined in Section 168(h)(6)(F) of the Code. The Limited Partners hereby consent to the Transfer of the General Partners’ Partnership Interests in connection with the pledges of such Interests under the Loan Documents.

(b) Pledge. Except in connection with the financing of the Project, no General Partner may pledge or encumber its Partnership Interest or its right to any distributions or payments under this Agreement without the prior written consent of the Limited Partners.

10.3 Limited Partners.

(a) Assignment. Notwithstanding Section 10.1, each Limited Partner may (i) with the consent of the Co-General Partner, such consent not to be unreasonably withheld, Transfer all or any portion of its Partnership Interest to any Person, and (ii) in its sole discretion and without the consent of a General Partner, Transfer all or any portion of (A) its Partnership Interest to an Affiliate of such Limited Partner or an entity controlled by an Affiliate of such Limited Partner, including an Investor Partnership or LLC, and (B) its Partnership Interest to Aegon, an Affiliate of Aegon or an Aegon Affiliated Insurance Company. The General Partners shall cooperate with the Limited Partners in facilitating such Transfer by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Project, the General Partners and the Affiliates of the General Partners and any other matters reasonably necessary in the judgment of the Limited Partners to facilitate and effect such Assignment at the sole expense of the assigning Limited Partner. Each Assignee of an Interest transferred in accordance with this Section 10.3 shall be admitted to the Partnership as a Substituted Partner only upon satisfaction

of the conditions for substitution set forth in Section 10.3(b). Furthermore, all or any portion of the limited partnership interests or membership interests in each Limited Partner (or successor or Assignee thereto) shall be transferable to any Person with the consent of the Co-General Partner; provided, however, that the consent of the Co-General Partner shall not be required and such interests shall be transferable in the sole discretion of such limited partner or member so long as the transfer of such limited partnership interests or membership interests is to (A) an Affiliate of such limited partner or member in such Limited Partner or an entity controlled by an Affiliate of such limited partner or member in such Limited Partner, including an Investor Partnership or LLC, (B) to Aegon, an Affiliate of Aegon or an Aegon Affiliated Insurance Company or (C) to any other Person provided that such Limited Partner remains an Investor Partnership or LLC or an Affiliate of Aegon or an Aegon Affiliated Insurance Company.

(b) Conditions to Substitution. An Assignee shall not become a Limited Partner hereunder and shall be considered only an Assignee and shall not have any other rights of a Partner other than its right to Net Income, Net Losses, Credits and distributions, unless and until the General Partners admit the Assignee as a Substituted Partner pursuant to this Section 10.3(b). An Assignee shall not become a Substituted Partner until (i) except for an Assignee that is described in Section 10.3(a)(ii) above, as to which no General Partner's consent to substitution shall be required, the Co-General Partner consents to the substitution in its sole and absolute discretion, and (ii) the Assignee (A) pays all reasonable legal expenses and transfer taxes of the Partnership and the General Partners incurred in connection with its substitution; (B) submits a duly executed instrument of assignment, in a form satisfactory to the Co-General Partner, (1) specifying the Partnership Interest assigned to it, and (2) setting forth such Limited Partner's intention that the Assignee succeed to such Limited Partner's Partnership Interest; and (C) executes a copy of this Agreement at the election of the Co-General Partner. In the event that the Co-General Partner's consent is not required for substitution (as to any Assignee that is described in Section 10.3(a)(ii) above), each General Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such General Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 10.3(b). The admission of a Substituted Partner shall be effective as of the close of the day on which all of the applicable conditions to the substitution have been satisfied.

(c) Right to Withdraw. Each Limited Partners shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to withdraw as a partner from the Partnership, whereupon such Limited Partners shall cease to be a Partner and shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners.

10.4 No Release or Waiver.

Neither the provisions of, nor consummation of the transactions contemplated by, this Article 10 shall constitute a release or waiver of any claims or rights to which the Partnership or any Partner may have against the Partnership or any of the Partners as a consequence of a breach of this Agreement.

ARTICLE 11
REMOVAL OF GENERAL PARTNERS

11.1 Default.

If an Event of Default shall occur with respect to the Co-General Partner or the Managing General Partner (such defaulting General Partner, the “**Defaulting General Partner**”), the Limited Partners shall have the rights set forth in Section 11.3 in addition to any rights and remedies at law or in equity.

11.2 Event of Default.

(a) Co-General Partner. An Event of Default shall occur with respect to the Co-General Partner upon the happening of any of the following events:

(i) The Bankruptcy of the Co-General Partner, the Developer, the Guarantors, or any Affiliate of the Co-General Partner; provided that a Bankruptcy of such Guarantor shall not trigger the rights set forth in Section 11.3 if: (1) a replacement guarantor is identified within 15 days of the Bankruptcy, (2) such replacement Guarantor meets the net worth and liquidity requirements applicable to the Guarantor pursuant to this Agreement and the Unconditional Guaranty, (3) such replacement Guarantor is acceptable to the Investor Limited Partner in its sole discretion, and (4) such replacement Guarantor signs the Unconditional Guaranty or such successive document as requested and approved by the Investor Limited Partner;

(ii) A material breach by the Co-General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of the Co-General Partner to cure such default within thirty (30) days after written notice from a Limited Partner; provided, however, that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the Co-General Partner to cure such default within sixty (60) days, provided that the Co-General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the Co-General Partner is diligently pursuing a cure;

(iii) A breach by the Guarantor of any obligation under the Guaranty which the Guarantor fails to cure within any cure period applicable under the Guaranty;

(iv) The failure of the Co-General Partner to have taken all steps necessary to assure Completion on or before the Outside Completion Date within 45 days of written notice of the determination by the Special Limited Partner that Completion is unlikely to occur by the Outside Completion Date;

(v) A default by the Partnership or the Co-General Partner under any Project Document which has or may have a material adverse impact on the Limited Partners, the Partnership or the Project, which the Co-General Partner fails to cure or cause to be waived within any cure period applicable under the relevant Project Documents;

(vi) A default under the Loan Documents, which the Co-General Partner fails to cure or cause to be waived by the Lender within any cure period applicable under the relevant Loan Documents;

(vii) The violation by the Co-General Partner of any law, regulation or order of any Authority applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; provided, however, that if such violation is of the type that can be cured, then the failure to cure such violation within thirty (30) days after receipt of written notice thereof from a Limited Partner; or

(viii) Fraud, misrepresentation or willful misconduct by the Co-General Partner or the material breach by the Co-General Partner of its fiduciary duties as a General Partner of the Partnership.

(b) Managing General Partner. An Event of Default shall occur with respect to the Managing General Partner upon the happening of any of the following events:

(i) The Bankruptcy of the Managing General Partner or any Affiliate of the Managing General Partner;

(ii) A material breach by the Managing General Partner of any obligation under this Agreement, including a breach of its representations and warranties, and the failure of the Managing General Partner to cure such default within thirty (30) days after receipt by Managing General Partner of written notice from a Limited Partner; provided, however, that if such breach is of the type that cannot be cured within such thirty (30) day period, the failure of the Managing General Partner to cure such default within sixty (60) days, provided that the Managing General Partner demonstrates to the reasonable satisfaction of the Limited Partners that the Managing General Partner is diligently pursuing a cure;

(iii) A default by the Managing General Partner under any Project Document which has or may have a material adverse impact on the Limited Partners, the Partnership or the Project, which the Managing General Partner fails to cure or cause to be waived after receipt of all applicable written notices and the expiration of all applicable cure periods under the relevant Project Documents;

(iv) The violation by the Managing General Partner of any law, regulation or order applicable to the Partnership which has or may have a material adverse effect on the Partnership or the Project; provided, however, that if such violation is of the type that can be cured, the failure to cure such violation within thirty (30) days after receipt of written notice thereof from a Limited Partner; or

(v) Fraud, misrepresentation or willful misconduct by the Managing General Partner or the material violation by the Managing General Partner of its fiduciary duties as a General Partner of the Partnership.

11.3 Remedies.

(a) For as long as any Event of Default shall be continuing beyond the applicable cure period, the Special Limited Partner shall have the right, but not the obligation, to remove the Defaulting General Partner and appoint itself or its affiliated designee as substitute Co-General Partner or Managing General Partner, as applicable, and acquire in consideration of a cash payment of \$100 the Partnership Interest of the Defaulting General Partner exercisable by written Notice of Default to the Defaulting General Partner of the Event of Default, stating in such notice the effective date of its removal. Notwithstanding anything to the contrary contained herein, a Defaulting General Partner may be removed prior to the expiration of any applicable cure period in the event the Special Limited Partner reasonably determines it is necessary to protect the interests of the Partnership or the Investor Limited Partner from immediate harm or loss. Upon its removal, the Co-General Partner shall forfeit its Partnership Interest and the Co-General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Co-General Partner provided in this Agreement. Upon its removal, the Managing General Partner shall forfeit its Partnership Interest and the Managing General Partner and its Affiliates shall have no further rights to future fees nor to any of the consent rights of the Managing General Partner provided in this Agreement. Notwithstanding the foregoing, in the event that the Defaulting General Partner is the Managing General Partner, the Co-General Partner shall have ninety (90) days to identify a replacement Managing General Partner satisfactory to the Special Limited Partner in its sole discretion. If the Co-General Partner fails to select a replacement Managing General Partner within such 90-day period, the Special Limited Partner shall have the right to appoint a replacement Managing General Partner that is a qualified non-profit organization or limited liability company which satisfies all of the requirements set forth in Section 7.18(a).

(b) Each Partner hereby irrevocably appoints the Special Limited Partner (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to evidence the removal of any Defaulting General Partner and the admission of a replacement General Partner after an Event of Default.

(c) The removal of the Defaulting General Partner shall not affect any of the rights of the Defaulting General Partner or its Affiliates to (i) receive distributions or fees with respect to the period prior to the removal of such Defaulting General Partner; (ii) receive fees earned (even if the payment of such fees has been deferred) or repayment of loans; nor (iii) affect the rights of the Developer to receive the Development Fee (including the Deferred Development Fee) or payments pursuant to this Agreement; provided that such payments shall be subject to set-off by the Partnership and the Limited Partners for any monies owed under the Guaranty, or hereunder and shall be further subject to set-off for Special Limited Partner's costs, including attorneys' fees, incurred in a contested removal action of the Defaulting General Partner. Neither the Defaulting General Partner nor any of its Affiliates shall have any right to receive any distributions, payments or fees of any kind with respect to the period after the removal of such Defaulting General Partner. The Partnership may offset against any payments to the Defaulting General Partner removed, or an Affiliate of the removed Defaulting General Partner, under this Section (including without limitation the Development Fee) any damages suffered by the Partnership as a result of any event which caused the removal or any breach of such Defaulting General Partner hereunder. The Defaulting General Partner shall not be liable for any

obligations or liabilities incurred by the Partnership from and after the time of its removal, nor shall any Guarantor be liable under the Guaranty for any liabilities incurred by the Partnership with respect to the removed Defaulting General Partner if the removed Defaulting General Partner is the Co-General Partner, from and after the time of the Co-General Partner's removal from the Partnership. Notwithstanding anything to the contrary contained herein, if the Defaulting General Partner is the Co-General Partner and if the Deferred Development Fee is outstanding at the time of such removal, such Deferred Development Fee shall become immediately due and payable in full and shall be paid not pursuant to Article 5 but only by the Defaulting Co-General Partner in the manner set forth in Section 3.1(a). Upon removal, the Co-General Partner or the Managing General Partner, as applicable, shall cease to have any managerial rights whatsoever under this Agreement and shall forthwith surrender and make available to the Special Limited Partner or its designee all Partnership records, books of account and accounts held by banks or other financial institutions on behalf of the Partnership.

(d) Notwithstanding the foregoing, for as long as any Event of Default shall be continuing beyond any applicable cure period, the Special Limited Partner or any Entity which is an affiliated designee of the Special Limited Partner (an "SLP Affiliate"), may elect to become an additional Co-General Partner or Managing General Partner, as applicable, with all the rights and privileges of an Co-General Partner or Managing General Partner, as applicable. Upon such election by the Special Limited Partner or such SLP Affiliate and such consent, the Special Limited Partner or such SLP Affiliate shall automatically become and shall be deemed an Co-General Partner or Managing General Partner, as applicable, and each Partner hereby irrevocably appoints the Special Limited Partner or such SLP Affiliate (with full power of substitution) as the attorney-in-fact of such Partner for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Agreement and the Certificate of Limited Partnership necessary or appropriate to confirm anything in this Section 11.3(d). If the Special Limited Partner or such SLP Affiliate shall become an additional Co-General Partner or Managing General Partner, as applicable, as herein stated, its Interest shall not be increased thereby (except that the Special Limited Partner may assign its Interest to such SLP Affiliate). In the event of the admission of the Special Limited Partner or such SLP Affiliate as a Co-General Partner or Managing General Partner, as applicable, pursuant to this Section 11.3(d), and if there are then any other Co-General Partners or Managing General Partners, as applicable, the Special Limited Partner or such SLP Affiliate shall have managerial rights, authority and voting rights of 51% on any matters to be decided or voted upon by the Co-General Partners or Managing General Partners, as applicable, and the rights and authority of the remaining Co-General Partners or Managing General Partners, as applicable, shall be deemed equally divided among them; provided, however, that unless the Managing General Partner is being removed, the foregoing shall not in any way affect the Substantial Management Duties of the Managing General Partner under Section 7.18 of this Agreement. At the election of the Special Limited Partner or such SLP Affiliate, the Interest of any of the remaining Co-General Partners or Managing General Partners, as applicable, shall either (i) remain as Co-General Partners or Managing General Partners, as applicable, with an aggregate authority and voting rights of 49%; or (ii) be converted to a special limited partner interest.

(e) Co-General Partner Right to Remove Managing General Partner upon Default. Notwithstanding any other provisions in this Agreement, the Co-General Partner, subject to the Investor Limited Partner's consent, may remove the Managing General Partner for any of the

following reasons upon prior written notice to the Managing General Partner of the Co-General Partner's election to remove the Managing General Partner pursuant to this section and a reasonable opportunity to cure (not to exceed thirty (30) days). Concurrently with the removal of the Managing General Partner, the Co-General Partner shall be permitted to locate a replacement partner qualified as a "managing general partner," as such term is used in Section 214(g) of the CRT, and as further defined in the BOE property tax rules, which replacement managing general partner shall be subject to the approval of the Special Limited Partner, which approval shall not be unreasonably conditioned or delayed:

(i) for any intentional misconduct or failure to exercise reasonable care by the Managing General Partner with respect to any material matter in the discharge of its duties and obligations as Managing General Partner (provided that such violation results in, or is likely to result in, a material detriment to or an impairment of the Property or assets of the Partnership);

(ii) the Managing General Partner shall have violated any material provisions of any agreements binding on or applicable to the Property or the Partnership or any applicable laws;

(iii) the Managing General Partner shall have conducted its own affairs or the affairs of the Partnership in such manner as would be likely, in the opinion of counsel to the Partnership to: (i) cause the termination of the Partnership for federal income tax purposes; or (ii) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation; or (ii) an event of Bankruptcy has occurred with respect to such Managing General Partner;

(iv) the Managing General Partner has ceased to qualify as a "managing general partner," as such term is used in Section 214(g) of the CRT, and as further defined in the BOE property tax rules or the Managing General Partner shall fail to procure the Property Tax Exemption for any year;

(v) The Managing General Partner fails to execute the certification required by Section 214(g) of the CRT;

(vi) There is a change of control of the management of the Managing General Partner; or

(vii) The Managing General Partner shall act in a manner so as to cause the Guarantor to have any liability under any guaranties executed by the Guarantor in connection with the Project.

Upon such removal, the interest of the Managing General Partner shall be purchased by the Partnership, or, at the election of the Co-General Partner, be purchased by the Co-General Partner or its designee, including any such replacement managing general partner described above. The purchase price of the Managing General Partner's interest shall be \$100. Upon the purchase of its Interest pursuant to this section, and without further action, the Managing General Partner shall cease to have any rights or obligations under this Partnership Agreement.

(f) The rights and remedies set forth in this Section 11.3 are non-exclusive and are in addition to any other rights and remedies the Limited Partners may have under this Agreement or at law or in equity. Specifically, notwithstanding the foregoing, the Limited Partners may seek the judicial appointment of a receiver for the Partnership.

ARTICLE 12
DISSOLUTION, LIQUIDATION AND TERMINATION OF PARTNERSHIP

12.1 Limitations.

The Partnership may be dissolved, liquidated and terminated pursuant to and only pursuant to the provisions of this Article 12, and the parties hereto do hereby irrevocably waive any and all other rights they may have to cause a dissolution of the Partnership or a sale or partition of the Partnership and/or any or all of its assets. The parties hereto do hereby covenant and agree that, except as otherwise provided in this Article 12, neither the dissolution nor the Withdrawal from the Partnership for any other reason of any of the parties hereto nor the admission to the Partnership of a Substituted Partner pursuant to the provisions of Article 10 shall cause the Partnership to be dissolved, liquidated or terminated.

12.2 Exclusive Causes.

The following and only the following events shall cause the Partnership to be dissolved liquidated and terminated:

- (a) The Partnership shall exist in perpetuity and shall have no specific term;
- (b) The sale, condemnation or other disposition of all or substantially all of the Partnership's Property as a whole; provided, however, that if all or substantially all of the Property is sold in a sale with a portion of the purchase price payable in installments, the Partnership shall not be dissolved, liquidated or terminated until all payments thereunder have been received by the Partnership and all claims in connection therewith have been resolved;
- (c) The agreement of all of the Partners;
- (d) Entry of a decree of judicial dissolution under the Act; or
- (e) The happening of any of the events set forth in the Act that affects any then sole remaining General Partner and thereby results in the dissolution of the Partnership by operation of law unless (i) at the time there is at least one General Partner who is hereby authorized to continue the business of the Partnership and, in part, does so, or (ii) each of the remaining Partners elects in writing within ninety (90) days to continue the Partnership and elect a new General Partner.

12.3 Liquidation.

In all cases of dissolution of the Partnership, the business of the Partnership shall be continued to the extent necessary to allow an orderly winding up of its affairs, including the liquidation and termination of the Partnership pursuant to the provisions of this Section and

Sections 12.4 and 12.5, as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Partner shall cause to be prepared a statement setting forth the assets and liabilities of the Partnership as of the date of dissolution, a copy of which statement shall be furnished to the other Partners.

(b) The property and assets of the Partnership shall be liquidated by the Liquidating Partner as promptly as possible, but in an orderly and businesslike manner. In the event that the Partnership elects to sell assets to third parties, the Limited Partners shall have the right of first refusal to purchase any or all of the assets of the Partnership for their fair market value (at the price determined in Section 13.13). In all other cases, the Liquidating Partner may, in the exercise of its business judgment, determine not to sell all or any portion of the property and assets of the Partnership, in which event such property and assets shall be distributed in kind pursuant to Section 12.3(d).

(c) Any gain or loss realized by the Partnership upon the sale of its property and assets shall be deemed recognized and allocated to the Partners in the manner set forth in Article 6. To the extent that an asset is to be distributed in kind, such asset shall be deemed to have been sold at its fair market value on the date of distribution, the gain or loss deemed recognized upon such deemed sale shall be allocated in accordance with Article 6 and the amount of the distribution shall be considered to be such fair market value of the asset. If the Partners cannot agree upon such fair market value, the same shall be determined by appraisal as provided in Section 13.13.

(d) The proceeds of sale and all other assets of the Partnership, including Operating Cash Flow and Extraordinary Cash Proceeds of the Partnership, shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of the debts and liabilities of the Partnership and the expenses of liquidation;

(ii) To the setting up of any reserves which the Liquidating Partner shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Partnership or the Partners arising out of or in connection with the Partnership. Such reserves shall be held for such period as the Liquidating Partner shall deem advisable, and upon the expiration of such period, any remaining balance shall be distributed as provided in clause (iii) of this Section; and

(iii) To the Partners in accordance with their positive Capital Account balances (after taking into account the allocations made pursuant to Section 6.1) in compliance with Regulations § 1.704-1(b)(2)(ii)(b)(2).

(e) Distributions in liquidation shall be made by the end of the Fiscal Year in which liquidation occurs or, if later, within ninety (90) days of the liquidation event and shall otherwise comply with Regulations Section 1.704-1(b).

12.4 Liquidating Partner.

The Liquidating Partner shall, upon the final dissolution of the Partnership, file an appropriate certificate to such effect in the proper governmental office or offices under the Act as then in effect. Notwithstanding the foregoing, each Partner, upon the request of the Liquidating Partner, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Partner shall reasonably request to effectuate the proper dissolution, liquidation and termination of the Partnership, including the winding up of the business of the Partnership.

12.5 Termination of Partnership.

The Partnership shall be terminated upon (a) completion of any dissolution and liquidation thereof pursuant to the provisions of this Article 12, and (b) preparation, execution, acknowledgment, filing, recordation, publication, delivery and/or cancellation of any instruments, documents or statements if and as required by the Act, the Code or any other applicable laws.

ARTICLE 13
MISCELLANEOUS

13.1 Notices.

Notices shall be in writing and shall be either (a) given by U.S. registered or certified mail, return receipt requested, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or (b) sent by electronic copy, promptly confirmed in writing (which confirmation writing may be via e-mail from the party so noticed), or (c) sent by personal delivery by a nationally recognized courier service (e.g., Federal Express) for next day delivery. The current addresses of the Partners are as follows:

If to the Co-General Partner:

Palmdale Park Apartments GP, LLC

c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211
Attn: Robert Budman
Email: rob@blvdcrei.com

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

With a copy to:

Cox, Castle & Nicholson LLP
50 California Street, Suite 3200
San Francisco, California 94111
Attention: Ofer Elitzur, Esq.
Telephone: (415) 262-5165
Email: oelitzur@coxcastle.com

If to the Managing General Partner:

IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

With a copy to (which shall not constitute notice):

Chernove & Associates, Inc.
16027 Ventura Blvd, Suite 660
Encino, CA 91436
Attn: Sheldon B. Chernove, Esq.
Tel: (818) 377-8102
Email: schernove@chernovelaw.com

If to the Investor Limited Partner:

Aegon LIHTC Fund 55, LLC
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
E-mail: lihtcreporting@aegonusa.com

With a copy to:

Klein Hornig LLP
101 Arch Street, Suite 1101
Boston, MA 02110
Attn: John R. Condon, Esq.
E-mail: jcondon@kleinhornig.com

If to the Special Limited Partner:

Transamerica Affordable Housing, Inc.
c/o AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, IA 52499
Attn: LIHTC Reporting
E-mail: lihtcreporting@aegonusa.com

Any Partner may designate another addressee (and/or change its address or telecopy number) for notices hereunder by a notice given pursuant to this Section. A Notice sent in compliance with the provisions of this Section shall be deemed delivered when actually received by the party to whom sent.

13.2 Entire Agreement; Modifications.

(a) This Agreement, including all Exhibits attached hereto, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof.

(b) No changes in, additions to or modifications of this Agreement shall be valid or of any force unless such change or modification is in writing signed by each of the Partners.

13.3 Section Headings.

The Section headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

13.4 Parties in Interest.

Except as expressly provided to the contrary herein, this Agreement shall be binding upon each successor to, and assign of, the parties, and inure to the benefit of each permitted successor to, and assign of, the parties.

13.5 Further Assurances.

Each of the parties hereto does hereby covenant and agree on behalf of itself, its successors and its assigns, without further consideration, to prepare, execute, acknowledge, file, record, publish and deliver such other instruments, documents and statements, and to take such other reasonable action, as may be required by law or necessary or useful effectively to carry out the purposes of this Agreement.

13.6 Counterparts.

This Agreement may be executed in several counterparts and all such executed counterparts shall constitute a single agreement, binding on all of the parties hereto, their successors and their assigns. Each counterpart signature page so executed may be attached to a master counterpart of this Agreement to be kept by the Partnership at the principal office of the Partnership and such master counterpart as well as any and all other counterparts executed by any of the parties hereto shall constitute a single agreement.

13.7 Legal Action, Jurisdiction, Service and Fees.

In the event of any controversy, claim or dispute between the parties hereto, or between a party hereto and the Partnership, arising out of or relating to this Agreement, the prevailing party

shall be entitled to recover from the non-prevailing party its reasonable expenses, including attorneys' fees and costs. Any legal action or proceeding with respect to this Agreement may be brought in the courts of the States of California or Iowa or of the United States of America for the District of Iowa or the Central District of California, and by execution and delivery of this Agreement, each Partner and any other party hereto hereby accepts, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Partner and other party hereto irrevocably consents to the service of process of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by certified mail, postage prepaid, to such Partner and other party hereto at his address set forth in this Agreement, and service so made shall be deemed complete seven (7) days after the same shall have been so mailed.

13.8 Severability.

Any provisions of this Agreement which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise render ineffective the remaining provisions of this Agreement.

13.9 Governing Law.

This Agreement, including its existence, validity, construction and operating effect, and the rights of each of the parties hereto, shall be governed by and construed in accordance with the internal laws of the State without regard to conflict of laws principles.

13.10 Extension Not a Waiver; Timing of Performance.

No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Partner or the Partnership shall impair or affect the right of such Partner or the Partnership thereafter to exercise the same. Any extension of time or other indulgence granted to a Partner hereunder shall not otherwise alter or affect any power, remedy or right of any other Partner or of the Partnership, or the obligations of the Partner to whom such extension or indulgence is granted. Whenever any obligation contained in this Agreement (which is an obligation solely of this Agreement and is not an obligation controlled by another Project Document) shall be stated to be required on a day that is not a Business Day, such obligation shall be due on the first Business Day immediately thereafter.

13.11 Construction.

This Agreement has been negotiated at arm's length and between parties who are sophisticated and knowledgeable in the subject matter hereof and who have been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law or legal decisions that would require interpretation of any ambiguity in this Agreement against the party that has drafted it shall not apply and are hereby waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effectuate the intent of the parties and the purposes of the Partnership. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership.

13.12 Consents.

Any consent or approval to any act or matter required under this Agreement must be in writing and may not be unreasonably withheld or delayed, except as otherwise specifically provided herein, and shall apply only with respect to the particular act or matter to which such consent or approval is given, and shall not relieve any Partner from the obligation to obtain the consent or approval, as applicable, wherever required under this Agreement to any other act or matter. The Limited Partners have delegated to the Asset Manager any consent or approval rights granted to the Limited Partners pursuant to this Agreement.

13.13 Appraisal.

Any appraisal required to be made pursuant to this Agreement shall be made as follows:

(a) Either the Co-General Partner or the Investor Limited Partner may serve written notice upon the other Partner stating that an appraisal shall be conducted pursuant to this Section 13.13. In such event, unless otherwise expressly provided to the contrary in this Agreement, within thirty (30) days after receipt of any such notice, either (i) the Partners shall nominate and appoint a single appraiser, or, failing that, (ii) the noticing Partner and the other Partner shall each nominate and appoint one appraiser. Upon the appointment of the two appraisers as hereinabove provided, the two appraisers so appointed shall, within fifteen (15) days after the appointment of the second appraiser and before exchanging views as to the questions at issue, appoint a third appraiser and give written notice of such appointment to the Partners. In the event that a Partner fails to appoint an appraiser within the thirty (30) day period set forth above, the appraiser appointed by the other Partner shall make the appraisal. If the two appraisers selected by the Partners shall fail to appoint or agree upon the third appraiser within the fifteen (15) day period outlined above, a third appraiser may be selected by the Partners if they can agree upon such third appraiser within a further period of ten (10) days; otherwise, any Partner may apply to any federal or state court of or sitting in the State having jurisdiction for the appointment of any appraiser not appointed or agreed upon within the time periods herein provided.

(b) The appraiser or appraisers shall promptly make the appraisal contemplated herein, set forth their results in writing, and give notice of the same to the Partners. If two of the three appraisers shall render a concurring determination, then that concurring determination shall be conclusive and binding on the Partners. If no two of the three appraisers shall render a concurring determination, then the determination of the third appraiser selected by the two appraisers appointed by the Partners shall be conclusive and binding upon the Partners; provided, however, that if the determination of the third appraiser shall be lower than the lowest determination of the other two appraisers, or higher than the highest determination of the other two appraisers, the final determination shall be the median determination of the three appraisers. The Partnership shall pay the fees and expenses of the appraiser(s).

(c) Any appraiser appointed hereunder shall be an appraiser with at least five (5) years' experience in appraising property of the same type as the Project and shall be MAI (Member of the Appraisal Institute) certified.

13.14 Disclosure of Due Diligence, Books, Records and Reports; Further Assurances Relating to a Transfer.

The Limited Partners shall have the right to disclose any information received by the Limited Partners in conjunction with their investment in the Partnership to (i) any entity holding, either directly or indirectly, an ownership interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, (ii) any entity who is considering acquiring, either directly or indirectly, an interest in the Investor Limited Partner and their advisors, consultants, attorneys, accountants and other similar agents, and (iii) the Asset Manager and their advisors, consultants, attorneys, accountants and other similar agents. Such disclosure may include, without limitation, any or all documents set forth in Exhibit K, the books and records of the Partnership maintained in accordance with the provisions of Section 8.1, and any tax returns or financial reports provided to the Limited Partners pursuant to Sections 8.2 and 8.3. The General Partners acknowledge and agree that the Investor Limited Partner may elect to transfer its interest to another investment entity sponsored by AEGON USA Realty Advisors, LLC. The General Partners agree to execute or obtain and deliver any amendments and supplements to this Partnership Agreement, legal opinions, title policy endorsements, ALTA Surveys, estoppel certificates, and other closing documents and otherwise to cooperate with the Investor Limited Partner in order to satisfy the due diligence requirements of any potential investor and/or so to effect the transfer of the interest of the Investor Limited Partner in the Partnership.

13.15 Representation of Parties.

Each Partner hereby acknowledges and agrees that Cox, Castle & Nicholson LLP is the initial counsel (“**Initial Counsel**”) representing the Partnership and the Co-General Partner, and Klein Hornig LLP is the counsel representing the interests of the Limited Partners, and that the Initial Counsel does not represent and shall not be deemed under the applicable codes of professional responsibility to have represented or be representing any or all of the Limited Partners in any respect at any time.

13.16 Partition.

No Partner nor any successor or assignee of any Partner has the right to partition the Project or any part thereof or interest therein, or file a complaint or institute an action or proceeding at law or in equity to partition the Project or any part thereof or interest therein. Each Partner for itself and its successor and assigns waives any such rights. The Partners intend that during the term of this Agreement, the rights of the Partners and their successors in interest, as among themselves, are governed solely by the Agreement and the Act.

13.17 Limitation of Liability of Managing General Partner.

Other than for its fraud, or willful misconduct or material violation of its fiduciary duties as a General Partner of the Partnership, the Managing General Partner’s liability to the Partnership and the other Partners shall be limited to its Interests and neither the Managing General Partner nor its sole member or any person or entity with an interest in or who is in direct or indirect control of such member shall have any personal liability to the Partnership or Partners.

13.18 Limitation of Benefits.

It is the explicit intention of the Partners that no Person or entity other than the Partners 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 covenant, undertakings and agreements set forth in this Partnership Agreement shall be solely for the benefit of and shall be enforceable only by the Partners and the Partnership and their or its respective successors and assigns as permitted hereunder.

13.19 Representations and Warranties of the Limited Partners.

The Investor Limited Partner and the Special Limited Partner hereby represent and warrant each as to itself but not as to any matter involving the other, severally but not jointly, to the General Partners and the Partnership that the execution and delivery of this Agreement and each of the other documents and agreements described in this Agreement by the Special Limited Partner or the Investor Limited Partner, respectively, and the performance of the transactions contemplated by each of such documents, have been duly authorized by all requisite actions and proceedings, and will not conflict with or violate the organizational documents of the Investor Limited Partner or the Special Limited Partner, respectively, or result in a breach of, or default under, any instrument or agreement to which the Investor Limited Partner or the Special Limited Partner is a party or is bound or to which its property is subject. Each of the Investor Limited Partner and the Special Limited Partner is duly organized, validly existing and in good standing under the laws of the state of its organization.

13.20 Freddie Mac Rider.

The parties agree that the terms of the Freddie Mac Rider attached hereto as Schedule A are hereby incorporated into this Agreement. All capitalized terms used in Schedule A shall have the meanings ascribed to such terms in the Continuing Covenant Agreement.

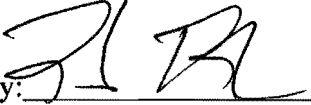
[NO FURTHER TEXT ON PAGE; SIGNATURE PAGES DESIGNATED S-1 AND S-2 FOLLOW IMMEDIATELY HEREAFTER]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

CO-GENERAL PARTNER:

PALMDALE PARK APARTMENTS GP,
LLC, a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: 
Robert Budman, Manager

By: Community Development Partners, a
California corporation
its Manager

By: _____
Kyle Paine, President

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

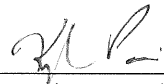
CO-GENERAL PARTNER:

PALMDALE PARK APARTMENTS GP,
LLC, a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners, a
California corporation
its Manager

By:  _____
Kyle Paine, President

MANAGING GENERAL PARTNER:

IH CDP PARTNERSHIP LLC,
a California limited liability company

By: Affordable Housing Alliance II, Inc.
(d/b/a in the State of California as Integrity
Housing),
a Colorado nonprofit corporation
Its Sole Member

By: 
Philip Wood, President

INVESTOR LIMITED PARTNER:

AEGON LIHTC FUND 55, LLC, a Delaware
limited liability company

By: Aegon Community Investments 55, LLC,
a Delaware limited liability company, its
managing member

By: _____
Name:
Its:

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE
HOUSING, INC., a California corporation

By: _____
Name:
Its:

MANAGING GENERAL PARTNER:

IH CDP PARTNERSHIP LLC,
a California limited liability company

By: Affordable Housing Alliance II, Inc.
(d/b/a in the State of California as Integrity
Housing),
a Colorado nonprofit corporation
Its Sole Member

By: _____
Philip Wood, President

INVESTOR LIMITED PARTNER:

AEGON LIHTC FUND 55, LLC, a Delaware
limited liability company

By: Aegon Community Investments 55, LLC,
a Delaware limited liability company, its
managing member

By: _____  
Name: LYNN C. AMBROSY
Its: VICE PRESIDENT

SPECIAL LIMITED PARTNER:


TRANSAMERICA AFFORDABLE
HOUSING, INC., a California corporation

By: _____  
Name: Lindsay Schumacher
Its: Vice President

WITHDRAWING LIMITED PARTNER:

PALMDALE PARK APARTMENTS GP,
LLC, a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: 
Robert Budman, Manager

By: Community Development Partners, a
California corporation
its Manager

By: _____
Kyle Paine, President

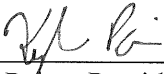
WITHDRAWING LIMITED PARTNER:

PALMDALE PARK APARTMENTS GP,
LLC, a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners, a
California corporation
its Manager

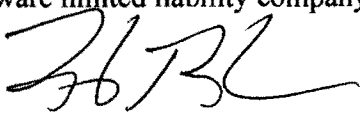
By:  _____
Kyle Paine, President

CONSENT AND AGREEMENT OF GENERAL PARTNER AFFILIATES

Each of the undersigned acknowledges that it is an Affiliate of the Co-General Partner and hereby executes this Agreement for the sole purpose of agreeing to the specified provisions of the foregoing Amended and Restated Agreement of Limited Partnership notwithstanding any provision of any other agreement between such Affiliate and the Partnership or any General Partner, including without limitation, the Development Agreement.

DEVELOPER (as to Sections 9.26 and 11.3)

BLVD CAPITAL, LLC,
a Delaware limited liability company

By: 
Robert Budman, Manager

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation

By: _____
Kyle Paine, President

CONSENT AND AGREEMENT OF GENERAL PARTNER AFFILIATES

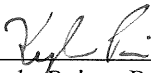
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DEVELOPER (as to Sections 9.26 and 11.3)

BLVD CAPITAL, LLC,
a Delaware limited liability company

By: _____
Robert Budman, Manager

COMMUNITY DEVELOPMENT PARTNERS,
a California corporation

By:  _____
Kyle Paine, President

SCHEDULE A: FREDDIE MAC RIDER

Single Purpose Entity Requirements.

- (a) Single Purpose Entity Requirements. Until the Indebtedness is paid in full, each Borrower and any SPE Equity Owner will remain a “**Single Purpose Entity**,” which means at all times since its formation and thereafter it will satisfy each of the following conditions:
- (i) It will not engage in any business or activity, other than the ownership, operation and maintenance of the Mortgaged Property and activities incidental thereto.
 - (ii) It will not acquire, own, hold, lease, operate, manage, maintain, develop or improve any assets other than the Mortgaged Property and such Personalty as may be necessary for the operation of the Mortgaged Property and will conduct and operate its business as presently conducted and operated.
 - (iii) It will preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation or organization and will do all things necessary to observe organizational formalities.
 - (iv) It will not merge or consolidate with any other Person.
 - (v) It will not take any action to dissolve, wind-up, terminate or liquidate in whole or in part; to sell, transfer or otherwise dispose of all or substantially all of its assets; to change its legal structure; transfer or permit the direct or indirect transfer of any partnership, membership or other equity interests, as applicable, other than Transfers permitted under the Continuing Covenant Agreement; issue additional partnership, membership or other equity interests, as applicable, or seek to accomplish any of the foregoing.
 - (vi) It will not, without the prior unanimous written consent of all of Borrower’s partners, members, or shareholders, as applicable, and, if applicable, the prior unanimous written consent of 100% of the members of the board of directors or of the board of Managers of Borrower or the SPE Equity Owner, take any of the following actions:
 - (A) File any insolvency, or reorganization case or proceeding, to institute proceedings to have Borrower or any SPE Equity Owner be adjudicated bankrupt or insolvent.
 - (B) Institute proceedings under any applicable insolvency law.
 - (C) Seek any relief under any law relating to relief from debts or the protection of debtors.

- (D) Consent to the filing or institution of bankruptcy or insolvency proceedings against Borrower or any SPE Equity Owner.
 - (E) File a petition seeking, or consent to, reorganization or relief with respect to Borrower or any SPE Equity Owner under any applicable federal or state law relating to bankruptcy or insolvency.
 - (F) Seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian, or any similar official for Borrower or a substantial part of its property or for any SPE Equity Owner or a substantial part of its property.
 - (G) Make any assignment for the benefit of creditors of Borrower or any SPE Equity Owner.
 - (H) Admit in writing Borrower's or any SPE Equity Owner's inability to pay its debts generally as they become due.
 - (I) Take action in furtherance of any of the foregoing.
- (vii) It will not amend or restate its organizational documents if such change would cause the provisions set forth in those organizational documents not to comply with the requirements set forth in this Schedule A.
 - (viii) It will not own any subsidiary or make any investment in, any other Person.
 - (ix) It will not commingle its assets with the assets of any other Person and will hold all of its assets in its own name.
 - (x) It will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the following:
 - (A) The Indebtedness and any Supplemental Loans.
 - (B) Customary unsecured trade payables incurred in the ordinary course of owning and operating the Mortgaged Property provided the same are not evidenced by a promissory note, do not exceed, in the aggregate, at any time a maximum amount of 2% of the original principal amount of the Indebtedness and are paid within 60 days of the date incurred.
 - (C) through (H) are Reserved.
 - (xi) It will maintain its records, books of account, bank accounts, financial statements, accounting records and other entity documents separate and apart from those of any other Person and will not list its assets as assets on the financial statement of any other Person; provided, however, that

Borrower's assets may be included in a consolidated financial statement of its Affiliate provided that (A) appropriate notation will be made on such consolidated financial statements to indicate the separateness of Borrower from such Affiliate and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliate or any other Person and (B) such assets will also be listed on Borrower's own separate balance sheet.

- (xii) Except for capital contributions or capital distributions permitted under the terms and conditions of its organizational documents, it will only enter into any contract or agreement with any general partner, member, shareholder, principal or Affiliate of Borrower or any Guarantor, or any general partner, member, principal or Affiliate thereof, upon terms and conditions that are commercially reasonable and substantially similar to those that would be available on an arm's-length basis with third parties.
- (xiii) It will not maintain its assets in such a manner that will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person.
- (xiv) It will not assume or guaranty (excluding any guaranty that has been executed and delivered in connection with the Project Note) the debts or obligations of any other Person, hold itself out to be responsible for the debts of another Person, pledge its assets to secure the obligations of any other Person or otherwise pledge its assets for the benefit of any other Person, or hold out its credit as being available to satisfy the obligations of any other Person.
- (xv) It will not make or permit to remain outstanding any loans or advances to any other Person except for those investments permitted under the Financing Documents and will not buy or hold evidence of indebtedness issued by any other Person (other than cash or investment-grade securities).
- (xvi) It will file its own tax returns separate from those of any other Person, except to the extent that Borrower is treated as a "disregarded entity" for tax purposes and is not required to file tax returns under applicable law, and will pay any taxes required to be paid under applicable law.
- (xvii) It will hold itself out to the public as a legal entity separate and distinct from any other Person and conduct its business solely in its own name, will correct any known misunderstanding regarding its separate identity and will not identify itself or any of its Affiliates as a division or department of any other Person.
- (xviii) It will 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 and will pay its debts and liabilities from its own assets as the same become due.

- (xix) It will allocate fairly and reasonably shared expenses with Affiliates (including shared office space) and use separate stationery, invoices and checks bearing its own name.
- (xx) It will pay (or cause the Property Manager to pay on behalf of Borrower from Borrower's funds) its own liabilities (including salaries of its own employees) from its own funds.
- (xxi) It will not acquire obligations or securities of its partners, members, shareholders, or Affiliates, as applicable.
- (xxii) Except as contemplated or permitted by the property management agreement with respect to the Property Manager, it will not permit any Affiliate or constituent party independent access to its bank accounts.
- (xxiii) It will maintain a sufficient number of employees (if any) in light of its contemplated business operations and pay the salaries of its own employees, if any, only from its own funds.
- (xxiv) If such entity is a single member limited liability company, such entity will satisfy each of the following conditions:
 - (A) Be formed and organized under Delaware law.
 - (B) Have either one springing member that is a corporation or two springing members who are natural persons. If there is more than one springing member, only one springing member will be the sole member of Borrower or SPE Equity Owner (as applicable) at any one time, and the second springing member will become the sole member only upon the first springing member ceasing to be a member.
 - (C) Otherwise comply with all Rating Agencies' criteria for single member limited liability companies (including the delivery of Delaware single member limited liability company opinions acceptable in all respects to Funding Lender).
 - (D) At all times Borrower or SPE Equity Owner (as applicable) will have one and only one member.
- (xxv) If such entity is a single member limited liability company that is board-managed, such entity will have a board of Managers separate from that of Guarantor and any other Person and will cause its board of Managers to keep minutes of board meetings and actions and observe all other Delaware limited liability company required formalities.

(xxvi) If an SPE Equity Owner is required pursuant to this Schedule A if Borrower is (A) a limited liability company with more than one member, then Borrower has and will have at least one member that is an SPE Equity Owner that has satisfied and will satisfy the requirements of Section 6.13(b) of the Continuing Covenant Agreement and such member is its managing member, or (B) a limited partnership, then all of its general partners are SPE Equity Owners that have satisfied and will satisfy the requirements set forth in Section 6.13(b) of the Continuing Covenant Agreement.

(xxvii) Reserved.

(xxviii) Reserved.

LEGAL DESCRIPTION OF LAND

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PALMDALE IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 49 OF TRACT NO. 7682, IN THE CITY OF PALMDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 120, PAGES 74 AND 75 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 500.60 FEET OF SAID LOT 49.

ALSO EXCEPTING THEREFROM THE EASTERLY 75.62 FEET OF THE SOUTHERLY 170.00 FEET OF THE NORTHERLY 670.60 FEET OF SAID LOT 49.

APN(s): 3014-010-019 and 3014-010-020

INITIAL ECONOMIC PROJECTIONS

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	4,119,743						
Freddie TEL	9,200,000						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	-						
Cashflow From Operations	-						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	-						
GP Loan	-						
TOTAL SOURCES OF FUNDS	13,319,743						
Surplus (Deficit)	-						
ACQUISITION COSTS							
Acquisition Land	250,000	x	x	x	x	x	250,000
Acquisition Building	6,340,000	6,340,000	6,340,000	x	x	x	x
Acquisition Building Commercial	-	-	x	x	x	x	x
Acquired Reserves	-	x	x	x	x	x	-
Site Improvements-Acquired	185,000	185,000	185,000	x	x	x	-
Furnishings-Acquired	975,000	975,000	975,000	x	x	x	-
HARD COSTS							
Construction	1,572,734	1,572,734	x	1,572,734	1,572,734	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	96,867	96,867	x	96,867	96,867	x	x
Contractor Profit	96,867	96,867	x	96,867	96,867	x	x
Performance Bonds	17,763	17,763	x	17,763	17,763	x	x
General Requirements	77,493	77,493	x	77,493	77,493	x	x
Furnishings	243,600	243,600	x	243,600	x	x	x
Site Improvements	150,000	150,000	x	150,000	x	x	-
Utility Hook Up Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 222,632	222,632	x	222,632	222,632	x	x
Commercial/Nonresidential Costs	-	-	x	-	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	-	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	-	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-
ARCHITECTURAL AND ENGINEERING							
Architect	9,000	9,000	x	9,000	9,000	x	x
Survey & Engineering	23,350	23,350	x	23,350	23,350	x	x
Environmental	38,800	38,800	x	38,800	38,800	x	x
Soils	-	-	x	-	x	x	x
Other	70,934	70,934	-	70,934	-	-	-
SOFT COSTS							
Relocation	250,566	250,566	x	250,566	250,566	x	x
Appraisal	7,250	7,250	x	7,250	7,250	x	x
Market Study	11,250	11,250	-	11,250	11,250	-	-
Organizational	-	x	x	x	x	-	x
Professional	-	-	-	-	-	-	-
Accounting	41,475	33,975	-	33,975	33,975	x	x
Cost Certification	-	-	-	-	-	x	x
Construction Period Taxes	20,881	20,881	-	20,881	20,881	-	x
Construction Period Insurance	12,959	12,959	-	12,959	12,959	-	x
Marketing (monthly term if not 180 mths)	8 14,500	x	x	x	x	14,500	x
Contingency	-	-	-	-	-	x	x
Tax Credit Fees	86,803	x	x	x	x	86,803	x
Syndication	10,900	-	x	x	x	x	10,900
Other Soft: Depreciable Expenses	45,006	45,006	-	45,006	45,006	-	-
Other Soft: Funded/Non-Depreciable Expenses	84,994	-	-	-	-	34,994	50,000
FEES							
Developer Fee - Rehabilitation	461,540	461,540	x	461,540	461,540	x	-
Developer Fee - Acquisition	1,125,000	1,047,500	1,047,500	x	x	x	77,500
Other Consultant	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-
RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	101,182	x	x	x	x	x	101,182
Operating Reserve (No. Mths or Input)	4 287,022	x	x	x	x	x	287,022
Other Reserves	-	x	x	x	x	x	-
FINANCING							
Loan 1 - Fees and Legal	388,375	75,049	x	75,049	75,049	313,326	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	-	-	x	-	-	x	x
Other Loan Fees and Legal	-	-	-	-	-	-	x
Interest	-	-	-	-	-	-	x
Interest Override	-	-	-	-	-	-	x
TOTAL	13,319,743	12,086,017	8,547,500	3,538,517	3,073,983	449,623	776,604
Total Cost/Unit	\$229,650.74						
Hard Costs/Unit	\$38,884.83						
Total Cost/Square Footage	\$265.68						
50% Test							
Depreciable basis +Land			12,336,017				
Tax-exempt Bonds			9,200,000				
% of Eligible Basis & Land financed by Tax-Exempt Bonds			74.58%				
50% Test Met			Yes				

Other Soft: Depreciable Expenses	
Item	Amount
Misc. Soft Costs	\$ 10,006
Special Inspections	\$ 35,000
Item	
TOTAL	\$ 45,006

Other Soft: Funded/Non-Depreciable Expenses				
Item	Amount	Type	Funded Exp.	Non-Depreciable Exp.
Developer DD	\$ 50,000	Non-Depreciable		50,000
Misc. Soft Costs	\$ 34,994	Funded	34,994	
Item				
TOTAL	\$ 84,994		34,994	50,000

TAX CREDIT CALCULATION

	Rehab/New Construction	Acquisition
Basis	3,538,517	8,547,500
Less:		
Below Market Federal Funds	-	x
Other	-	x
Other	-	x
	-	x
Eligible Basis	3,538,517	8,547,500
Percent Low-Income	100.00%	100.00%
Basis Boost	130%	100%
Tax Exempt Use		
Qualified Basis	4,600,072	8,547,500
Credit Rate	3.29%	3.29%
Annual Credit (Calculated)	151,342	281,213
Credit Allocation Amount	432,553	
Minimum of Allocation or Calculated Credit	151,340	281,213
Limited Partner Share	99.99%	99.99%
Limited Partner Credit	151,325	281,185
Investor Pricing	\$ 0.95	\$ 0.95
Limited Partner Equity	1,437,589	2,671,254
Special Limited Partner Share	0.00%	0.00%
Special Limited Partner Credit	-	-
Special Limited Partner Pricing	\$ 0.95	\$ 0.95
Special Limited Partner Equity	-	-

Operations Summary

	<u>Total</u>
Potential Gross Residential Income	
LIHTC Income	1,002,360
Market Rate Income	0
<i>Other Income</i>	
0	9,676
0	-
0	-
Effective Gross Residential Income	1,012,036
 Residential Vacancy	
LIHTC Vacancy	5.00% (50,118)
Market Rate Vacancy	7.00% 0
Other Income Vacancy	5.00% (484)
Effective Gross Rental Income	961,434
 Commercial Income	0
Commercial Vacancy	0.00% 0
Effective Gross Commercial Income	0
 Total Effective Gross Income	961,434
Less: Operating Expenses (incl. Taxes & Mgt Fees)	(318,453)
Net Operating Income	642,981
 Replacement Reserves	(17,400)
Cash Flow avail for Debt Service	625,581
Less: Debt Servicing Fees (if Applicable)	0
Net Available for Debt Service after Fees	625,581
 Debt Service	4.540% 525,214
Debt Service Coverage Ratio (Net of Debt svc fees)	1.1911
 Expense Coverage Ratio	2.862663725
 Maximum Loan Amount @	1.15 9,528,789
Annual Payment	543,984
 Breakeven Occupancy	85.08%

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Upon Completion					Monthly Rent	Annual Rent
						Gross LIHTC	Gross Rent	Utility Allowance	Net Rent			
LIHTC						Escalations		2.00%	Vacancy		5.00%	
50%	2	6	815	4,890	43,640	1,091	1,426	41	1,385	8,310	99,720	
60%	2	35	815	28,525	52,360	1,309	1,426	41	1,385	48,475	581,700	
50%	3	6	994	5,964	50,400	1,260	1,651	66	1,585	9,510	114,120	
60%	3	10	994	9,940	60,480	1,512	1,651	66	1,585	15,850	190,200	
Manager	2	1	815	815	43,640	1,091	1,426	41	1,385	1,385	16,620	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
Total		58		50,134						83,530	1,002,360	

MARKET

MARKET						Escalations		2.00%	Vacancy		7.00%
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
Total		0		-						-	-

Total Units		58		50,134						83,530	1,002,360
Common Areas Circulation											
Total Residential SF				50,134							
Low-Income Ratio		100.00%		100.00%							

MISCELLANEOUS OTHER INCOME

						Monthly Per Unit	Monthly Income	Annual Income			
MISCELLANEOUS OTHER INCOME						Escalations		2.00%	Vacancy		5.00%
								9,676			
Total Miscellaneous Other Income						\$13.90	806	9,676			

OPERATING EXPENSES

Upon Completion

	Sensitivity Percent	Total	Per Unit	Adjusted Total
VARIABLE				
Marketing	100%	-	-	-
Administration	100%	15,173	261.60	15,173
Maintenance	100%	50,937	878.22	50,937
Utilities	100%	50,472	870.21	50,472
Other	100%	2,500	43.10	2,500
TOTAL VARIABLE		119,082	2,053.14	119,082
FIXED				
Insurance	100%	16,000	275.86	16,000
Payroll	100%	106,971	1,844.33	106,971
Other	100%	-	-	-
TOTAL FIXED		122,971	2,120.19	122,971
Project Operating Expenses		242,053	4,173.33	242,053
Escalations				3.00%
Real Estate Taxes	100%	41,600	717.24	41,600
Real Estate Tax Escalation				3.00%
Property Management Fee Percent or Property Management Fee Dollars		0.00% 34,800	600.00	34,800
Total Operating Expense Including Property Mgmt Fee and RE Taxes				318,453
Replacement Reserve				17,400
Total Operating Expense Including Property Mgmt Fee				335,853
		Per Unit	Total	
Replacement Reserve		300.00	17,400	

Start Date - input	
Start Date - Completion	Dec-18
Annual Escalation	3.00%
% Withdrawn	50.00%
Withdrawn Every	3 years
Interest on Reserve Deposits	2.00%

LEASE UP

			0	1440.17								
	Existing LIHTC	New LIHTC	Cumulative LIHTC Occupied	Existing LIHTC Rents	New LIHTC Rents	Total LIHTC Rents	LIHTC Vacancy			Units Taking Credits	621.42 LIHTC	
Jul-18		58	58	-	83,530	83,530	4,177	0	0 0	0	-	
Aug-18			58	-	83,530	83,530	4,177	0	0 0	58	36,042	
Sep-18			58	-	83,530	83,530	4,177	0	0 0	0	36,042	
Oct-18			58	-	83,530	83,530	4,177	0	0 0	0	36,042	
Nov-18			58	-	83,530	83,530	4,177	0	0 0	0	36,042	
Dec-18			58	-	83,530	83,530	4,177	501180	25062 1	0	36,042	
Jan-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
Feb-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
Mar-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
Apr-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
May-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
Jun-19			58	-	83,530	83,530	4,177	0	0 1	0	36,042	
Jul-19			58	-	85,200	85,200	4,260	0	0 1	0	36,042	
Aug-19			58	-	85,200	85,200	4,260	0	0 1	0	36,042	
Sep-19			58	-	85,200	85,200	4,260	0	0 1	0	36,042	
Oct-19			58	-	85,200	85,200	4,260	0	0 1	0	36,042	
Nov-19			58	-	85,200	85,200	4,260	0	0 1	0	36,042	
Dec-19			58	-	85,200	85,200	4,260	1E+06	50622 2	0	36,042	
Jan-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
Feb-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
Mar-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
Apr-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
May-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
Jun-20			58	-	85,200	85,200	4,260	0	0 2	0	36,042	
Jul-20			58	-	86,904	86,904	4,345	0	0 2	0	36,042	
Aug-20			58	-	86,904	86,904	4,345	0	0 2	0	36,042	
Sep-20			58	-	86,904	86,904	4,345	0	0 2	0	36,042	
Oct-20			58	-	86,904	86,904	4,345	0	0 2	0	36,042	
Nov-20			58	-	86,904	86,904	4,345	0	0 2	0	36,042	

CASH FLOW FROM OPERATIONS

	LIHTC	LIHTC	Market	Market	Other	Other	Commercial	Commercial	Net	Operating	Real Estate	Calculated	Paid	Net Operating	Replacement	Cash	To Dev	From	Cash	Hard
	Income	Vacancy	Income	Vacancy	Income	Vacancy	Income	Vacancy	Receipts	Expenses	Taxes	Property	Property	Income	Reserves	Flow	Budget	Reserves	Flow	DSC
2018	501,180	(80,192)	-	-	4,836	(240)	-	-	425,584	121,032	20,802	17,400	17,400	266,350	1,450	264,900	-	-	264,900	1.01
2019	1,012,380	(50,622)	-	-	9,768	(486)	-	-	971,040	245,694	42,228	35,322	35,322	647,796	17,922	629,874	-	-	629,874	1.20
2020	1,032,624	(51,630)	-	-	9,966	(498)	-	-	990,462	253,062	43,494	36,384	36,384	657,522	18,460	639,062	-	-	639,062	1.22
2021	1,053,276	(52,664)	-	-	10,165	(508)	-	-	1,010,269	260,654	44,136	36,924	36,924	668,555	19,013	649,542	-	-	649,542	1.24
2022	1,074,342	(53,717)	-	-	10,368	(518)	-	-	1,030,475	268,474	45,457	38,027	38,027	678,517	19,584	658,933	-	-	658,933	1.25
2023	1,095,829	(54,791)	-	-	10,575	(529)	-	-	1,051,084	276,528	46,821	39,168	39,168	688,567	20,171	668,396	-	-	668,396	1.27
2024	1,117,746	(55,887)	-	-	10,787	(539)	-	-	1,072,107	284,824	48,226	40,343	40,343	698,714	20,777	677,937	-	-	677,937	1.29
2025	1,140,101	(57,005)	-	-	11,003	(550)	-	-	1,093,549	293,369	49,673	41,553	41,553	708,954	21,400	687,554	-	-	687,554	1.31
2026	1,162,903	(58,145)	-	-	11,223	(561)	-	-	1,115,420	302,170	51,163	42,800	42,800	719,287	22,042	697,245	-	-	697,245	1.33
2027	1,186,161	(59,308)	-	-	11,447	(572)	-	-	1,137,728	311,235	52,698	44,084	44,084	729,711	22,703	707,008	-	-	707,008	1.35
2028	1,209,884	(60,494)	-	-	11,676	(584)	-	-	1,160,482	320,572	54,279	45,407	45,407	740,224	23,384	716,840	-	-	716,840	1.36
2029	1,234,082	(61,704)	-	-	11,910	(596)	-	-	1,183,692	330,189	55,907	46,769	46,769	750,827	24,086	726,741	-	-	726,741	1.38
2030	1,258,764	(62,938)	-	-	12,148	(607)	-	-	1,207,367	340,095	57,584	48,172	48,172	761,516	24,808	736,708	-	-	736,708	1.40
2031	1,283,939	(64,197)	-	-	12,391	(620)	-	-	1,231,513	350,298	59,312	49,617	49,617	772,286	25,552	746,734	-	-	746,734	1.42
2032	1,309,618	(65,481)	-	-	12,639	(632)	-	-	1,256,144	360,807	61,091	51,106	51,106	783,140	26,319	756,821	-	-	756,821	1.44
2033	1,335,810	(66,791)	-	-	12,892	(645)	-	-	1,281,266	371,631	62,924	52,639	52,639	794,072	27,109	766,963	-	-	766,963	1.46

DEPRECIATION SCHEDULE - NON TAX EXEMPT USE

Depreciation Expense - Extended Life for Real Property 0.000%
 Depreciation Expense - Extended Life for Site Work 0.000%
 Depreciation Expense - Extended Life for Personal Property 0.000%

	Total	0% Acquisition Jun-10	100% Acquisition Jul-18	0% Rehab Oct-18	0% Rehab Apr-19	100% Rehab Dec-18	Bonus Depreciation Eligible?	Bonus Depreciation Percent	Bonus Cutoff Date
Real Property	10,532,417	-	7,387,500	-	-	3,144,917	No	50%	12/31/2009
Commercial-Acquired	-	-	-	-	-	-			
Commercial-Rehab	-	-	-	-	-	-			
Historic Credit	-	-	-	-	-	-			
Site Improvements	335,000	-	185,000	-	-	150,000	Yes	100%	12/31/2023
Personal Property	1,218,600	-	975,000	-	-	243,600	Yes	100%	12/31/2023
Basis	12,086,017	-	8,547,500	-	-	3,538,517			

Amount Accelerated

\$ 776,800 Loss (1/2 of Site & Pers Depr) Loss (1/2 of Site & Pers Depr)
 \$ 4,119,743 Equity Loss if Not Obtained (On Equity Loss if Not Obtained (Orig Equity - New Amount @ lower S/Cred)
 \$ 5,3035 Adjustor Adjustor
 Basically you play with the S/Cred Basically you play with the S/Cred to see what would maintain the same IRR with loss of Bonus Depr

	30	30	30	30	30	15	15	15	15	15	5	5	5	5	5	39	39	39	39	39	39	5	Total
	Acquisition	Acquisition	Bonus Depreciation - Rehab	Bonus Depreciation - Rehab	Bonus Depreciation - Rehab	Bonus Depreciation - Rehab	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Site Improvements	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Bonus Depreciation - Personal Property	Commercial Acquired	Commercial Acquired	Commercial Rehab	Commercial Rehab	Commercial Rehab	Commercial Replacement Reserves		
2018	-	112,865	-	-	-	-	4,368	-	-	-	150,000	-	-	-	243,600	-	-	-	-	-	-	-	1,670,833
2019	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	351,081
2020	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	351,081
2021	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,862	354,943
2022	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,179	357,260
2023	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,707	354,788
2024	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,366	361,447
2025	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,251	366,332
2026	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,928	360,009
2027	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,709	366,790
2028	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,320	373,401
2029	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,923	364,004
2030	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,536	370,617
2031	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,449	378,530
2032	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,834	366,915
2033	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,630	373,711
2034	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31,649	382,730
2035	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,229	369,310
2036	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,422	376,503
2037	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	35,479	386,560
2038	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,421	371,502
2039	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,154	379,235
2040	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,253	390,334
2041	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,587	373,668
2042	-	246,250	-	-	-	-	104,831	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,967	382,048

LOSS

	Net Operating Income	Interest on Invested Loan Proceeds	Grants	Interest Income	Freddie TEL	Freddie TEL MIP	0	0	0	0	0	0	0	0	GP Pship Mgmt Fee	Incentive Management Fee	LP Asset Mgmt Fee	Other Fee 1	Other Fee 2	Deferred Developer Fee	GP Loan	Depreciation	Funded Expense	Income / (Loss) /	Initial Income / (Loss) to LP	Reallocation of Loss	Adjusted Income / (Loss) to LP	Initial Income / (Loss) to SLP	Reallocation of Loss	Adjusted Income / (Loss) to SLP
2018	266,350	-	-	-	208,329	-	-	-	-	-	-	-	-	-	-	417	-	-	-	-	-	1,670,833	29,937	(1,643,166)	(1,643,001)	-	(1,643,001)	-	-	-
2019	647,796	-	-	7,972	412,898	-	-	-	-	-	-	-	-	-	89,559	5,150	-	-	-	-	-	351,081	33,069	(235,989)	(235,965)	-	(235,965)	-	-	-
2020	657,522	-	-	8,495	407,692	-	-	-	-	-	-	-	-	-	97,689	5,305	-	-	-	-	-	351,081	29,444	(225,194)	(225,171)	-	(225,171)	-	-	-
2021	668,555	-	-	9,040	402,244	-	-	-	-	-	-	-	-	-	106,978	5,464	-	-	-	-	-	354,943	29,444	(221,478)	(221,456)	-	(221,456)	-	-	-
2022	678,517	-	-	9,221	396,543	-	-	-	-	-	-	-	-	-	115,282	5,628	-	-	-	-	-	357,260	29,444	(216,419)	(216,397)	-	(216,397)	-	-	-
2023	688,567	-	-	9,803	390,578	-	-	-	-	-	-	-	-	-	123,647	5,796	-	-	-	-	-	354,788	29,444	(205,853)	(205,862)	-	(205,862)	-	-	-
2024	698,714	-	-	10,408	384,337	-	-	-	-	-	-	-	-	-	128,653	5,970	-	-	-	-	-	361,447	29,444	(200,729)	(200,709)	-	(200,709)	-	-	-
2025	708,954	-	-	10,224	377,807	-	-	-	-	-	-	-	-	-	131,226	6,149	-	-	-	-	-	366,332	29,444	(191,780)	(191,761)	-	(191,761)	-	-	-
2026	719,287	-	-	10,862	370,973	-	-	-	-	-	-	-	-	-	133,850	6,334	-	-	-	-	-	360,009	29,444	(170,461)	(170,444)	-	(170,444)	-	-	-
2027	729,711	-	-	11,528	363,823	-	-	-	-	-	-	-	-	-	136,527	6,524	-	-	-	-	-	366,790	29,444	(161,869)	(161,853)	-	(161,853)	-	-	-
2028	740,224	-	-	11,117	356,342	-	-	-	-	-	-	-	-	-	139,258	6,720	-	-	-	-	-	373,401	20,764	(145,143)	(145,129)	-	(145,129)	-	-	-
2029	750,827	-	-	11,814	348,513	-	-	-	-	-	-	-	-	-	142,043	6,921	-	-	-	-	-	364,004	20,764	(119,603)	(119,591)	-	(119,591)	-	-	-
2030	761,516	-	-	12,540	340,322	-	-	-	-	-	-	-	-	-	144,884	7,129	-	-	-	-	-	370,617	20,764	(109,659)	(109,648)	-	(109,648)	-	-	-
2031	772,286	-	-	11,975	331,751	-	-	-	-	-	-	-	-	-	147,782	7,343	-	-	-	-	-	378,530	20,764	(101,908)	(101,898)	-	(101,898)	-	-	-
2032	783,140	-	-	12,734	322,783	-	-	-	-	-	-	-	-	-	150,737	7,563	-	-	-	-	-	366,915	20,764	(72,887)	(72,880)	-	(72,880)	-	-	-
2033	794,072	-	-	13,523	313,399	-	-	-	-	-	-	-	-	-	153,752	7,790	-	-	-	-	-	373,711	19,597	(60,654)	-	-	-	-	-	-
2034	805,082	-	-	12,839	303,580	-	-	-	-	-	-	-	-	-	156,827	8,024	-	-	-	-	-	382,730	18,431	(51,671)	-	-	-	-	-	-
2035	816,166	-	-	13,663	293,305	-	-	-	-	-	-	-	-	-	159,964	8,264	-	-	-	-	-	369,310	9,215	(10,229)	-	-	-	-	-	-

INVESTMENT BENEFIT SCHEDULE

LIMITED PARTNER

Year	Investor Equity	Closing Cost	Federal LIHTC	Net State LIHTC Tax Credits	Federal HTC	Net State Historic Tax Credits	Adjusted Income / (Loss)	Tax Savings / (Expense)	Cash Flow	Total Benefit	Annual Net Benefit	Cumulative Net Benefits
2018	2,681,647	-	180,212	-	-	-	(1,643,001)	345,030	188	525,430	(2,156,217)	(2,156,217)
2019	1,438,096	-	432,510	-	-	-	(235,965)	49,553	995	483,058	(955,038)	(3,111,255)
2020	-	-	432,510	-	-	-	(225,171)	47,286	1,085	480,881	480,881	(2,630,374)
2021	-	-	432,510	-	-	-	(221,456)	46,506	1,189	480,205	480,205	(2,150,169)
2022	-	-	432,510	-	-	-	(216,397)	45,443	1,281	479,234	479,234	(1,670,936)
2023	-	-	432,510	-	-	-	(205,862)	43,231	1,374	477,115	477,115	(1,193,821)
2024	-	-	432,510	-	-	-	(200,709)	42,149	1,810	476,469	476,469	(717,352)
2025	-	-	432,510	-	-	-	(191,761)	40,270	2,497	475,277	475,277	(242,075)
2026	-	-	432,510	-	-	-	(170,444)	35,793	3,185	471,488	471,488	229,412
2027	-	-	432,510	-	-	-	(161,853)	33,989	3,874	470,373	470,373	699,785
2028	-	-	252,297	-	-	-	(145,129)	30,477	4,565	287,339	287,339	987,124
2029	-	-	-	-	-	-	(119,591)	25,114	5,256	30,370	30,370	1,017,494
2030	-	-	-	-	-	-	(109,648)	23,026	5,948	28,974	28,974	1,046,468
2031	-	-	-	-	-	-	(101,898)	21,399	6,640	28,039	28,039	1,074,507
2032	-	-	-	-	-	-	(72,880)	15,305	7,331	22,636	22,636	1,097,143
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	4,119,743	0	4,325,097	0	0	0	(4,021,765)	844,571	47,218	5,216,886	1,097,143	(7,720,263)
Disposition in Year		2033					(39,860)	8,371	0	8,371		8,371
Total	4,119,743	0	4,325,097	0	0	0	(4,061,625)	852,942	47,218	5,225,257	1,097,143	(7,711,892)

CAPITAL ACCOUNT ANALYSIS

Limited Partner

Year	Total Taxable Income (Loss)	Limited Partner Capital Contributions	Syndication Costs	Prorata Taxable Income (Loss)	Tax Credits	Cash Flow	Capital Account Balance	Reallocation Of Income (Loss)	Deficit Restoration Obligation	Adjusted Capital Account
2018	(1,643,166)	2,681,647	(10,900)	(1,643,001)	-	188	1,027,558	-	-	1,027,558
2019	(235,989)	1,438,096		(235,965)	-	995	2,228,694	-	-	2,228,694
2020	(225,194)	-		(225,171)	-	1,085	2,002,438	-	-	2,002,438
2021	(221,478)	-		(221,456)	-	1,189	1,779,793	-	-	1,779,793
2022	(216,419)	-		(216,397)	-	1,281	1,562,115	-	-	1,562,115
2023	(205,883)	-		(205,862)	-	1,374	1,354,879	-	-	1,354,879
2024	(200,729)	-		(200,709)	-	1,810	1,152,360	-	-	1,152,360
2025	(191,780)	-		(191,761)	-	2,497	958,102	-	-	958,102
2026	(170,461)	-		(170,444)	-	3,185	784,473	-	-	784,473
2027	(161,869)	-		(161,853)	-	3,874	618,746	-	-	618,746
2028	(145,143)	-		(145,129)	-	4,565	469,052	-	-	469,052
2029	(119,603)	-		(119,591)	-	5,256	344,205	-	-	344,205
2030	(109,659)	-		(109,648)	-	5,948	228,609	-	-	228,609
2031	(101,908)	-		(101,898)	-	6,640	120,071	-	-	120,071
2032	(72,887)	-		(72,880)	-	7,331	39,860	-	-	39,860
2033	(60,654)	-		-	-	-	39,860	-	-	39,860
2034	(51,671)	-		-	-	-	39,860	-	-	39,860
2035	(10,229)	-		-	-	-	39,860	-	-	39,860
2036	11,109	-		-	-	-	39,860	-	-	39,860

CALCULATION OF MINIMUM GAIN
Nonrecourse Liabilities

	Replacement Reserves Collateral for Loan	Reserves other than Replacement Reserves Collateral for Loan				CALCULATION OF MINIMUM GAIN										Total Nonrecourse Liabilities	Minimum Gain	
	Yes	No	Capital Replacement & Operating Reserve Balance	Cumulative Asset Additions	Accumulated Depreciation	Net Assets	Freddie TEL	0	0	0	0	0	0	0	0			0
2018	-	1	1,450	-	1,670,833	10,794,135	9,145,722	-	-	-	-	-	-	-	-	-	9,145,722	-
2019	-		19,580	-	2,021,913	10,461,184	9,033,406	-	-	-	-	-	-	-	-	-	9,033,406	-
2020	-		38,616	-	2,372,994	10,129,140	8,915,884	-	-	-	-	-	-	-	-	-	8,915,884	-
2021	-		39,283	19,308	2,727,936	9,794,172	8,792,914	-	-	-	-	-	-	-	-	-	8,792,914	-
2022	-		59,849	19,308	3,085,196	9,457,479	8,664,243	-	-	-	-	-	-	-	-	-	8,664,243	-
2023	-		81,419	19,308	3,439,983	9,124,261	8,529,607	-	-	-	-	-	-	-	-	-	8,529,607	-
2024	-		63,323	60,018	3,801,430	8,785,427	8,388,730	-	-	-	-	-	-	-	-	-	8,388,730	-
2025	-		86,203	60,018	4,167,762	8,441,976	8,241,323	-	-	-	-	-	-	-	-	-	8,241,323	-
2026	-		110,189	60,018	4,527,770	8,105,953	8,087,082	-	-	-	-	-	-	-	-	-	8,087,082	-
2027	-		80,228	115,112	4,894,560	7,764,298	7,925,691	-	-	-	-	-	-	-	-	-	7,925,691	161,393
2028	-		105,450	115,112	5,267,960	7,416,119	7,756,819	-	-	-	-	-	-	-	-	-	7,756,819	340,700
2029	-		131,886	115,112	5,631,964	7,078,551	7,580,118	-	-	-	-	-	-	-	-	-	7,580,118	501,567
2030	-		93,637	181,055	6,002,580	6,735,629	7,395,226	-	-	-	-	-	-	-	-	-	7,395,226	659,597
2031	-		121,317	181,055	6,381,110	6,384,779	7,201,763	-	-	-	-	-	-	-	-	-	7,201,763	816,984
2032	-		150,326	181,055	6,748,025	6,046,874	6,999,332	-	-	-	-	-	-	-	-	-	6,999,332	952,458
2033	-		105,550	256,218	7,121,735	5,703,550	6,787,517	-	-	-	-	-	-	-	-	-	6,787,517	1,083,967
2034	-		135,862	256,218	7,504,465	5,351,133	6,565,883	-	-	-	-	-	-	-	-	-	6,565,883	1,214,750
2035	-		167,627	256,218	7,873,774	5,013,588	6,333,974	-	-	-	-	-	-	-	-	-	6,333,974	1,320,386
2036	-		117,085	340,031	8,250,277	4,670,356	6,091,315	-	-	-	-	-	-	-	-	-	6,091,315	1,420,959

AMORTIZATION SCHEDULE

Freddie TEL

Principal 9,200,000
 Interest Rate 4.54%
 MIP 0.00%
 Amortizable Term 420
 Hard or Soft Hard
 Start Date Jul-18

Monthly Payment 43,767.80

Year	MIP	Payment	Principal	Interest	Balance	Balance at Sale
2018	-	262,607	54,278	208,329	9,145,722	-
2019	-	525,214	112,316	412,898	9,033,406	-
2020	-	525,214	117,522	407,692	8,915,884	-
2021	-	525,214	122,970	402,244	8,792,914	-
2022	-	525,214	128,671	396,543	8,664,243	-
2023	-	525,214	134,636	390,578	8,529,607	-
2024	-	525,214	140,877	384,337	8,388,730	-
2025	-	525,214	147,407	377,807	8,241,323	-
2026	-	525,214	154,241	370,973	8,087,082	-
2027	-	525,214	161,391	363,823	7,925,691	-
2028	-	525,214	168,872	356,342	7,756,819	-
2029	-	525,214	176,701	348,513	7,580,118	-
2030	-	525,214	184,892	340,322	7,395,226	-
2031	-	525,214	193,463	331,751	7,201,763	-
2032	-	525,214	202,431	322,783	6,999,332	6,999,332
2033	-	525,214	211,815	313,399	6,787,517	-
2034	-	525,214	221,634	303,580	6,565,883	-
2035	-	525,214	231,909	293,305	6,333,974	-
2036	-	525,214	242,659	282,555	6,091,315	-
2037	-	525,214	253,908	271,306	5,837,407	-
2038	-	525,214	265,678	259,536	5,571,729	-
2039	-	525,214	277,994	247,220	5,293,735	-
2040	-	525,214	290,881	234,333	5,002,854	-
2041	-	525,214	304,366	220,848	4,698,488	-
2042	-	525,214	318,475	206,739	4,380,013	-
2043	-	525,214	333,238	191,976	4,046,775	-
2044	-	525,214	348,686	176,528	3,698,089	-
2045	-	525,214	364,850	160,364	3,333,239	-
2046	-	525,214	381,763	143,451	2,951,476	-
2047	-	525,214	399,461	125,753	2,552,015	-
2048	-	525,214	417,978	107,236	2,134,037	-
2049	-	525,214	437,354	87,860	1,696,683	-
2050	-	525,214	457,629	67,585	1,239,054	-
2051	-	525,214	478,843	46,371	760,211	-
2052	-	525,214	501,041	24,173	259,170	-
2053	-	262,607	259,170	3,437	-	-

RESIDUAL ANALYSIS

LIHTC Income Escalation	3.00%
Market Income Escalation	3.00%
Other Income Escalation	3.00%
Commercial Income Escalation	3.00%
Operating Expense Escalation	3.00%
Real Estate Tax Expense Escalation	3.00%
Property Management Fee	0.00%
LIHTC Vacancy	5.00%
Market Vacancy	7.00%
Other Vacancy	5.00%
Commercial Vacancy	10.00%
Cap Rate	5.75%
Asset Mgt Fee Escalation	3%
GP Mgt Fee Escalation	3%

Year	LIHTC Income	LIHTC Vacancy	Market Income	Market Vacancy	Other Income	Other Vacancy	Commercial Income	Commercial Vacancy	Net Receipts	Operating Expenses	Real Estate Taxes	Property Management	Net Operating Income	Placement Reserves	Cash Flow	To Dev Budget	From Reserves	Cash Flow	Cash Flow + Reserves
2018	501,180	(25,059)	-	-	4,836	(242)	-	-	480,715	121,032	20,802	17,400	321,481	1,450	320,031	-	-	320,031	320,031
2019	1,012,380	(50,619)	-	-	9,768	(488)	-	-	971,041	245,694	42,228	35,322	647,797	18,460	629,337	-	-	629,337	629,337
2020	1,032,624	(51,631)	-	-	9,966	(498)	-	-	990,461	253,062	43,494	36,384	657,521	19,013	638,508	-	-	638,508	638,508
2021	1,042,848	(52,142)	-	-	10,068	(503)	-	-	1,000,271	256,800	44,136	36,924	662,411	19,584	642,827	-	-	642,827	642,827
2022	1,032,431	(51,622)	-	-	9,966	(498)	-	-	990,277	249,315	42,846	34,800	663,314	20,171	643,143	-	-	643,143	643,143
2023	1,063,404	(53,170)	-	-	10,265	(513)	-	-	1,019,986	256,794	44,133	35,844	683,215	20,777	662,438	-	-	662,438	662,438
2024	1,095,306	(54,765)	-	-	10,573	(529)	-	-	1,050,585	264,498	45,457	36,919	703,711	21,400	682,311	-	-	682,311	682,311
2025	1,128,165	(56,408)	-	-	10,890	(545)	-	-	1,082,102	272,433	46,821	38,027	724,821	22,042	702,779	-	-	702,779	702,779
2026	1,162,010	(58,101)	-	-	11,217	(561)	-	-	1,114,565	280,906	48,226	39,168	746,565	22,703	723,862	-	-	723,862	723,862
2027	1,196,870	(59,844)	-	-	11,554	(578)	-	-	1,148,002	289,024	49,673	40,343	768,962	23,384	745,578	-	-	745,578	745,578
2028	1,232,776	(61,639)	-	-	11,901	(595)	-	-	1,182,443	297,695	51,163	41,553	792,032	24,086	767,946	-	-	767,946	767,946
2029	1,269,759	(63,488)	-	-	12,258	(613)	-	-	1,217,916	306,626	52,698	42,800	815,792	24,808	790,984	-	-	790,984	790,984
2030	1,307,852	(65,393)	-	-	12,626	(631)	-	-	1,254,454	315,825	54,279	44,084	840,266	25,552	814,714	-	-	814,714	814,714
2031	1,347,088	(67,354)	-	-	13,005	(650)	-	-	1,292,089	325,300	55,907	45,407	865,475	26,319	839,156	-	-	839,156	839,156
2032	1,387,501	(69,375)	-	-	13,395	(670)	-	-	1,330,851	335,059	57,584	46,769	891,430	27,109	864,330	-	-	864,330	864,330
2033	1,429,126	(71,456)	-	-	13,797	(690)	-	-	1,370,777	345,111	59,312	48,172	918,182	27,922	890,260	-	-	890,260	890,260
2034	1,472,000	(73,600)	-	-	14,211	(711)	-	-	1,411,900	355,464	61,091	49,617	945,728	28,760	916,968	-	-	916,968	916,968
2035	1,516,160	(75,808)	-	-	14,637	(732)	-	-	1,454,257	366,128	62,924	51,106	974,099	29,622	944,477	-	-	944,477	944,477
2036	1,561,645	(78,082)	-	-	15,076	(754)	-	-	1,497,885	377,112	64,812	52,639	1,003,322	30,511	972,811	-	-	972,811	972,811
2037	1,608,494	(80,425)	-	-	15,528	(776)	-	-	1,542,821	388,425	66,756	54,218	1,033,422	31,426	1,001,996	-	-	1,001,996	1,001,996
2038	1,656,749	(82,837)	-	-	15,994	(800)	-	-	1,589,106	400,078	68,759	55,845	1,064,424	32,369	1,032,055	-	-	1,032,055	1,032,055
2039	1,706,451	(85,323)	-	-	16,474	(824)	-	-	1,636,778	412,080	70,822	57,520	1,096,356	33,340	1,063,016	-	-	1,063,016	1,063,016
2040	1,757,645	(87,882)	-	-	16,968	(848)	-	-	1,685,883	424,442	72,947	59,246	1,129,248	34,340	1,094,908	-	-	1,094,908	1,094,908
2041	1,810,374	(90,519)	-	-	17,477	(874)	-	-	1,736,458	437,175	75,135	61,023	1,163,125	35,371	1,127,754	-	-	1,127,754	1,127,754
2042	1,864,685	(93,234)	-	-	18,001	(900)	-	-	1,788,552	450,250	77,389	62,854	1,198,019	36,432	1,161,587	-	-	1,161,587	1,161,587
2043	1,920,626	(96,031)	-	-	18,541	(927)	-	-	1,842,209	463,799	79,711	64,740	1,233,959	37,525	1,196,434	-	-	1,196,434	1,196,434
2044	1,978,245	(98,912)	-	-	19,097	(955)	-	-	1,897,475	477,713	82,102	66,682	1,270,978	38,650	1,232,328	-	-	1,232,328	1,232,328
2045	2,037,592	(101,882)	-	-	19,670	(984)	-	-	1,954,398	492,044	84,565	68,682	1,309,107	39,810	1,269,297	-	-	1,269,297	1,269,297
2046	2,098,720	(104,931)	-	-	20,260	(1,013)	-	-	2,013,031	506,805	87,102	70,742	1,348,382	41,004	1,307,378	-	-	1,307,378	1,307,378
2047	2,161,682	(108,068)	-	-	20,868	(1,043)	-	-	2,073,423	522,009	89,715	72,864	1,388,835	42,234	1,346,601	-	-	1,346,601	1,346,601
2048	2,226,532	(111,298)	-	-	21,494	(1,075)	-	-	2,135,624	537,669	92,406	75,050	1,430,499	43,501	1,386,998	689,390	-	2,076,388	2,076,388
2049	2,293,328	(114,623)	-	-	22,139	(1,107)	-	-	2,199,694	553,799	95,178	77,302	1,473,415	44,806	1,428,609	-	-	1,428,609	1,428,609
2050	2,362,128	(118,048)	-	-	22,803	(1,140)	-	-	2,265,685	570,413	98,033	79,621	1,517,618	46,151	1,471,467	-	-	1,471,467	1,471,467
2051	2,432,982	(121,568)	-	-	23,487	(1,174)	-	-	2,333,855	587,525	100,974	82,010	1,563,146	47,535	1,515,611	-	-	1,515,611	1,515,611
2052	2,505,982	(125,183)	-	-	24,192	(1,210)	-	-	2,403,665	605,151	104,003	84,470	1,610,041	48,961	1,561,080	-	-	1,561,080	1,561,080
2053	2,581,161	(128,894)	-	-	24,918	(1,246)	-	-	2,475,775	623,306	107,123	87,004	1,658,342	50,430	1,607,912	-	-	1,607,912	1,607,912
2054	2,658,596	(132,699)	-	-	25,666	(1,283)	-	-	2,550,049	642,005	110,337	89,614	1,708,093	51,943	1,656,150	-	-	1,656,150	1,656,150
2055	2,738,354	(136,598)	-	-	26,436	(1,322)	-	-	2,626,550	661,265	113,647	92,302	1,759,336	53,501	1,705,835	-	-	1,705,835	1,705,835
2056	2,820,505	(140,591)	-	-	27,229	(1,361)	-	-	2,705,348	681,103	117,056	95,071	1,812,118	55,106	1,757,012	-	-	1,757,012	1,757,012
2057	2,905,120	(144,680)	-	-	28,046	(1,402)	-	-	2,786,508	701,536	120,568	97,923	1,866,481	56,759	1,809,722	-	-	1,809,722	1,809,722
2058	2,992,274	(148,865)	-	-	28,887	(1,444)	-	-	2,870,103	722,582	124,185	100,861	1,922,475	58,462	1,864,013	-	-	1,864,013	1,864,013
2059	3,082,042	(153,147)	-	-	29,754	(1,488)	-	-	2,956,206	744,259	127,911	103,887	1,980,149	60,216	1,919,933	-	-	1,919,933	1,919,933
2060	3,174,503	(157,528)	-	-	30,647	(1,532)	-	-	3,044,893	766,587	131,748	107,004	2,039,554	62,023	1,977,531	-	-	1,977,531	1,977,531
2061	3,269,738	(161,909)	-	-	31,566	(1,578)	-	-	3,136,239	789,585	135,700	110,214	2,100,740	63,883	2,036,857	-	-	2,036,857	2,036,857
2062	3,367,830	(166,390)	-	-	32,513	(1,626)	-	-	3,230,325	813,273	139,771	113,520	2,163,761	65,800	2,097,961	-	-	2,097,961	2,097,961
2063	3,468,865	(170,961)	-	-	33,488	(1,674)	-	-	3,327,236	837,671	143,964	116,926	2,228,675	67,774	2,160,901	-	-	2,160,901	2,160,901
2064	3,572,931	(175,632)	-	-	34,493	(1,725)	-	-	3,427,052	862,801	148,283	120,434	2,295,534	69,807	2,225,727	-	-	2,225,727	2,225,727
2065	3,680,119	(180,403)	-	-	35,528	(1,776)	-	-	3,529,865	888,685	152,731	124,047	2,364,402	71,901	2,292,501	-	-	2,292,501	2,292,501
2066	3,790,523	(185,274)	-	-	36,594	(1,830)	-	-	3,635,761	915,346	157,313	127,768	2,435,334	74,058	2,361,276	-	-	2,361,276	2,361,276
2067	3,904,239	(190,245)	-	-	37,692	(1,885)	-	-	3,744,834	942,806	162,032	131,601	2,508,395	76,280	2,432,115	-	-	2,432,115	2,432,115
2068	4,021,366	(195,316)	-	-	38,823	(1,941)	-	-	3,857,180	971,090	166,893	135,549	2,583,648	78,568	2,505,080	-	-	2,505,080	2,505,080
2069	4,142,007	(200,487)	-	-	39,988	(1,999)	-	-	3,972,896	1,000,223	171,900	139,615	2,661,158	80,925	2,580,233	-	-	2,580,233	2,580,233
2070	4,266,267	(205,858)	-	-	41,188	(2,059)	-	-	4,092,083	1,030,230	177,057	143,803	2,740,993	83,353	2,657,640	-	-	2,657,640	2,657,640
2071	4,394,255	(211,329)	-	-	42,424	(2,121)	-	-	4,214,845	1,061,137	182,369	148,117	2,823,222	85,854	2,737,368	-	-	2,737,368	2,737,368
2072	4,526,083	(216,900)	-	-	43,697	(2,185)	-	-	4,341,201	1,092,971	187,840	152,561	2,907,919	88,429	2,819,490	-	-	2,819,490	2,819,490
2073	4,661,865	(222,571)	-	-	45,008	(2,250)	-	-	4,471,530	1,125,760	193,475	157,138	2,995,157	91,082	2,904,075	-	-	2,904,075	2,904,075
2074	4,801,721	(228,322)	-	-	46,358	(2,318)	-	-	4,605,675	1,159,533	199,279	161,852	3,085,011	93,815	2,991,196	-	-	2,991,196	2,991,196
2075	4,945,773	(234,163)	-	-	47,749	(2,387)	-	-	4,743,846	1,194,319	205,257	166,708	3,177,562	96,629	3,080,933	-	-	3,080,933	

OPERATING RESERVE

Assumptions:		
Dev Budget Deposit	\$	287,022
Annual Cash Flow Deposit		-
Escalation		3.00%
Accrue if Unpaid?		No
Hard or Soft		Soft
Start Date (from operations)		Dec-18
Interest		2%
Withdrawn every	30	years
Release \$XXX	\$ -	Year (20X) 0
Min. DSCR for Release		1.15
Min. Reserve Balance		287,022.00

Schedule:								
Year	Cash Flow Deposit	Dev Bgt or Rent-Up Res Deposit	Interest	Reserve Release	To Operations	Balance	Op. Res. Annual Decline	DSCR
2018	-	388,204		-	-	388,204		1.01
2019		-	7,764	-		395,968	0%	1.20
2020		-	7,919	-		403,887	0%	1.22
2021		-	8,078	-		411,965	0%	1.24
2022		-	8,239	-		420,204	0%	1.25
2023		-	8,404	-		428,608	0%	1.27
2024		-	8,572	-		437,180	0%	1.29
2025		-	8,744	-		445,924	0%	1.31
2026		-	8,918	-		454,842	0%	1.33
2027		-	9,097	-		463,939	0%	1.35
2028		-	9,279	-		473,218	0%	1.36
2029		-	9,464	-		482,682		1.38
2030		-	9,654	-		492,336		1.40
2031		-	9,847	-		502,183		1.42
2032		-	10,044	-		512,227		1.44
2033		-	10,245	-		522,472		1.46
2034		-	10,449	-		532,921		1.48
2035		-	10,658	-		543,579		1.50
2036		-	10,872	-		554,451		1.52
2037		-	11,089	-		565,540		1.54
2038		-	11,311	-		576,851		1.56
2039		-	11,537	-		588,388		1.58
2040		-	11,768	-		600,156		1.60
2041		-	12,003	-		612,159		1.62
2042		-	12,243	-		624,402		1.64
2043		-	12,488	-	-	636,890		-

REPLACEMENT RESERVES

Assumptions:		
Annual Deposit		17,400
Start Date		Dec-18
Escalation		3%
% Withdrawn		50%
Withdrawn every	3	years
Interest		2%

Schedule:					
Year	Cash Flow Deposit	Dev Bgt Deposit	Interest	Withdraws	Balance
2018	1,450	-		-	1,450
2019	17,922	-	208	-	19,580
2020	18,460	-	576	-	38,616
2021	19,013	-	962	19,308	39,283
2022	19,584		982	-	59,849
2023	20,171		1,399	-	81,419
2024	20,777		1,836	40,710	63,323
2025	21,400		1,480	-	86,203
2026	22,042		1,944	-	110,189
2027	22,703		2,431	55,094	80,228
2028	23,384		1,838	-	105,450
2029	24,086		2,350	-	131,886
2030	24,808		2,886	65,943	93,637
2031	25,552		2,128	-	121,317
2032	26,319		2,690	-	150,326
2033	27,109		3,278	75,163	105,550
2034	27,922		2,390	-	135,862
2035	28,760		3,005	-	167,627
2036	29,622		3,649	83,814	117,085
2037	30,511		2,647	-	150,243
2038	31,426		3,319	-	184,988
2039	32,369		4,023	92,494	128,886
2040	33,340		2,911	-	165,137
2041	34,340		3,646	-	203,123
2042	35,371		4,416	101,561	141,348
0	35,371		3,181	-	179,900

RENT UP RESERVE

Assumptions:

Principal 101,182
Start Date (from operations) Dec-18
 Interest 2%

Release \$ at stabilization Date Jul-18
 Residual to... Operating Reserve **Yes**
 Cash Flow **No**

Input
 -

Schedule:

Year	Dev Bgt Deposit	Interest	Reserve Release	To Operations	Withdraw To Op Res	Pre-Withdraw Balance	Post-Withdraw
							-
2018	101,182		-	-	101,182	101,182	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-

CONSTRUCTION BUDGET

DEVELOPMENT BUDGET

SOURCE OF FUNDS	Total	Depreciable	Acquisition	Rehab/New Construction	Historic	Funded	Non-depreciable
LP Equity	4,119,743						
Freddie TEL	9,200,000						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
0	-						
Other	-						
Cashflow From Operations	-						
Interest Income / GIC	-						
GP Equity	-						
Deferred Developer Fee	-						
GP Loan	-						
TOTAL SOURCES OF FUNDS	13,319,743						
Surplus (Deficit)	-						
ACQUISITION COSTS							
Acquisition Land	250,000	x	x	x	x	x	250,000
Acquisition Building	6,340,000	6,340,000	6,340,000	x	x	x	x
Acquisition Building Commercial	-	-	x	x	x	x	x
Acquired Reserves	-	x	x	x	x	x	-
Site Improvements-Acquired	185,000	185,000	185,000	x	x	x	-
Furnishings-Acquired	975,000	975,000	975,000	x	x	x	-
HARD COSTS							
Construction	1,572,734	1,572,734	x	1,572,734	1,572,734	x	x
Enlargement Costs (if Historic project)	-	-	x	-	x	x	x
Contractor Overhead	96,867	96,867	x	96,867	96,867	x	x
Contractor Profit	96,867	96,867	x	96,867	96,867	x	x
Performance Bonds	17,763	17,763	x	17,763	17,763	x	x
General Requirements	77,493	77,493	x	77,493	77,493	x	x
Furnishings	243,600	243,600	x	243,600	x	x	x
Site Improvements	150,000	150,000	x	150,000	x	x	-
Utility Hook Up Fees	-	-	x	-	-	x	x
Contingency (% of Costs or Input)	10% 222,632	222,632	x	222,632	222,632	x	x
Commercial/Nonresidential Costs	-	-	x	-	-	x	x
Interior Demolition	-	-	x	-	-	x	x
Building Demolition	-	x	x	x	x	x	-
Parking	-	-	x	-	x	x	x
Off-site Improvements	-	x	x	x	x	x	-
Other Costs	-	-	-	-	-	-	-
Non Depreciable Site Costs	-	-	-	-	-	-	-
ARCHITECTURAL AND ENGINEERING							
Architect	9,000	9,000	x	9,000	9,000	x	x
Survey & Engineering	23,350	23,350	x	23,350	23,350	x	x
Environmental	38,800	38,800	x	38,800	38,800	x	x
Soils	-	-	x	-	x	x	x
Other	70,934	70,934	-	70,934	-	-	-
SOFT COSTS							
Relocation	250,566	250,566	x	250,566	250,566	x	x
Appraisal	7,250	7,250	x	7,250	7,250	x	x
Market Study	11,250	11,250	-	11,250	11,250	-	-
Organizational	-	x	x	x	x	-	x
Professional	-	-	-	-	-	-	-
Accounting	41,475	33,975	-	33,975	33,975	x	x
Cost Certification	-	-	-	-	-	x	x
Construction Period Taxes	20,881	20,881	-	20,881	20,881	-	x
Construction Period Insurance	12,959	12,959	-	12,959	12,959	-	x
Marketing (monthly term if not 180 mths)	8 14,500	x	x	x	x	14,500	x
Contingency	-	-	-	-	-	x	x
Tax Credit Fees	86,803	x	x	x	x	86,803	x
Syndication	10,900	-	x	x	x	x	10,900
Other Soft: Depreciable Expenses	45,006	45,006	-	45,006	45,006	-	-
Other Soft: Funded/Non-Depreciable Expenses	84,994	-	-	-	-	34,994	50,000
FEES							
Developer Fee - Rehabilitation	461,540	461,540	x	461,540	461,540	x	-
Developer Fee - Acquisition	1,125,000	1,047,500	1,047,500	x	x	x	77,500
Other Consultant	-	-	-	-	-	-	-
Other Fees	-	-	-	-	-	-	-
RESERVES							
Replacement Reserves	-	x	x	x	x	x	-
Rent Up Reserve	101,182	x	x	x	x	x	101,182
Operating Reserve (No. Mths or Input)	4 287,022	x	x	x	x	x	287,022
Other Reserves	-	x	x	x	x	x	-
FINANCING							
Loan 1 - Fees and Legal	388,375	75,049	x	75,049	75,049	313,326	x
Loan 2 - Fees and Legal	-	-	x	-	-	-	x
Loan 3 - Fees and Legal	-	-	x	-	-	-	x
Loan 4 - Fees and Legal	-	-	x	-	-	-	x
Loan 5 - Fees and Legal	-	-	x	-	-	-	x
Loan 6 - Fees and Legal	-	-	x	-	-	-	x
Construction Only	-	-	x	-	-	x	x
Other Loan Fees and Legal	-	-	-	-	-	-	x
Interest	-	-	-	-	-	-	x
Interest Override	-	-	-	-	-	-	x
TOTAL	13,319,743	12,086,017	8,547,500	3,538,517	3,073,983	449,623	776,604
Total Cost/Unit	\$229,650.74						
Hard Costs/Unit	\$38,884.83						
Total Cost/Square Footage	\$265.68						
50% Test							
	Depreciable basis +Land	12,336,017					
	Tax-exempt Bonds	9,200,000					
	% of Eligible Basis & Land financed by Tax-Exempt Bonds	74.58%					
	50% Test Met	Yes					

Other Soft: Depreciable Expenses	
Item	Amount
Misc. Soft Costs	\$ 10,006
Special Inspections	\$ 35,000
Item	
TOTAL	\$ 45,006

Other Soft: Funded/Non-Depreciable Expenses				
Item	Amount	Type	Funded Exp.	Non-Depreciable Exp.
Developer DD	\$ 50,000	Non-Depreciable		50,000
Misc. Soft Costs	\$ 34,994	Funded	34,994	
Item				
TOTAL	\$ 84,994		34,994	50,000

ANNUAL OPERATING BUDGET

OPERATING INCOME

RESIDENTIAL RENTAL INCOME

Type	No. Bedrooms	Number of Units	Square Footage	Total Sq.Ft.	Tenant Annual Max LIHTC Income	Upon Completion					Monthly Rent	Annual Rent
						Gross LIHTC	Gross Rent	Utility Allowance	Net Rent			
LIHTC						Escalations		2.00%	Vacancy		5.00%	
50%	2	6	815	4,890	43,640	1,091	1,426	41	1,385	8,310	99,720	
60%	2	35	815	28,525	52,360	1,309	1,426	41	1,385	48,475	581,700	
50%	3	6	994	5,964	50,400	1,260	1,651	66	1,585	9,510	114,120	
60%	3	10	994	9,940	60,480	1,512	1,651	66	1,585	15,850	190,200	
Manager	2	1	815	815	43,640	1,091	1,426	41	1,385	1,385	16,620	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
				-	-				-	-	-	
Total		58	50,134							83,530	1,002,360	

MARKET

MARKET						Escalations		2.00%	Vacancy		7.00%
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
					-					0.00	-
Total		0	-							-	-

Total Units 58 50,134 83,530 1,002,360

Common Areas
Circulation
Total Residential SF

50,134

Low-Income Ratio 100.00% 100.00%

MISCELLANEOUS OTHER INCOME

			Monthly Per Unit	Monthly Income	Annual Income
MISCELLANEOUS OTHER INCOME					
Escalations					
2.00%					
Vacancy					
5.00%					
				9,676	
Total Miscellaneous Other Income					
			\$13.90	806	9,676

OPERATING EXPENSES

Upon Completion

	Sensitivity Percent	Total	Per Unit	Adjusted Total
VARIABLE				
Marketing	100%	-	-	-
Administration	100%	15,173	261.60	15,173
Maintenance	100%	50,937	878.22	50,937
Utilities	100%	50,472	870.21	50,472
Other	100%	2,500	43.10	2,500
TOTAL VARIABLE		119,082	2,053.14	119,082
FIXED				
Insurance	100%	16,000	275.86	16,000
Payroll	100%	106,971	1,844.33	106,971
Other	100%	-	-	-
TOTAL FIXED		122,971	2,120.19	122,971
Project Operating Expenses		242,053	4,173.33	242,053
Escalations				3.00%
Real Estate Taxes	100%	41,600	717.24	41,600
Real Estate Tax Escalation				3.00%
Property Management Fee Percent or Property Management Fee Dollars		0.00% 34,800	600.00	34,800
Total Operating Expense Including Property Mgmt Fee and RE Taxes				318,453
Replacement Reserve				17,400
Total Operating Expense Including Property Mgmt Fee				335,853
		Per Unit	Total	
Replacement Reserve		300.00	17,400	

Start Date - input	
Start Date - Completion	Dec-18
Annual Escalation	3.00%
% Withdrawn	50.00%
Withdrawn Every	3 years
Interest on Reserve Deposits	2.00%

[] PAYMENT DATE CERTIFICATE

Palmdale Park Apartments GP, LLC, a California limited liability company, as the Co-General Partner of Palmdale Park Apartments, LP, a California limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 55, LLC, a Delaware limited liability company, and its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”), with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the [] Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of July 1, 2018 (the “Partnership Agreement”)), as follows:

1. All conditions precedent to the [] Payment Date and the payment by the Investor Limited Partner of the [] Federal Payment as specified in Sections 3.1(c)[()] and 3.1(d) of the Partnership Agreement have been satisfied.
2. No Event of Default has occurred and is continuing and no Limited Partner has delivered a Notice of Default which is currently being contested by the Co-General Partner as of the [] Payment Date.
3. All of the representations and warranties of the Co-General Partner set forth in Section 3.1(d)(vii) and Article 9 of the Partnership Agreement are true and correct in all material respects as of the [] Payment Date as if made thereon.
4. The proceeds of the [] Federal Payment will be applied to pay Project Costs as set forth in the Construction Budget.

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the [] Payment Date an amount equal to the [] Federal Payment as set forth in the Partnership Agreement.

Dated: as of _____, _____

PALMDALE PARK APARTMENTS GP, LLC,
a California limited liability company

By: BLVD Capital, LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Kyle Paine, President

ATTACHMENT A TO EXHIBIT E

CO-GENERAL PARTNER COMPLETION CERTIFICATE

Palmdale Park Apartments GP, LLC, a California limited liability company, as the Co-General Partner of Palmdale Park Apartments, LP, a California limited partnership (the “Partnership”), hereby certifies to Aegon LIHTC Fund 55, LLC, a Delaware limited liability company, and its successors and assigns (the “Investor Limited Partner”), and Transamerica Affordable Housing, Inc., a California corporation (the “Special Limited Partner” and collectively, the “Limited Partners”) with respect to the payment by the Investor Limited Partner to the Partnership of the amount due and owing on the Second Payment Date under that certain Partnership Agreement of the Partnership executed by the Limited Partners in connection with the acquisition by the Limited Partners of their respective Partnership Interests (as that and all other capitalized terms used herein are defined in the Amended and Restated Agreement of Limited Partnership of the Partnership dated as of July 1, 2018 (the “Partnership Agreement”)), as follows:

1. All Government Permits have been obtained and maintained; and neither the Partnership nor any General Partner has received any notice or has any knowledge of any violation with respect to the Project of any law, rule, regulation, order or decree of any Authority having jurisdiction which would have a material adverse effect on the Project or the rehabilitation, use or occupancy thereof, except for violations which have been cured or are in the process of being cured and notices or citations which have been withdrawn or set aside by the issuing agency or by an order of a court of competent jurisdiction;
2. To the best knowledge of the Co-General Partner, the Completion of the Project is substantially in accordance with (A) all applicable requirements of the Loan Documents and other Project Documents, (B) all applicable material requirements of all Authorities, and (C) the Plans;
3. To the best knowledge of the Co-General Partner, the Project, as rehabilitated, has no material design, maintenance or construction defects;
4. There are no mechanic’s liens recorded against the Project and no Person has threatened to assess or record any such mechanic’s lien for which the Co-General Partner has not provided a sufficient mechanic lien release bond;
5. Other than obligations incurred in the ordinary course of business and obligations that will be satisfied with the proceeds of the Second Federal Payment, as of the date hereof, the Partnership has no material outstanding obligations for the repayment of money except for the Loans;
6. The Co-General Partner has set aside 100% of the Rental Units in the Project for households with incomes which satisfy the requirements of Section 42(g) of the Code;
7. The Project has been rehabilitated and operated in a manner which satisfies and shall continue to satisfy, all of the Housing Tax Credit Conditions;

8. To the best knowledge of the Co-General Partner, nothing has occurred that would reduce the allocation of Housing Tax Credits and other Tax Benefits to the Limited Partners as projected in the Initial Economic Projections except to the extent that adjustment thereof has been made pursuant to the terms of this Agreement; and

This certificate is made on the date hereof to induce the Investor Limited Partner to pay to the Partnership on the Second Payment Date an amount equal to the Second Federal Payment as set forth in the Partnership Agreement

Dated: as of _____, ____

PALMDALE PARK APARTMENTS GP, LLC,
a California limited liability company

By: BLVD Capital LLC,
a Delaware limited liability company
its Manager

By: _____
Robert Budman, Manager

By: Community Development Partners,
a California corporation
its Manager

By: _____
Eric Paine, Chief Executive Officer

ARCHITECT'S CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, as Architect, under that certain Architect's Contract dated _____, 20__ between Architect and Palmdale Park Apartments, LP, a California limited partnership (the "Partnership"), hereby certifies to the Partnership, as follows:

1. The rehabilitation of the project located at 38002 15th Street East in Palmdale, California and known as Palmdale Park Apartments (the "Project") has been substantially completed in accordance with those certain plans and specifications dated _____, 20__ prepared by the Architect as modified by approved change orders, and subject to only minor punch list items. (The Project and the land on which it is located shall sometimes collectively be referred to herein as the "Property").

2. The Project has been completed to the best of our professional knowledge in accordance with all applicable federal, state and local conditions, restrictions, reservations, whether or not of record, statutes, regulations and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning and land use requirements, building codes and all restrictions and requirements imposed by the City of Palmdale, California and County of Los Angeles and all other governmental entities including without limitation, the requirements of any general plan as amended, subdivision and parcel map requirements, environmental requirements in connection with use, occupancy and building permits and requirements of public utilities which affect the Property, the requirements of the Americans with Disabilities Act (42 U.S.C. § 12101 and the United States Fair Housing Act (42 U.S.C. § 3601 et. seq.) and the contemplated use of the Property.

3. To the best of the undersigned's knowledge and belief, the Project, as completed, complies with all applicable zoning, environmental, building and land use laws.

4. To the best of the undersigned's knowledge and belief, no governmental agency or entity has issued any notice of violation or non-conformity in connection with the Project.

Dated: _____, _____

ARCHITECT:

_____, AIA

By: _____

Name: _____

Title: _____

EXHIBIT G-1

ACCOUNTANTS' CERTIFICATE
(FIRST ADJUSTMENT DATE)

Palmdale Park Apartments, LP
c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

c/o IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

Aegon LIHTC Fund 55, LLC
AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499-5553
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Amended and Restated Agreement of Limited Partnership of Palmdale Park Apartments, LP, dated as of July 1, 2018 (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the draft Cost Certification for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;

- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount;
- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.
- Determined whether the Actual Acquired Personal Property Basis amount is less than the Projected Acquired Personal Property Basis amount shown in the Initial Economic Projections.
- Determined whether the Actual Acquired Site Improvement Basis amount is less than the Projected Acquired Site Improvement Basis amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that (i) there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution, (ii) there is [is not] an Acquired Personal Property Depreciation Adjuster, calculated pursuant to Section 3.2(b)(vi) of the Partnership Agreement, in the following amount: [\$_____] representing a decrease in the Investor Limited Partner's Capital Contribution, and (iii) there is [is not] an Acquired Site Improvement Depreciation Adjuster, calculated pursuant to Section 3.2(b)(vi) of the Partnership Agreement, in the following amount: [\$_____] representing a decrease in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b)(ii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b)(iii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit

Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$ _____] calculated pursuant to Section 3.2(b)(iv) of the Partnership Agreement.

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$ _____] calculated pursuant to Section 3.2(b)(v) of the Partnership Agreement.

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

EXHIBIT G-2

ACCOUNTANTS' CERTIFICATE
(SECOND ADJUSTMENT DATE)

Palmdale Park Apartments, LP
c/o BLVD Capital
2015 S. La Cienega Blvd #203
Beverly Hills, CA 90211

c/o Community Development Partners
3416 Via Oporto Suite 301
Newport Beach, CA 92663
Attn: Eric Paine
E-mail: epaine@communitydevpartners.com

c/o IH CDP Partnership LLC
c/o Affordable Housing Alliance II, Inc.
dba Integrity Housing
Attn: Philip Wood
4 Venture, Suite 295
Irvine, CA 92618
Tel: (949) 727-3656
Fax: (949) 727-3654

Aegon LIHTC Fund 55, LLC
AEGON USA Realty Advisors, LLC
Mail Drop 5553
4333 Edgewood Road NE
Cedar Rapids, Iowa 52499-5553
Attn: LIHTC Reporting

Ladies and Gentlemen:

Pursuant to Section 3.2(b) of the Amended and Restated Agreement Limited Partnership of Palmdale Park Apartments, LP, dated as of July 1, 2018 (the "Partnership Agreement"), we have:

- Determined the eligible housing tax credit basis from the Cost Certification and the IRS Form 8609s for the Project (the "Eligible Basis"). Based on the foregoing, determined whether (A) the Eligible Basis is different than the projected Eligible Basis used in the Initial Economic Projections attached to the Partnership Agreement (the "Initial Economic Projections") and the calculation of the Projected Federal Housing Tax Credit Amount set forth in the Partnership Agreement;

- Determined whether the Housing Tax Credit Percentage is different than the Housing Tax Credit Percentage used in the Initial Economic Projections and the calculation of the Projected Federal Housing Tax Credit Amount;
- Determined whether, for any other reason, the Federal Housing Tax Credit Amount will be more or less than the Projected Federal Housing Tax Credit Amount shown in the Initial Economic Projections.

Based upon the foregoing, and after giving effect to the adjustments required by Section 3.2 of the Partnership Agreement, we have determined that there is [is not] a Federal Housing Tax Credit Adjustment Amount in the following amount: [\$_____], representing an [increase] [decrease] in the Investor Limited Partner's Capital Contribution.

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected First Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred First Year Federal Housing Tax Credits calculated pursuant to Section 3.2(b)(ii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is [not] less than the Projected Second Year Federal Investor Housing Tax Credit Amount (as defined in the Partnership Agreement), except to the extent such decrease is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the loss in present value of the Deferred Second Year Federal Investor Housing Tax Credits calculated pursuant to Section 3.2(b)(iii) of the Partnership Agreement [if applicable] is [\$_____].

We have also determined whether the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the First Year Federal Investor Housing Tax Credit Amount is greater than the Projected First Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$_____] calculated pursuant to Section 3.2(b)(iv) of the Partnership Agreement.

We have also determined whether the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, except to the extent such increase is already accounted for pursuant to the calculation set forth above. Based on the foregoing, we have determined that the Second Year Federal Investor Housing Tax Credit Amount is greater than the Projected Second Year Federal Investor Housing Tax Credit Amount, resulting in an increase in the Investor Limited Partner's Capital Contribution of [\$_____] calculated pursuant to Section 3.2(b)(v) of the Partnership Agreement.

All capitalized terms contained herein shall have the same meanings as set forth in the Partnership Agreement unless specifically defined herein.

Very truly yours,

FINANCING SUMMARY

All capitalized terms used in this Exhibit H shall have the meanings as set forth in the Agreement.

The Project will receive financing from the following sources:

Bond Loan means the first mortgage construction and permanent loan in the amount of up to \$9,200,000 made or to be made to the Partnership by the Issuer with the proceeds of the Bonds, which consist of a tax-exempt note issued under the volume cap of Section 146 of the Code, and assigned to the Funding Lender. The Bond Loan will bear interest at a rate of 4.4% per annum (exclusive of Issuer, fiscal agent or other third party fees), which interest rate shall be set at the Closing Date. The Bond Loan shall have a term of 204 months and an amortization period of 420 months.

INSURANCE REQUIREMENTS**Title Insurance**

The Partnership shall acquire an Owner's policy of Title Insurance insuring good and marketable title to the Project, subject to such exceptions as do not materially and adversely affect the value of the Project or its intended use. The below table outlines the minimum types and amounts of title insurance that are satisfactory to Aegon, its affiliates, successors and/or its assigns.

TITLE INSURANCE Requirements	
Named Insured:	Partnership
Amount:	The greater of either the total development budget (as shown in the final projections) or equal to total debt (including any projected Deferred Development Fee) plus Equity (TBD as the closing date approaches)
Additional Requirements:	<ul style="list-style-type: none"> • The policy should be dated down to the effective date of the Limited Partners' admission to the Partnership (or as current as possible under local practice). • The compulsory arbitration provision contained in the policy form should be deleted. • Any "pre-printed" or "standard" exceptions should be deleted. • Any property tax exception should be limited to taxes that are "not yet due and payable". • Any tenant's rights exception should contain a qualification that such rights are "to periodic tenancy, as tenants only, under unrecorded leases". • If Schedule B-I of the policy indicates the presence of any easements that are not specifically located, the title insurance policy shall insure against loss or damage resulting from the exercise by the holder of such easement of its right to use or maintain that easement in a manner that conflicts with the use of the insured property or diminishes the value of the improvements. • The legal description shall be identical with that shown on the survey, the deed, the mortgage or deed of trust and other loan documents that require a legal description of the property.
Endorsements Required:	<ul style="list-style-type: none"> • Non-Imputation (ALTA Form 15.1) • Owner's Comprehensive (ALTA Form 9.1 for unimproved land or ALTA Form 9.2 for improved land, as applicable) • Contiguity (if the Land consists of more than one parcel)

TITLE INSURANCE Requirements	
	<ul style="list-style-type: none">• Access• Zoning (including any applicable parking provisions)• Fairway• Maximum Loss Payable• Survey• Tax Benefit/Tax Credit• Location (street address)• Utilities Facilities• Deletion of Arbitration• Subdivision, if applicable• Separate Tax Lot, if applicable• Any other endorsements reasonably requested by the Investor Limited Partner

INSURANCE REQUIREMENTS

The following are construction and permanent insurance requirements. This outline describes the minimum types and amounts of insurance that are satisfactory to Aegon, its affiliates, successors and/or its assigns. *The Special Limited Partner reserves the right to modify the insurance requirements as conditions warrant.*

1) Carrier Requirement

- All carriers must be A- or better rated according to A.M. Best Company, with a Financial Size Category rating by A.M. Best of VIII or higher.

2) Policy Requirements

- Reference the name of the insured property (“Property”), including address, in the “description section” of the insurance certificate.
- Policies shall provide Aegon entities a 30-day prior written notice of cancellation, termination, or reduction of coverage except for non-payment of premium where ten (10) days-notice shall be given.
- Insurance binders, certificates, and policies must name the identified Aegon entity shown below as an additional insured.
- Copies of policies, binders and certificates shall be provided to the Investor Limited Partner no later than the effective date of the policy.

3) Additional Insured / Loss Payee or Certificate Holder, as applicable:

- For all policies, the following entities should be named:
 - Investor Limited Partner – Aegon LIHTC Fund 55, LLC, its successors and/or assigns, as their interest may appear, c/o AEGON USA Realty Advisors, LLC, Mail Drop 5553, Attn: LIHTC Reporting, 4333 Edgewood Rd NE, Cedar Rapids, IA 52499
 - Transamerica Affordable Housing, Inc., its successors, and/or assigns, as their interest may appear, c/o AEGON USA Realty Advisors, LLC, Mail Drop 5553, Attn: LIHTC Reporting, 4333 Edgewood Rd NE, Cedar Rapids, IA 52499

CONSTRUCTION PERIOD COVERAGE

Prior to the commencement of any construction activities, the General Partner shall obtain (or cause to be obtained by the general contractor or the architect, as applicable) the following coverages, which shall remain in force until receipt of the certificates of occupancy for all buildings:

PARTNERSHIP	
Builder's All Risk (Property) - if rehab, insurance must be in place to cover both construction phase and existing structures.	
Named Insured:	Partnership
Loss Payee:	Investor Limited Partner (see Item 3 above)
Additional Insured:	Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Completed Value (Non-Reporting Form) (please provide on ACORD form 28)
Perils:	Special form "All Risk" policy, including wind/hail, subject to the policy terms, conditions and exclusions
	Flood and Earthquake exclusion acceptable (unless specifically required by the Special Limited Partner).
Valuation:	Replacement Cost including the existing structure(s), if applicable <u>Note:</u> Replacement cost value to include 100% of hard and softs costs.
Deductible:	Not to exceed \$10,000 per occurrence
	If located in Tier One Wind County, wind/hail deductible not to exceed 5%. All other locations, wind/hail deductible not to exceed \$10,000
Endorsements/Extensions:	Permission to Occupy Endorsement Renovations Coverage Endorsement Loss of Rents (12 Months)/Delay in Start Up Soft Costs Terrorism Ordinance and Law Coverage Waiver of Co-insurance or Agreed Value Endorsement Transit Must Obtain Property Insurance on a Building by Building Basis once the Certificate of Occupancy is received for that building <ul style="list-style-type: none"> • <u>NOTE:</u> Investor Limited Partner and Special Limited Partner to be associated in the adjustment of any claim Protective Safeguards and Warranties must be deleted

Commercial General Liability - including contractual liability coverage		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	Note: aggregate limits must be written on a "per location" basis	
Deductible	No greater than \$10,000	
	Primary and Non Contributory	

Umbrella Liability (following form)		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000
Deductible/SIR:	\$10,000	

Boiler and Machinery (if property has centralized equipment, boilers or elevators)	
Named Insured:	Partnership
Loss Payee/Additional Interest:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Comprehensive Form
Limit:	Total Building Value
Valuation:	Replacement Cost
Extensions:	Loss of Rents with Mechanical Breakdown Endorsement

Additional Coverages, if applicable	
Flood:	<ul style="list-style-type: none"> • Required if Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). • Policies must be obtained through the National Flood Insurance Plan (NFIP) in the amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. • An excess Flood or Difference in Conditions (DIC) policy should provide for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. • Flood policies must be in full effect for both the construction and permanent phases.
Earthquake:	<ul style="list-style-type: none"> • If located in Seismic Zones 3 or 4, a Seismic Report must be completed to determine Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL) • If the SUL is shown to have an expected seismic damage ratio of less than 25%, earthquake coverage may be waived. • If earthquake coverage is required, it must be in full effect for both construction and permanent phases in the amount not less than full insurance value, with deductible less than 10% total insurable value, and Business Income/Rent Loss at minimum, of 12 month rents.
Wind:	<ul style="list-style-type: none"> • Must be included peril. If excluded, a separate wind/hail policy must be provided at the same limits as the property or builders risk with 12 months rents.
Ordinance and Law:	<ul style="list-style-type: none"> • Must be obtained when the Property represents a non-conforming use under current building, zoning or land use laws or ordinances. The amount is to cover any losses to the undamaged portion of the building at replacement cost, the demolition cost and the increased cost of construction.
Terrorism:	<ul style="list-style-type: none"> • Terrorism coverage is required.

Worker’s Compensation and Employer’s Liability*		
If the Partnership has employee(s), provide evidence of Workers Compensation as applicable by law.		
Certificate Holder:	See Page 1	
Worker’s Compensation:	Per accident	\$1,000,000
Employer’s Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000

Automobile		
If Partnership owns vehicles or has employees at the subject property		
Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000

GENERAL CONTRACTOR

Commercial General Liability - including contractual liability coverage		
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$2,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note: aggregate limits must be written on a "per project" basis</u>	
Covers independent contractors, explosion, collapse and underground		
Deductible	No greater than \$10,000	

Umbrella Liability		
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000
	<u>Note: umbrella to be written on a following form and no exclusions for X, C & U</u>	

Worker's Compensation, Employer's Liability, and Automobile Liability		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000

ARCHITECT

Professional (Errors & Omissions) Liability	
Certificate Holder:	Partnership
Minimum Limit:	\$1,000,000 (please supply Certificate of Insurance on an ACORD Form 25)

PROPERTY MANAGEMENT COMPANY Note: Coverage required for both construction and permanent phases

Commercial General Liability - including contractual liability coverage		
Named Insured:	Property Management Company	
Additional Insured::	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note: aggregate limits must be written on a "per location" basis</u>	
Deductible:	No greater than \$10,000	

Umbrella Liability		
Named Insured:	Property Management Company	
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Worker's Compensation, Employer's Liability, Automobile Liability, and Fidelity Bond		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Fidelity Bond	(6) months of projects gross rental receipts; Fidelity Bond coverage must be in full effect at time of occupancy.	
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000
Errors and Omissions:	Professional liability	\$1,000,000

PERMANENT PHASE COVERAGE

PARTNERSHIP		
Property Insurance		
Named Insured:	Partnership	
Loss Payee:	Investor Limited Partner (see Item 3 above)	
Additional Insured:	Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO Special Form (please supply Evidence of Property Insurance, ACORD form 27, 28 or other "Special" or "All Risk" form); Copies of Policies to follow within 90 day of acceptance	
Limits:	Building (Real Property:	100% of Insurable Value (Replacement Cost)
	Contents (Personal Property):	Replacement Cost Coverage
	Business Interruption:	12 months gross rental income with extra expense. This is to include tenant's gross rents as well as any subsidies
Valuation:	Replacement Cost	
Deductible:	\$10,000 per occurrence If located in Tier 1 Wind County - wind deductible not to exceed 5%. All other locations, wind/hail deductible not to exceed \$25,000	
Extensions:	Vacancy/Un-occupancy up to 60 days Ordinance and Law Waiver of Coinsurance/Agreed Amount Endorsement Terrorism Protective Safeguards and Warranties must be deleted	
Commercial General Liability - including contractual liability coverage		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000

Commercial General Liability - including contractual liability coverage	
	<u>Note</u> : aggregate limits must be written on a “per location” basis
Deductible:	No greater than \$10,000

Umbrella Liability		
Named Insured:	Partnership	
Additional Insured:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Boiler and Machinery (if property has centralized equipment, boilers or elevators)	
Named Insured:	Partnership
Loss Payee/Additional Interest:	Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)
Form:	Comprehensive Form
Limit:	Total Building Value
Valuation:	Repair and/or Replacement
Extensions:	Loss of Rents with Mechanical Breakdown Endorsement

Additional Coverages, if applicable	
Flood:	<ul style="list-style-type: none"> • Required if Property is located within a 100-year flood plain (FEMA Flood Zone “A” or “V” – or any sub-designation of Zone “A” or “V”). • Policies must be obtained through the National Flood Insurance Plan (NFIP) in the amount equal to the full replacement cost or, if that is not available, the maximum amount of insurance available under the NFIP with a deductible not to exceed 2% of the total insured value per building. • An excess Flood or Difference in Conditions (DIC) policy should provide for the difference, if any, between the maximum limit provided by NFIP policies and the full insurable value. • Flood policies must be in full effect for both the construction and permanent phases.
Earthquake:	<ul style="list-style-type: none"> • If located in Seismic Zones 3 or 4, a Seismic Report must be completed to determine Scenario Expected Loss (SEL) and Scenario Upper Loss (SUL).

Additional Coverages, if applicable	
	<ul style="list-style-type: none"> • If the SUL is shown to have an expected seismic damage ratio of less than 25%, earthquake coverage may be waived. • If earthquake coverage is required, it must be in full effect for both construction and permanent phases in the amount not less than full insurance value, with deductible less than 10% total insurable value, and Business Income/Rent Loss at minimum, of 12 month rents.
Wind:	<ul style="list-style-type: none"> • Must be included peril. If excluded, a separate wind/hail policy must be provided at the same limits as the property or builders risk with 12 months rents.
Ordinance and Law:	<ul style="list-style-type: none"> • Must be obtained when the Property represents a non-conforming use under current building, zoning or land use laws or ordinances. The amount is to cover any losses to the undamaged portion of the building at replacement cost, the demolition cost and the increased cost of construction.
Automobile:	<ul style="list-style-type: none"> • Only required if an automobile is used as part of the property's operations (i.e. transportation van) and titled in the name of the Partnership. Liability in the amount of \$1,000,000 is required (per accident combined single limit).
Worker's Compensation:	<ul style="list-style-type: none"> • Only required if Partnership has employees. Employer's Liability limits of \$1,000,000/\$1,000,000/\$1,000,000.
Terrorism	<ul style="list-style-type: none"> • Terrorism coverage is required.

<p>PROPERTY MANAGEMENT COMPANY Note: Coverage required for both construction and permanent phases</p>
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Commercial General Liability - including contractual liability coverage		
Named Insured:	Property Management Company	
Additional Insured::	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Form:	ISO, Occurrence Form (please supply Certificate of Insurance on an ACORD form 25)	
Minimum Limits:	Aggregate Limit	\$2,000,000
	Products / completed operations aggregate	\$1,000,000
	Personal & Advertising Injury	\$1,000,000
	Each Occurrence	\$1,000,000
	Fire Damage	\$50,000
	Medical Expense	\$5,000
	<u>Note</u> : aggregate limits must be written on a "per location" basis	
Deductible:	No greater than \$10,000	

Umbrella Liability

Named Insured:	Property Management Company	
Additional Insured:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Minimum Limits:	1-9 stories	\$5,000,000
	10-19 stories	\$10,000,000
	20 or more	\$25,000,000

Worker's Compensation, Employer's Liability, Automobile Liability, and Fidelity Bond		
Certificate Holder:	Partnership, Investor Limited Partner and Transamerica Affordable Housing, Inc. (see Item 3 above)	
Worker's Compensation:	Per accident	\$1,000,000
Employer's Liability:	Disease - policy limit	\$1,000,000
	Disease - each employee	\$1,000,000
Fidelity Bond	(6) months of projects gross rental receipts; Fidelity Bond coverage must be in full effect at time of occupancy.	
Automobile Liability:	Per accident Combined Single Limit (CSL)	\$1,000,000
Errors and Omissions:	Professional liability	\$1,000,000

PROPERTY MANAGEMENT AGREEMENT

**PALMDALE APARTMENTS
MANAGEMENT AGREEMENT**

This Agreement is made this 1ST day of June 2018, between Palmdale Park Apartments, LP ("Owner"), and John Stewart Company, a California corporation ("Agent"). This Agreement shall be effective when it is executed by all parties.

1. **Appointment and Acceptance.** The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement. Agent hereby agrees to manage the Project in an efficient and satisfactory manner to the best of its ability.
2. **Description of Project.** The property (the "Project") to be managed by the Agent under this Agreement is a housing development consisting of the land, buildings, and other improvements as follows: :

Owner Name: Palmdale Park Apartments, LP, **Tax ID Number: 82-4334620**
Legal Owner of Project Named: Palmdale Apartments
Project Location: 38002 15th Street
Palmdale, CA 93550

Project City: Palmdale
Project State: California
Project County: Los Angeles

Number of Dwelling Units (including any units for on-site employees): 58

3. **Definitions.**

a. FOR ALL PROPERTIES

- (1) "Lenders" shall mean those agencies or individuals that have provided financing for the Project.
- (2) "Management Representative" shall mean a John Stewart Company employee, i.e., Regional Manager, Property Manager or maintenance personnel.
- (3) A "Mortgage" is an instrument or agreement between the Owner, as Mortgagor, and the Mortgagee, creating a lien on the Project as security for the payment of debt, which mortgage may be insured by the United States Department of Housing and Urban Development.
- (4) "Mortgagee" shall mean agencies or individuals to which the Project has been mortgaged.
- (5) "Principal Parties" shall mean the Owner and the Agent.
- (6) "Regulatory Agreements" shall mean those regulatory agreements, use agreements or declarations of restrictive covenants by and between the Owner and Lenders or regulatory agencies which have been provided to the Agent.
- (7) "Secretary" shall mean the Secretary of the United States Department of Housing and Urban Development.
- (8) "Act of God" shall mean a natural catastrophe which no one can prevent such as but not limited to an earthquake, a tidal wave, a volcanic eruption, or a tornado.

b. FOR HUD PROPERTIES

- (1) "HUD" shall mean the United States Department of Housing and Urban Development.

c. FOR TAX CREDIT PROPERTIES

- (1) "Code" shall mean Section 42 of the Internal Revenue Code of 1986, as amended.
- (2) "Limited Partner" shall mean the tax credit investor limited partner of the Owner, as provided in the Owner's partnership agreement.

4. **Basic Information.** As soon as possible and to the extent readily available, the Owner will furnish the Agent with a complete set of plans and specifications, and copies of all guaranties, warranties, regulatory agreements and loan documents applicable to the property, operating instructions and/or handbooks pertinent to construction, fixtures, and equipment at the Project. With the aid of this information and through inspection by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Project, and especially the electrical, heating, plumbing, air-conditioning and ventilating systems, the elevators, and all other mechanical equipment and systems. The Owner will be required to confirm in writing any and all initial rents and utility charges/allowances prior to the start of the marketing/lease-up (as applicable) or prior to the commencement of the term of this Agreement, whichever comes first.
5. **Rentals.** The Agent will offer for rent and will rent the dwelling units, parking spaces, commercial space and other rental facilities and concessions in the Project. Incident thereto, the following provisions will apply:
- a. **Showing Premises to Prospective Tenants.** The Agent will show the premises to prospective applicants.
- b. **Processing Applicants.** The Agent will process, in compliance with the Tenant Selection Plan, applications for tenancy, and will notify applicants of their eligibility status and their right to appeal a determination of ineligibility or denial. If an application is rejected, the Agent will tell the applicant the reason for rejection, and advise rejected applicants of their right to appeal. Rejected applications, with reasons for rejection noted thereon, will be kept on file for three (3) years, or for such longer period as may be required by a Lender, if any. A current list of prospective tenants will be maintained.
- c. **Executing Leases.** In consultation with the Owner, the Agent will prepare all dwelling leases, parking permits, house rules and other relevant lease addenda for approval by the Owner, and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases will comply with the pertinent provisions of California landlord/tenant law, and the Regulatory Agreement(s) (if any). Dwelling leases will be in a form approved by the Owner, but individual dwelling leases and parking permits need not be submitted for the approval of the Owner.
- d. **Collecting and Disbursing Deposits.** The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each household's lease. Security deposits will be deposited by the Agent in an interest bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government and the interest thereon will be used as required by local ordinance or Owner direction; in the absence of such local ordinance or Owner direction, said interest will be transferred to the Project operating account on a regular basis. This account will be carried in the Owner's name and designated of record as "Palmdale Park Apartments Security Deposit, John Stewart Company, FBO Palmdale Park Apartments, LP."

6. **Collection of Rent and Other Receipts.** The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Subject to the rights of mortgagees under any assignment of rents, such receipts will be deposited in Owner's account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Owner's name and designated of record as "Palmdale Park Apartments Operating, John Stewart Company, FBO Palmdale Park Apartments, LP".

7. **Enforcement of Governing Documents.**

- a. **Securing Compliance.** The Agent will secure full compliance by each Tenant with the terms of his or her lease and/or other applicable documents. Voluntary compliance will be emphasized, and the Agent, utilizing the services of local social services agencies when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or under the circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent possible, consistent with sound management of the Project. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the Tenant's Lease. For this purpose, Owner authorizes Agent to consult with legal counsel to file actions for eviction and assigns to Agent the right to both file unlawful detainer actions in Agent's own name to recover possession of units and to execute notices to vacate and judicial pleadings incident to such actions, provided that Agent keeps Owner informed of such actions and follows instructions that the Owner may provide for the conduct of such actions. Attorney fees and other necessary costs incurred in connection with such actions will be paid out of the Operating Account as Project expenses.
- b. **Abiding by Requirements of Governing Agencies.** Agent and Owner agree to abide by all regulatory, statutory and administrative requirements of governing agencies pertaining to the Project, including but not limited to HUD, TCAC, HCID.

8. **Maintenance and Repair.** The Agent will maintain the Project in good repair and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner (including financial limitations) in addition to those contained herein. Incident thereto, the following provisions will apply:

- a. **Preventive Maintenance.** Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used. A preventive maintenance schedule shall be developed by Agent for approval by the Owner. This schedule shall be updated annually.
- b. **Independent Contractors.** Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
- c. **Service Requests.** The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
- d. **Purchasing.** The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for the proper maintenance and repair of the Project.
- e. **Prior Approval of Owner of Expenditures Above Threshold.** Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure

which exceeds \$1,000 (one thousand dollars), in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible. Agent must obtain 3 bids for any expense greater than \$3,000.

- f. Inspection of Units. Agent shall have the right to inspect all units in the Project at least annually and shall invite Owner to join in the inspection. Advance notice shall be given to residents as provided in the Lease Agreements and required by law. Agent will cooperate with Owner's Lenders when inspections are requested.

9. **Employees.** The Owner and Agent will determine the number, qualifications, and duties of the personnel to be regularly employed in the management of the Project. All such on-site personnel will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:

- a. Duties of the Property Manager. The Property Manager will have duties of the type usually associated with this position. He/she will be directly responsible to the Agent. The Property Manager will coordinate his/her activities in the interest of good overall management of the Project.
- b. Employee Compensation and Benefits. In accordance with Agent's employment policies, the compensation (including fringe benefits) of the on-site employees will include but not necessarily be limited to those required by local, state and federal law; life, disability, and medical insurances; paid vacation and sick leave and other benefits as may be provided by Agent.
- c. Project Responsibility for Compensation. The Project is responsible for compensation (including fringe benefits) payable to the on-site employees, for all local, state, and Federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance) and for any payroll processing to the employment of such personnel. Such costs will be paid out of the Operating Account and will be treated as Project expenses.
- d. Compensation as a Cost to the Project. Compensation payable to the on-site employees, including fringe benefits and assessments incident to the employment of such personnel, will be borne solely by the Project, and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free (partially or in full) to any on-site staff will be treated as a cost to the Project.

10. **Financial Accounts.** Agent shall establish the following separate interest bearing deposit accounts for Project funds as may be required by the Owner and/or the Regulatory Agencies and/or the partnership agreement: the "General Operating Account," the "Replacement Reserve Account," the "Operating Reserve Account," and the "Security Deposit Account." Each of these accounts shall be fully insured by the Federal Deposit Insurance Corporation and shall be in the Owner's name. These funds shall not be commingled with Agent's funds or Owner's other funds. In collecting, handling, and disbursing these funds, Owner and Agent shall comply with this Agreement and applicable law.

- a. General Operating Account. Agent shall deposit revenue collected pursuant to Section 6 of this Agreement (other than security deposits) shall be credited to the General Operating Account.
- b. Replacement Reserve Account. If required, Agent shall transfer from the General Operating Account to the Replacement Reserve Account one-twelfth of the annual required amount on or before the 20th day of each month. All interest or other income earned by the Replacement Reserve Account shall be applied solely to the purposes of the Account.

Disbursement will be made in accordance with the applicable regulatory restrictions and Lender and Investor requirements.

- c. Operating Reserve Account. If required, the Owner will capitalize the Operating Reserve Account in an amount required by Lenders and Limited Partner at the time the construction loan is converted to a permanent loan. Thereafter the Agent will deposit an amount required by the Lenders and Limited Partner in the Operating Reserve Account each month. All interest or other income earned by the Operating Reserve Account shall be applied solely to the purposes of the Account. Disbursement will be made in accordance with the applicable regulatory restrictions.
- d. Security Deposit Account. If required, Agent shall deposit all tenant security deposits in the Security Deposit Account. All interest or other income earned by the Security Deposit Account shall be applied solely to the purposes of the Account or as otherwise directed by Owner or local law if no regulatory requirements apply. In the absence of local ordinances, regulatory requirements, state law or instructions from the Owner, interest on the Security Deposit Account shall be transferred to the Operating Account on a regular basis. Disbursements will be made in accordance with applicable laws and regulatory restrictions.

11. Disbursements from Operating Account.

- a. Agent will Make Certain Disbursements. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 6 above, the Agent will make the following disbursements promptly when payable:
 - (1) Employee Compensation. Compensation, taxes and benefits payable to the employees specified in Section 9 above, and for the taxes and assessments payable to local, state, and federal agencies in connection with the employment of such personnel.
 - (2) Mortgage Payments. The single aggregate payment required to be made monthly by the Owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premium, ground rents, taxes and assessments, fire and other hazard insurance premiums, and the amount specified in the Regulatory Agreement for allocation to the Reserve for Replacements (if applicable).
 - (3) Agent Compensation. All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 23 below, for its service hereunder.
- b. Other Disbursements Only as Directed by the Owner. Except for the disbursements mentioned in Subsection 11a above, in the event of an emergency, as provided in Section 8e, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.
- c. Operating Shortfalls. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 11a above, in **no event** will the Agent be required to use its own funds to pay such disbursements. Agent will advise Owner immediately of any such deficiency. Any such operating shortfalls that cannot be covered by the Owner will be considered a material breach of the Agreement and may result in the termination of the Agreement, as discussed in Section 24 below.
- d. Agent's Right to Recover Cost of Payments to Owner/Project Debts. If at any time the Agent has, due to the circumstances described above and at its sole and absolute discretion with Owner's approval, paid out of its own funds any debts due and payable

by the Project/Owner, including but not limited to management fees and payroll expenses of personnel providing on-site services, the Agent has the right to recover the total cost of any debts paid plus interest charges in the amount of 1.5% per month of the unpaid balance.

12. Annual Operating Budgets.

- a. **General Overview.** Annual operating budgets for the Project will be as approved by the Owner. Except as permitted under Subsection 8e above, monthly disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. The Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least sixty (60) days before the beginning of the fiscal year. This recommended operating budget will include (i) repairs and maintenance; (ii) utilities; (iii) cleaning and janitorial services; (iv) expenditures, if any, for repairs, alterations, rebuilding, replacements, additions and/or improvements in and to the project; (v) security services; (vi) compensation and related fringe benefits and payroll expenses for personnel providing on-site services; and (vii) other costs and expenses to be incurred in operating the Project, including but not limited to customary and conventional site office expenses such as copying and postage, computer hardware and software, telephone and internet access, etc.
- b. **Budget Submission and Approval Process.** The Owner will accept or reject the proposed Annual Operating Budget and will inform the Agent of any changes in the budget within thirty (30) days of Agent's submittal of the recommended operating budget. If Owner shall reject any proposed Annual Operating Budget submitted by Agent as provided above, Agent shall submit to Owner for Owner's approval a new proposed Annual Operating Budget satisfying Owner's rejection as aforesaid. If the proposed Annual Operating Budget is not approved before the start of the new fiscal year, the Agent shall operate, to the extent possible, under the previous year's Annual Budget. In the event that a Project Regulatory Agreement requires Lender approval of an Annual Operating Budget, Agent may submit the proposed budget to Owner in advance of the time period set forth herein, in order to allow for submission and approval of the budget by Lender prior to the start of a new fiscal year.
- c. **Agent Operating Within Annual Operating Budget.** During the fiscal year (or partial fiscal year) covered by each particular Annual Operating Budget, the Agent in the performance of its duties as provided in this Agreement, shall operate within that Annual Budget as approved by Owner, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

13. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. **Records.** The Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner and in accordance with GAAP guidelines. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.
- b. **Reports.** Agent will furnish to the Owner by the fifteen (15th) day of each month (or such other date as agreed upon in writing by Owner and Agent) the following:
 - (1) **Statement of Income and Expenses.** A statement of income and expenses for the previous month, with a schedule of accounts receivable and payable, balance sheet, and reconciled bank statements for the Operating Account and Security Deposit Account as of the end of the prior month.
- c. **Other Reports.** Agent shall furnish to owner by the fifteen of day of each month the following:

- (1) List of Delinquent Accounts. An itemized list of all delinquent accounts, including rental accounts, as of the last day of the prior month with narrative explanation of tenant delinquency.
- (2) Variance Report. A report comparing actual and budgeted figures for income and expenses for the prior month and year-to-date with narrative for balances.
- (3) Weekly reports in BLVD's format.
- (4) HUD billing report (Vouchers)
- (5) Special claims billing report

d. Additional Reports.

- (1) Reports as Occasionally Requested by Owner. The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.
- (2) Property Tax Exemption Filing. Owner will advise Agent if the Project is eligible for a property tax exemption from the California Board of Equalization. Owner shall provide required information to seek exemption by completing a Filing Claim for Property Tax Exemption. Agent will then assist the Owner with completing a filing claim for property tax exemption.

14. Fidelity Bond. The Agent will furnish a fidelity bond in an amount that is at least twice the monthly gross potential income of the Project and is conditioned to protect the Owner against misappropriation of Project funds by the Agent and on-site and corporate employees. The pro rata cost of this bond for on-site employees shall be a project expense and the pro rata cost of this bond for Agent's corporate employees shall be borne by Agent. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Owner.

15. Audits. Owner must execute an engagement letter and provide a copy to the Agent before Agent will release documents and information to the Auditor. All financial work completed by the Agent will be maintained in detailed, well-organized folders for review and audit purposes. At the end of each fiscal year, the Agent will provide the auditors a year-end trial balance together with a complete report for the last month of the year and a year-to-date general ledger. The Agent will include in the report copies of insurance and property tax bills. The Agent will not provide schedules, lists, account analysis, mortgage or bank confirmations. The Agent will coordinate with auditors an acceptable time and office space for auditor's fieldwork at the Agent's office. The Agent will make corporate staff available to answer questions. The Owner shall submit Federal and State Income Tax Returns received from the auditor and signed by Owner, and make all payments as directed by the auditor. The Agent will release books and records to site or storage upon receipt of a complete and final audit or review and adjusting journal entries, if any. Agent will cooperate and assist Owner in providing the above items. To the extent that additional work is requested by the Owner or auditor that exceeds the scope of work detailed above, the Agent may charge an additional fee of \$75.00 per hour for such work.

16. Utilities and Service Contracts. In accordance with the operating budget for the Project, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, computer software and services and/or licensing, internet access, fax and telephone services. The Agent will negotiate concession agreements, maintenance and service contracts, and will execute the same, identified thereon as Agent for the Owner, subject to the Owner's prior approval of all terms and conditions, including, but not limited to length of term and fees for such services. All said contracts shall be in the name of the Project or Owner and shall be the obligation of the Project/Owner and not the Agent. All

contracted equipment and services will survive the term of this Agreement and will remain an obligation of the Project/Owner and are not transferable to the Agent.

17. Bids and Purchase Discounts, Rebates or Commissions.

- a. General Overview. The Owner and Agent agree to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the Project and to secure and credit to the Project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the Project.
- b. Soliciting Estimates. The Agent shall solicit written cost estimates (i.e. bids) from at least three qualified contractors or suppliers for any work item which the Agent or Owner estimates will cost \$3,000 (three thousand dollars) or more and for any contract or ongoing supply or service arrangement which is estimated to exceed \$3,000 (three thousand dollars) per year. The Agent agrees to accept the bid which represents the lowest responsible price taking into account the bidder's reputation for quality of workmanship or materials and timely performance, and the timeframe within which the services or goods are needed. At start-up, the Agent will bid out the various major contracts, i.e., the exterminator service, landscape, property insurance, annual audit and major vendors. All initial bids will be reviewed by the Owner prior to execution of the contracts. All renewals of contracts will be first reviewed by the Owner. No contract shall exceed one (1) year in length, without prior approval from Owner, and contracts over one (1) year shall be terminable without penalty on thirty (30) days notice. For any contract or ongoing supply or service arrangement obtainable from more than one source and estimated to cost less than \$3,000 (three thousand dollars), the Agent shall solicit verbal or written cost estimates, as necessary, to assure that the Project is obtaining services, supplies and purchases at the lowest possible estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Agent shall be made part of the Project's records and shall be retained for three (3) years from the date the work was completed. This documentation shall be subject to inspection by the Owner or his/her designee and the Agent agrees to submit such documentation upon request.

18. Social Services Program. Unless otherwise agreed by the Agent, Owner will be responsible for carrying out any on-site social services program. The provider(s) of any on-site social services and/or Owner will coordinate such program activities with the management staff.

19. On-Site Management Facilities. Subject to the further agreement of the Owner and Agent as to more specific terms and pursuant to California law, the Agent will maintain a management office within the Project and at least one on-site employee will reside in one of the dwelling units in the Project. The employee may or may not pay rent pursuant to California laws and/or Regulatory Agreements. Any unit provided to employees should be considered part of employees' total compensation for budgeting purposes.

20. Insurance.

- a. Owner Will Inform Agent. The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations (including any non-residential space), and the Agent will cause such insurance to be placed and kept in effect at all times. The Owner will be required to complete and submit to the Agent Attachment 1, "Owner Certification of Project Insurance Requirements" prior to commencement of management of the Project or in any event no later than sixty (60) days prior to occupancy of the Project.
- b. Owner Determination Who Will Place Insurance.
 1. Insurance Placement. Insurance placement will be done by Owner OR Agent.

Owner initials: JRBL

- c. **Owner Advising the Agent.** The Owner must advise the Agent during the term and during any subsequent renewals or extensions of this Agreement the amount of insurance coverage required by Owner and/or any mortgagee, loss payee, additional insured, partnership agreement or Regulatory Agreement;
- d. **If Owner Does not Place or Advise Insurance.** If the Owner does not place insurance or advise insurance requirements, the Agent will purchase, at project expense, insurance coverage for General Liability and Property insurance with minimum limits as follows (insurer will have a Best's Rating greater than A -, VII):
- (1) **General Liability:** Commercial or Comprehensive General Liability covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 per occurrence and \$2,000,000 aggregate liability limits. Said insurance shall include, but not be limited to: Premises and operations liability and personal injury liability. Where a location exceeds four stories, an additional one million of excess coverage will be added for every two floors above the first three floors. All policies shall include the Agent as a named insured or additional named insured.
 - (2) **Property:** Building coverage limits shall be sufficient to replace the property in the event of a total loss (based on an inspection ordered by the Agent), and include contents as necessary, and coverage for Loss of Rents (income) for no less than one year's income. Other coverages such as Boiler and Machinery and Building Ordinance shall be included when applicable.
- e. **General Considerations.** The Agent shall be designated an insured party on all insurance policies related to the Project. The Agent will pay premiums for Project insurance out of the Operating Account, and such premiums will be treated as operating expenses of the Project. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the Owner, and shall be otherwise in conformity with the requirements of the Lenders and the Mortgagee; provided that the same will include public liability coverage, with the Agent designated as one of the insured, in amounts acceptable to the Agent as well as the Owner. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith. The Owner is required to provide a full copy of all policies to the Agent. Any policy exclusions must be disclosed prior to the execution of this Agreement. Under no circumstances will the Agent be required to provide liability coverage for the Project/Owner from the Agent's corporate liability policy. Any policy exclusions must be disclosed prior to the execution of this Agreement. All Project insurance shall be primary to and non-contributory with any other insurance maintained by the Agent and/or Owner.
- f. **Commercial Tenants.** If the property has commercial tenants or other vendors or service providers on site that are not under a contractual agreement directly by Agent,, said tenants and other vendors or service providers will be required to name Agent as additional insured on their liability policies and provide evidence thereof.

21. Compliance with Governmental Orders. The Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by Federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 8e with respect to repairs.

Notification to Owner. Nevertheless, the Agent shall take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt.

22. Nondiscrimination. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital

status, familial status, source of income, age, disability, AIDS or AIDS related condition including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

- 23. Agent's Compensation.** The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Project expenses. Such fees will be payable by the tenth (10th) day of each month during the term of this Agreement.
- a. Management Fees. Each such monthly fee will be
 - (1) \$50.00 (fifty dollars) per unit per month, for management services; or
 - b. Other Fees As Applicable. If applicable, other consulting, compliance or marketing fees will apply only with express prior written consent of owner. A separate Marketing Agreement has been (or will be) executed as indicated in Section 29(d) of this Agreement. No additional fees are anticipated. Owner shall not reimburse agent for corporate expenses, including but not limited to staff mileage and training.
- 24. Term of Agreement.** This Agreement shall be in effect for a period of two (2) years, beginning on the 1st day of June 2018, and ending on the 31st day of May 2020. If by the final day of said term, this Agreement is not extended or superseded by an extension agreement or a newly executed agreement, the term of the Agreement is then assumed to be month-to-month, with a 3% increase to the Agent's fees as described in Section 23 above and an additional 3% increase to Agent's fees upon each subsequent anniversary of the contract, subject to any required approval of Lenders. Any such increase in fees will be conditional to thirty (30) days advance notice from the Agent to the Owner. The term of this Agreement is subject, however, to the following conditions:
- a. Voluntary Termination: This Agreement may be terminated voluntarily by either party with thirty days (30) written notice.
 - b. Involuntary Termination by the Owner: This Agreement may be terminated by the Owner for cause in the event of material non-performance and/or breach of contract by Agent subject, however, to the proviso that Agent shall be given notice of such failure and a reasonable opportunity to remedy the stated cause if such breach or nonperformance is capable of being remedied. Unless otherwise provided by Owner, a reasonable cure period shall be defined as thirty (30) days. In the event that Agent has not demonstrated that it can remedy the failure within a reasonable time period, the Contract shall be terminated for cause with thirty (30) days written notice.
 - c. Involuntary Termination by Agent.
 - (1) Immediate Termination. This Agreement may be immediately terminated by the Agent in the event that:
 - (a) Operating Shortfalls. Operating shortfalls are not covered by the Owner. In no event will the Agent be required to cover such shortfalls, and such shortfalls shall be deemed to constitute a material breach of the Agreement.
 - (b) Bankruptcy. A petition is filed by or against the Project and/or the Owner, or the Project and/or the Owner seeks relief under any of the chapters of the Federal Bankruptcy Acts, or in the event that the Property and/or the Owner makes an assignment for the benefit of creditors (whether by common law assignment or pursuant to specific provisions of State or Federal law) or states in writing that it cannot pay its debts when due, or takes advantage of any insolvency act.

- (2) Termination Within Thirty Days. This Agreement may also be terminated by the Agent with thirty (30) days written notice to The Owner upon the following:
- (a) Owner's violation or willful disregard of any material provisions of any health and safety codes, applicable Federal, State and local laws, Regulatory Agreement or other binding documents affecting the Project.
 - (b) The Owner pursues any unlawful activity that materially affects the Project or disrupts or interferes with Agent's ability to provide management services to the Project under the terms of this Agreement.
- d. Force Majeure. Neither party will be responsible for any failure to perform its obligations under this Agreement due to reasons beyond its reasonable control, such as an "act of God", war, riot, embargoes, or acts of civil or military authorities. If a party's performance will be delayed by a force majeure event, it will notify the other in writing with an estimate of the date by which its performance will be resumed, and will diligently attempt to resume its performance. If the delay in performance extends for more than 30 days, the other party may by written notice terminate this Agreement.
- e. Upon Termination. Upon termination, the Agent will submit to the Owner any financial statement required and, after the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and principal amount reasonably satisfactory to the Agent, against any undisputed obligations or liabilities the Agent may properly have incurred on behalf of the Owner hereunder during the term of this Agreement prior to the date of termination.

25. Interpretative Provisions.

- a. Rights Subordinate to the Secretary. At all times, this Agreement will be subject and subordinate to all rights of the Secretary (as applicable), and will inure to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns.
- b. The Entire Agreement. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid, unless made by supplemental written agreement, executed and approved by the Principal Parties.
- c. Counterparts. This Agreement may be executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the counterparts.

26. Indemnification.

- a. Owner to Agent: Owner shall indemnify and defend Agent against and hold Agent harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of any matter related to the Project, the conduct of the business of Owner, any and all pre-existing conditions at the Project (including but not limited to mold and mildew) as of the starting date of this Agreement, or any action taken by Agent within the scope of its duties or authority under this Agreement, excluding only such of the foregoing as result from (i) any material default by Agent, (ii) any gross negligence or willful misconduct of Agent or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein. Agent

shall be designated as an additional named insured on all applicable insurance coverage related to the Project.

- b. **Agent to Owner:** Agent shall indemnify and defend Owner against and hold Owner harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of (i) any material default by Agent under the provisions of this Agreement, (ii) any gross negligence or willful misconduct of Agent, or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein.
- c. The provisions of this Section shall survive the termination of this Agreement.

27. Adjudication and Attorney's Fees. The provisions of this Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event that either party incurs legal costs in the enforcement of the Agreement, the non-prevailing party in such controversy shall pay the legal costs (including, but not limited to reasonable attorney's fees) of the prevailing party.

28. Business License. At its own expense, Agent shall qualify to do business and obtain and maintain such licenses as may be required for the performance by Agent of its services under this Agreement.

29. Miscellaneous.

- a. Agent and on-site staff must disclose any direct or indirect benefits received through operating the property, including interest in any vendors that service the property.
- b. Agent and its employees including on-site staff shall not take any kick backs, both monetary and non-monetary.
- c. Agent shall manage the REAC and MOR inspections.
- d. Agent shall perform quarterly special claims billing, at a minimum.
- e. Agent to provide a full list of allowed reimbursables.
- f. Agent shall use Owner's Yardi property management system for accounting.

30. Program and/ or Property Specific Addenda

- a. X YES. NO. This Agreement requires the "HUD Addendum".
- b. X YES. NO. This Agreement requires the form HUD-9839-B ("Project Owner's/Management Agent's Certification").
- c. X YES. NO. This Agreement requires the "Tax Credit Addendum".
- d. YES. X NO. This Agreement requires the "HCD Management Agreement Addendum".
- e. YES. X NO. This Agreement requires a "Marketing Addendum".

31. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and addressed to the address set forth below and shall be given by any of the following means: (a) personal service; (b) electronic communication, or (c) registered or certified,

first class mail, return receipt requested. Such addresses may be changed by notice to the other parties given in the same manner, as provided above. Any notice, demand or request sent pursuant to either subsection (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, and, if sent pursuant to subsection (c) shall be deemed received on the date of delivery or the date that delivery is refused by the addressee, as shown on the return receipt.

If to Owner:


Robert Budman – BLVD Capital
c/o – LA 78 Apartments
215 S. La Cienega Blvd
Beverly Hills, CA 90211

and, if intended for Agent, shall be addressed to:

John Stewart Company
888 S. Figueroa St, Ste 700
Los Angeles, CA 90017
Fax #: (213) 833-1864

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers), have executed this Agreement on the date first above written.

OWNER: Palmdale Park Apartments, LP

SIGNATURE: 

BY: Robert Budman

TITLE: Manager

AGENT: JOHN STEWART COMPANY

SIGNATURE: 

BY: Lori Horn

TITLE: Vice President

**ATTACHMENT 1:
OWNER CERTIFICATION OF PROJECT INSURANCE REQUIREMENTS**

PROPERTY NAME: Palmdale Apartments

LOCATION: 38002 15th Street, Palmdale, CA 93550

1. The Owner must advise the Agent during the term and during any subsequent renewals or extensions of this Agreement the amount of insurance coverage required by Owner and/or any mortgagee, loss payee, additional insured, partnership agreement or Regulatory Agreement;
2. If the Owner does not advise requirements, the Agent will purchase, at project expense, insurance coverage for General Liability and Property insurance with minimum limits as follows (insurer will have a Best's Rating greater than A -, VII):

GENERAL LIABILITY: Commercial or Comprehensive General Liability covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 per occurrence and \$2,000,000 aggregate liability limits. Said insurance shall include, but not be limited to: Premises and operations liability and personal injury liability. Where a location exceeds four stories, an additional one million of excess coverage will be added for every two floors above the first three floors. All policies shall include the Agent as a named insured or additional named insured.

PROPERTY: Building coverage limits shall be sufficient to replace the property in the event of a total loss (based on an inspection ordered by the Agent), and include contents as necessary, and coverage for Loss of Rents (income) for no less than one year's income. Other coverages such as Boiler and Machinery and Building Ordinance shall be included when applicable.

3. Coverages Required and/or Advised by the Owner:

Insurance Type	Required		Amount Required	Responsible to Obtain		Where Required (Regulatory Agreement, Loan Agreement, Partnership Agreement, Etc...)
				(Owner to Initial Below for Each)		
	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>		Mgmt	Owner	
Property	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
General Liability	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Business Income	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Separate Auto Liability	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Umbrella/Excess Liability	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Boiler & Machinery	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Directors & Officers	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Earthquake	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Flood	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				
Fidelity/Crime	Yes: <input type="checkbox"/>	No: <input type="checkbox"/>				

OWNER: Palmdale Park Apartments, LP

OWNER SIGNATURE: _____

TITLE: _____

DATE: _____

PALMDALE APARTMENTS
HUD MANAGEMENT AGREEMENT ADDENDUM

This document (the "HUD Addendum") supplements provisions of the "Management Agreement" dated the 1ST day of December 2017, between Palmdale Park Apartments, LP ("Owner"), and John Stewart Company, a California corporation ("Agent"), (the "Original Agreement"). This HUD Addendum shall be effective when it is executed by all parties.

To the extent the terms of this HUD Addendum in any way conflict with the terms of the Original Agreement, or with any other agreements, whether oral or written, between the parties hereto pertaining to the Project, the terms of this HUD Addendum and HUD regulations shall control. All terms and conditions of the Original Agreement, amendments and supplements not affected by this Addendum shall remain in full force and effect. For the purposes of this HUD Addendum, the Original Agreement and HUD Addendum shall be referred to collectively as the "Management Agreement"

1. **Regulatory and/or Agency Requirements.** In the event of a conflict between HUD's rights and requirements and any provision of the Management Agreement, HUD's rights and requirements will prevail.
2. **Computation of Management Fees.** Management fees shall be computed and paid according to HUD requirements.
3. **Term of the Agreement.**
 - a. HUD has the right to terminate the Management Agreement for failure to comply with the provisions of the signed and executed form HUD-9839-B ("Project Owner's / Management Agent's Certification"), or other good cause, thirty (30) days after HUD has provided the Owner a written notice of its desire to terminate the Management Agreement.
 - b. In the event of a default under the Mortgage, Note or Regulatory Agreement, HUD has the right to terminate the Management Agreement immediately.
 - c. HUD may require the Owner to terminate the Management Agreement when HUD takes over as Mortgagee-In-Possession ("MIP").
 - d. If HUD exercises this right of termination, the Owner agrees to promptly make arrangements for providing management that is satisfactory to HUD.
 - e. If the Management Agreement is terminated, the Agent will give to the Owner all of the project's cash, trust accounts investments and records immediately, but in no event more than thirty (30) days of the date the Management Agreement is terminated.
 - f. For Section 202/811 projects, the Management Agreement is subject to termination, without penalty and with or without consent, sixty (60) days following receipt by Owner and Agent of a written request from HUD that the Management Agreement be terminated.
4. **Income Certification Update Fee.** If there is a delay in obtaining initial certificate of occupancy or placed-in-service date which requires Agent to update applicants' income certification(s), there will be an additional lease-up fee of \$75.00 per unit.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the 1st day of December 2017.

OWNER: 

BY: Robert Budman

TITLE: Manager

AGENT: 

John Stewart Company

BY: Lori Horn

TITLE: Vice President

PALMDALE APARTMENTS
TAX CREDIT MANAGEMENT AGREEMENT ADDENDUM

This document (the "Tax Credit Addendum") supplements provisions of the "Management Agreement" dated the 1st day of February 2018, between Palmdale Park Apartments, LP ("Owner"), and John Stewart Company, a California corporation ("Agent"), (the "Original Agreement"). This Tax Credit Addendum shall be effective when it is executed by all parties.

To the extent the terms of this Tax Credit Addendum in any way conflict with the terms of the Original Agreement, or with any other agreements, whether oral or written, between the parties hereto pertaining to the Project, the terms of this Tax Credit Addendum shall control. All terms and conditions of the Original Agreement, amendments and supplements not affected by this Addendum shall remain in full force and effect.

1. Rentals.

- a. **Compliance.** Agent will rent all units in a manner which is in compliance with the requirements of the California Tax Credit Allocation Committee ("CTCAC") and any applicable Regulatory Agreement.
- b. **Rent and Income Schedules.** The Owner will furnish the Agent with rent and income schedules as appropriate for dwelling units and other charges for facilities and services. Rents shall be increased at the request of Owner and shall not be increased without the prior approval of Owner. Agent shall notify owner of increases in max allowable section 42 rents. In no event shall rent payable by the residents exceed the maximum amount allowed to be charged residents under Section 42 of the Code, and the Regulatory Agreements. Wherever multiple agreements conflict, the Agreement with more restrictive compliance shall be the controlling document. The Owner will be required to confirm in writing any and all initial rents and utility charges/allowances prior to the start of the marketing/lease-up (as applicable) or prior to the commencement of the term of this Agreement, whichever comes first.
- c. **IRS and TCAC Documents.** Owner will furnish Agent with any and all Internal Revenue Service and CTCAC documents relevant to the operations of the property, including but not necessarily limited to
 - (1) The CTCAC tax credit application and CTCAC staff report;
 - (2) One (1) IRS Form 8609 for each building;
 - (3) Any IRS Forms 8823;
 - (4) The most recent Project Status Report (PSR).

2. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. **Records.** Agent shall maintain and preserve all written records of tenant family income and size, and any other information reasonably requested by Owner in writing in connection with the tenants throughout the term of the tenant's occupancy and retain such records for three (3) years following termination of the tenant's occupancy. If these records are retained off of the property they will be returned to Owner at termination of this Agreement. In addition, Agent shall establish tenant files containing leases, certification forms, notices, and other documentation required by any lender or regulatory authority.

b. Annual Reports.

- (1) The Agent shall provide the Owner, within thirty (30) days after the end of each calendar year, with a Certification regarding the occupancy of the Project indicating the income of each current resident as of the date of the last income certification, the current rent charged each resident, and the amount of utilities and whether utilities are included in the rent; and
- (2) Agent shall certify annually residents' income pursuant to the requirements of the Tax Credit Regulatory Agreement and Section 42 of the Code, and Agent shall prepare an annual report of residents' income eligibility in a form approved by owner.

c. Additional Reports. Agent shall prepare and file all reports required under Section 42 of the Code and the Tax Credit Regulatory Agreement.

3. **Income Certification Update Fee.** If there is a delay in obtaining initial certificate of occupancy or placed-in-service date which requires Agent to update applicants' income certification(s), there will be an additional lease-up fee of \$75.00 per unit.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the 1st day of February, 2017.

OWNER: 

BY: Robert Budman

TITLE: Manager

AGENT: 

John Stewart Company

BY: Lori Horn

TITLE: Vice President

PROJECT DOCUMENTS

Closing Checklist



DUE DILIGENCE CHECKLIST - TCA 412 – Palmdale Park Apartments, LP

Last Updated: 7/13/2018

<u>Project Location</u> 38002 15 th Street E Palmdale, California	<u>Tentative Closing Date:</u> 7/13/2108 <u>Committee Date:</u> 6/18/2018 <u>Type of Investment:</u>
<u>Property Description</u> 11 rehabilitated buildings with 58 units for families with 100% of units covered by HAP Contracts	<u>Sponsor</u> Community Development Partners BLVD Capital
<u>General Partner</u> Affordable Housing Alliance II, Inc. (Managing General Partner) Palmdale Park Apartments GP, LLC (Administrative General Partner)	<u>General Partner Counsel</u> Cox, Castle & Nicholson
<u>Developer</u> Community Development Partners BLVD Capital	<u>Guarantors</u> Community Development Partners (Sponsor/Developer) BLVD Capital (Sponsor/Developer) Palmdale Park Apartments GP, LLC (Administrative General Partner)
<u>Investor Limited Partner</u> Aegon LIHTC Fund 55, LLC	<u>Special Limited Partner</u> Transamerica Affordable Housing, Inc. (“TAH”)
<u>Investor Limited Partner Counsel</u> Klein Hornig	
<u>Lender/Issuer</u> Freddie Mac	<u>Lender Counsel/Issuer Counsel</u>
<u>General Contractor</u> – Kattera Renovations LLC <u>Property Manager</u> - John Stewart Company <u>Architect</u> - Ground Floor Designs LLC <u>Partnership Accountant</u> -	<u>Insurance Third-Party Consultant</u> - D&M <u>Construction Reviewer</u> - Terracon <u>Compliance Monitoring Agent</u> - Novogradac

*Items with an * (asterisk) are due diligence items that need to be provided to AEGON Asset Manager for review and comment

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
1	EQUITY CLOSING DOCUMENTS			
1.01*	Letter of Intent/Term Sheet	Rec'd.	Investor/Sponsor	✓
1.02*	Amended and Restated Agreement of Limited Partnership	Rec'd.	Investor Counsel	✓
1.03	Executed First Payment Date Certificate	<i>Exhibit to LPA</i>	Investor Counsel	See 1.02
1.04	Unconditional Guaranty	Rec'd.	Investor Counsel	✓
1.05	Reserved	N/A	Investor Counsel	N/A
1.06	Development Services Agreement	Rec'd.	Investor Counsel	✓
1.07*	(a) Assignment, Pledge and Security Agreement (Administrative GP) (b) Assignment, Pledge and Security Agreement (Managing General Partner)	(a)-(b): Rec'd.	Investor Counsel	✓
1.08	Nonprofit Management Agreement	Rec'd.	Investor Counsel	✓
1.09	Reserved	N/A	Investor Counsel	N/A
1.10	Purchase Option and Right of First Refusal Agreement	Rec'd.	Investor Counsel	✓
1.11	Put Option Agreement	Rec'd.	Investor Counsel	✓
1.12	Reserved	N/A	Investor Counsel	N/A
1.13	UCC-1(s) in favor of AEGON	<i>Aegon circulated drafts on 6/19, to be filed at closing</i>	Investor	Filed at closing
1.14	Security Agreement	Rec'd.	Investor Counsel	✓
1.15	Architect's Certificate of Compliance	Rec'd, dated 5/29/2018.	General Partner	✓
1.16	Accountant's Cert re 168(h)(6)(F)(ii)		General Partner	N/A
2	PROJECTIONS			
2.01	Projections		Investor/Sponsor	1.02
3	CONSTRUCTION to PERMANENT LOAN DOCUMENTS			
3.00	Lender: Berkadia Commercial Mortgage LLC [Freddie Mac] Amount: \$9,200,000			
3.01	Commitment Letter	Rec'd.	Lender/Sponsor	✓
3.02	Loan Agreement		Lender's Counsel	N/A
3.03	(a) Project Note (b) Endorsement to Note	(a)-(b): Rec'd.	Lender's Counsel	✓
3.04	(a) Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing	(a)-(b): Rec'd.	Lender's Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	(b) Assignment of Security Instrument			
3.05	Assignment of Leases and Rents		Lender's Counsel	N/A
3.06	Security Agreement		Lender's Counsel	N/A
3.07	(a) Guaranty (Multistate) (b) Guaranty of Completion (c) Operating Deficit Guaranty	(a)-(c): Rec'd.	Lender's Counsel	✓
3.08	UCC-1 Financing Statement	Rec'd.	Lender's Counsel	✓
3.09	No Federal Funds Letter	<i>Not applicable</i>	Lender's Counsel	N/A
3.10	Estoppel Certificate	<i>Not applicable</i>	Lender's Counsel	N/A
3.11	Consent of Equity Investor	Rec'd.	Lender's Counsel	✓
3.12	Assignment of Equity Interests, Pledge and Security Agreement	Rec'd.	Lender's Counsel	✓
3.13	Assignment of Management Agreement and Subordination of Management Fees	Rec'd.	Lender's Counsel	✓
3.14	(a) Certificate of Borrower (b) Recycled Borrower Certification	(a)-(b): Rec'd.	Lender's Counsel	✓
3.15	Continuing Covenant Agreement	Rec'd.	Lender's Counsel	✓
4	PERMANENT LOAN DOCUMENTS – See Section 3 Above			
5	SUBORDINATE LOAN DOCUMENTS – Not Applicable			
6	BOND DOCUMENTS			
6.00	Issuer: California Statewide Community Development Authority Amount: \$9,200,000			
6.01	Bond Application	Rec'd, CDLAC Application.	General Partner	✓
6.02	Bond Inducement Resolution		Issuer	See 6.03
6.03	Bond Issuance Letter/Certification Authorizing Bond Issuance/Authorizing Resolution	Rec'd, Authorizing Resolution dated 5/16/2018. Rec'd, Inducement Resolution No. 18H-1.	Issuer	✓
6.04	Bond Volume Cap Approval	Rec'd.	Issuer	✓
6.05	Preliminary Official Statement		Issuer's Counsel	N/A
6.06	Trust Indenture		Issuer's Counsel	N/A
6.07	(a) Funding Loan Agreement (b) Project Loan Agreement	(a)-(b): Rec'd.	Issuer's Counsel	✓
6.08	Regulatory Agreement and Declaration of Restrictive Covenants	(a)-(b): Rec'd.	Issuer's Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
6.09	Tax Certificate and Agreement		Issuer's Counsel	
6.10	Bond Purchase Agreement		Issuer's Counsel	N/A
6.11	Evidence of TEFRA hearing/notice	Rec'd.	Issuer	✓
6.12	Bond Counsel Opinion	Rec'd.	Issuer's Counsel	✓
6.13	Specimen Bonds		Issuer's Counsel	N/A
6.14	Remarketing Agreement		Issuer's Counsel	N/A
6.15	Assignment and Intercreditor Agreement		Issuer's Counsel	N/A
6.16	Pledge, Security & Custody Agreement		Issuer's Counsel	N/A
7	PARTNERSHIP ENTITY DOCUMENTS			
7.00	Palmdale Park Apartments, LP, a California limited partnership			
7.01	Partnership Agreement and any amendments thereto	Rec'd, Agreement of Limited Partnership dated 2/5/2018.	General Partner	✓
7.02	Certified by SOS a copy of Certificate of Limited Partnership and any amendments	Rec'd, Certified Certificate of Limited Partnership (filed 2/5/2018).	General Partner	✓
7.03	FEIN	Rec'd.	General Partner	✓
7.04	Good Standing/Existence Certificate	Rec'd, dated 6/4/2018.	GP Counsel	✓
7.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
7.06	Financial Statement	N/A (newly formed entity) – See 7.08	General Partner	See 7.08
7.07	Federal Tax Return (for past 2 years)	N/A (newly formed entity) – See 7.08	General Partner	See 7.08
7.08	Officer's Closing Certificate	Rec'd. <i>Note: Will need to include certification of no financials and no tax returns.</i>	General Partner (Form to be provided by Investor)	✓
7.09	Organizational Chart	Rec'd. <i>Note: Needs to include ownership interests down to an individual(s)</i>	General Partner	✓
7.10	LP Transfer Tax	Aegon/Aegon Counsel to determine	Investor/Investor Counsel	✓
8	GENERAL PARTNER DOCUMENTS			

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
8A.00	IH CDP Partnership, LLC, a California limited liability company (“Managing General Partner”)			
8A.01	Operating Agreement	Rec’d, Operating Agreement.	General Partner	✓
8A.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec’d, Certified Articles of Organization (filed 8/21/2017).	General Partner	✓
8A.03	FEIN	Rec’d.	General Partner	✓
8A.04	Good Standing/Existence Certificate	Rec’d, dated 6/4/2018.	GP Counsel	✓
8A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec’d.	GP Counsel	✓
8A.06	Financial Statement	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.07	Federal Tax Return (for past 2 years)	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.08	Schedule of Real Estate Owned	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.09	Schedule of Contingent Liabilities	<i>Not applicable (see 8A.10)</i>	General Partner	See 8A.10
8A.10	Officer’s Closing Certificate with Resolution/Incumbency Certificate	Rec’d. Note: Will need to include certification of No Financials, Tax Returns, Schedule of REO or CL’s.	General Partner (Form to be provided by Investor)	✓
8B.00	Palmdale Park Apartments GP, LLC, a California limited liability company (“Administrative General Partner”)			
8B.01	Operating Agreement	Rec’d, Operating Agreement dated 2/5/2018.	General Partner	✓
8B.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec’d, Certified Articles of Organization (filed 2/5/2018).	General Partner	✓
8B.03	FEIN	Rec’d.	General Partner	✓
8B.04	Good Standing/Existence Certificate	Rec’d, dated 6/4/2018.	GP Counsel	✓
8B.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec’d.	GP Counsel	✓
8B.06	Financial Statement	<i>N/A (newly formed entity) – See 8B.10</i>	General Partner	See 8B.10
8B.07	Federal Tax Return (for past 2 years)	<i>N/A (newly formed entity) – See 8B.10</i>	General Partner	See 8B.10
8B.08	Schedule of Real Estate Owned	<i>N/A (newly formed entity) – See 8B.10</i>	General Partner	See 8B.10
8B.09	Schedule of Contingent Liabilities	<i>N/A (newly formed entity) – See 8B.10</i>	General Partner	See 8B.10
8B.10	Officer’s Closing Certificate with Resolution/Incumbency Certificate	Rec’d.	General Partner (Form to be provided by Investor)	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
		<i>Note: Will need to include certification of no financials, tax returns, REO or CL's.</i>		
9	DEVELOPER DOCUMENTS			
9A.00	Community Development Partners, a California for-profit corporation			
9A.01	Bylaws/Operating Agreement/Partnership Agreement	Rec'd, Amended and Restated Bylaws dated 10/11/2013.	General Partner	✓
9A.02	Certified by SOS a copy of Articles of Incorporation and any amendments	Rec'd, Certified Articles of Incorporation (filed 12/16/2011).	General Partner	✓
9A.03	FEIN	Rec'd.	General Partner	✓
9A.04	Good Standing/Existence Certificate	Rec'd, dated 6/4/2018.	GP Counsel	✓
9A.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓
9A.06	Financial Statement	Rec'd, dated 12/31/2017, 12/31/2016 & 7/31/2016.	General Partner	✓
9A.07	Federal Tax Return (for past 2 years)	Rec'd, 2014, 2015 & 2016 Tax Returns. <i>Note: 2017 Returns not yet available.</i>	General Partner	✓
9A.08	Schedule of Real Estate Owned	Rec'd, dated 12/31/2016 & 12/31/2017.	General Partner	✓
9A.09	Schedule of Contingent Liabilities	Rec'd, dated 12/31/2016 & 12/31/2017.	General Partner	✓
9A.10	Officer's Closing Certificate with Resolution/Incumbency Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor</i>)	✓
9B.00	BLVD Capital LLC, a Delaware limited liability company			
9B.01	Operating Agreement	Rec'd, Amended and Restated Limited Liability Company Agreement dated 1/1/2017.	General Partner	✓
9B.02	Certified by SOS a copy of Articles of Organization and any amendments	Rec'd, Certificate of Formation (filed 3/25/2010). Rec'd, Application as Foreign LLC (filed 9/2/2011).	General Partner	✓
9B.03	FEIN	Rec'd.	General Partner	✓
9B.04	Good Standing/Existence Certificate	Rec'd, DE and CA Certificates of Good Standing dated 6/4/2018.	GP Counsel	✓
9B.05	Lien Searches - UCC, tax lien, pending litigation, judgment, bankruptcy searches with underlying Security documents	Rec'd.	GP Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
9B.06	Financial Statement	Rec'd, Financial Statements dated 12/31/2017.	General Partner	✓
9B.07	Federal Tax Return (for past 2 years)	Rec'd, 2015 & 2016 Tax Return.	General Partner	✓
9B.08	Schedule of Real Estate Owned	Rec'd, dated 4/5/2018.	General Partner	✓
9B.09	Schedule of Contingent Liabilities	Rec'd, dated 4/5/2018.	General Partner	✓
9B.10	Officer's Closing Certificate with Resolution/Incumbency Certificate	Rec'd.	General Partner (<i>Form to be provided by Investor</i>)	✓
10	GUARANTOR DOCUMENTS			
10A.00	Palmdale Park GP, LLC – See Section 8B Above			
10B.00	Community Development Partners – See Section 9A Above			
10C.00	BLVD Capital – See Section 9B Above			
11	DEVELOPMENT TEAM RESUMES			
11.01*	Developer Resume	Rec'd.	General Partner	✓
11.02*	a) Contractor Resume b) General Contractor Questionnaire	a) Rec'd. b) Rec'd.	General Partner	✓
11.03*	Architect Resume	Rec'd.	General Partner	✓
11.04*	Property Manager Resume	Rec'd.	General Partner	✓
11.05*	Other Resumes (if applicable)	<i>Not applicable</i>	General Partner	N/A
12	PROJECT CONSTRUCTION DOCUMENTS			
12.01	Architect's Contract	Rec'd, Architect's Contract dated 2/1/2018.	General Partner	✓
12.02*	a) Construction Contract b) Construction Budget c) Construction Schedule	a) Rec'd. b) Rec'd. c) Rec'd.	General Partner	✓
12.03*	Payment and Performance Bonds – a) Form AIA 312 and b) with Dual Obligee Language	Rec'd.	General Partner	✓
12.04	Initial Cost Review	Rec'd Construction Document and Cost Review Report.	3 rd party (<i>to be completed with information provided by General Partner</i>)	✓
12.05	Property Needs Assessment Report	Rec'd, Property Condition Report dated 2/13/2018. Rec'd, Wood Destroying Pests and Organisms Inspection Report dated	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
		3/9/2018.		
12.06	Geotechnical Report	<i>Not applicable</i>	General Partner	N/A
12.07	PML Analysis/Seismic Report	Rec'd, Probabilistic Seismic Risk Assessment Report dated 6/4/2018.	3 rd party (<i>ordered by Investor</i>)	✓
12.08	Plans and Specifications	Rec'd, PDF and hard copy of plans (Cameron has).	General Partner	✓
12.09	Evidence of Availability of utilities for water, sewer, gas, & electric	Rec'd, Water, Electric and Gas Bills.	General Partner	✓
12.10	Building Permits/Certificate of Occupancy	Rec'd, Express Permits Information and details on building permit requirements. Rec'd, Original Certificates of Occupancy.	General Partner	✓
12.11	Site Plan	Rec'd.	General Partner	✓
12.12	Evidence of Compliance with all Permitting, Zoning, and Land Use Requirements	Rec'd, Zoning Analysis Report dated 3/27/2018. Rec'd, Zoning Verification Letter dated 3/8/2018. Note: <i>In addition, either a Zoning Endorsement to Title will be required</i>	General Partner	✓
12.13	Energy Assessment Report	Rec'd, dated 3/7/2018.	General Partner	✓
13	PROJECT FINANCIAL INFORMATION			
13.01	Property Tax Abatement Information	Rec'd, 2017 Property Tax Bills.	General Partner/GP Counsel	✓
13.02	Utility Allowances	Rec'd, Utility Allowance Schedule (effective 7/1/2017).	General Partner	✓
13.03*	Market Study/Feasibility Study	(a) Rec'd, Market Study (Lea & Company) dated 3/9/2018. (b) Rec'd, Market Study (Lea & Company) dated 5/22/2018.	(a) General Partner to provide existing market study (b) 3 rd Party (<i>ordered by Investor</i>)	✓
13.04	Detailed Operating Budget (including staffing plan and utility expense justification)	Rec'd.	General Partner	✓
13.05	Rent Rolls and Historic Operations	Rec'd, April 2018 Rent Roll.	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
		Rec'd, Feb & Mar 2018 Income Statements, April 2018 Financials and Feb, 2017-Jan. 2018 12 month Income Statement.		
14	INSURANCE CERTIFICATES			
14.00	All insurance reviews are being performed by our third party reviewer			
	14.01) Third Party Insurance Consultant Review 14.02) Partnership Property Insurance 14.03) Partnership General Liability Insurance 14.04) Management Agent Insurance (fidelity bond) 14.05) Contractor's Insurance 14.06) Architect's Insurance 14.07) Builder's Risk Insurance 14.08) Civil Engineer's Insurance	14.01) Rec'd. 14.02) Rec'd. 14.03) Rec'd. 14.04) Rec'd. 14.05) Rec'd. 14.06) Rec'd. 14.07) Rec'd. 14.08) <i>Not applicable</i>	Third Party (<i>with information provided by General Partner or GP insurance broker</i>)	✓
15	PROJECT ACQUISITION DOCUMENTS			
15.01	a) Title Insurance Commitment b) Title Exception Documents c) Proforma including endorsements d) Owner's Policy	a) Rec'd, Preliminary Title Commitment dated 1/17/2018. b) Rec'd (links in PTC). c) Rec'd. d) Post-Closing	General Partner	✓
15.02	ALTA Survey with ILP form of certificate	Rec'd.	General Partner	✓
15.03	Ground Lease	<i>Not applicable</i>	GP Counsel	N/A
15.04	Appraisal	Rec'd, Appraisal (Lea & Company) dated 3/9/2018. Rec'd, Appraisal (Novogradac) dated 2/23/2018,	General Partner	✓
15.05	Purchase and Sale Agreement	Rec'd, Purchase and Sale Agreement dated 1/25/2018 and Assignment of Purchase Agreement dated 2/28/2018.	General Partner	✓
15.06	Acquisition Deed	Rec'd.	GP Counsel	✓
15.07	Settlement Statement for Project Acquisition		General Partner	See 23.05
15.08	Evidence of 10-year ownership/chain of title search	<i>for acquisition credits</i>	General Partner	✓
15.09	Acquisition Credit Certification (Seller)	Rec'd, Acquisition Credit Certification (Seller) and Seller's Organizational Chart.	Investor Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
15.10	Acquisition Credit Certification (Buyer)	Rec'd.	Investor Counsel	✓
16	ENVIRONMENTAL REPORTS			
16.01	Environmental Phase I Report(s)	Rec'd, Phase I Environmental Site Assessment dated 2/13/2018. <i>Note: Phase I ESA is current until late July 2018</i>	General Partner	✓
16.02	Phase II	<i>Not applicable</i>	General Partner	N/A
16.03	Asbestos Abatement Report	Need (Post-Closing): Asbestos Abatement Closure Report	General Partner	Post-Closing
16.04	Other report(s) – may include Radon, Asbestos, Lead Based Paint, and Mold	Rec'd, Asbestos Survey Report dated 3/20/2018. Rec'd, Lead-Based Paint Inspection and Risk Assessment Report dated 2/12/2005. Need (Post-Closing): Documentation of LBP Tenant Notifications	General Partner	✓
16.05	Reliance letter(s) for report(s)	Rec'd, Phase I ESA Reliance Letter dated 6/12/2018.	General Partner (<i>Investor to provide form</i>)	✓
16.06	Additional Requirements (pre and/or post closing) – may include O&M Manuals and/or Plans	Rec'd, Asbestos Operations & Maintenance Program dated 2/19/2018. Rec'd, Lead-Based Paint Operations & Maintenance Program dated 2/19/2018. Rec'd, Moisture management Plan dated 2/19/2018.	General Partner	✓
17	LOW-INCOME HOUSING TAX CREDIT INFORMATION			
17.01	Tax Credit Application	Rec'd, TCAC Application.	General Partner	✓
17.02	Tax Credit Reservation		General Partner	See 17.03
17.03	42(m)(1)(D) Letter (Allocating Agency)	Rec'd, Tax Exempt Reservation Letter dated 5/16/2018 and TCAC Project Staff Report dated 5/16/2018.	Issuer	✓
17.04	42(m)(2)(D) Letter (Issuer)	Rec'd, dated 3/12/2018.	Issuer	✓
17.05	Application for Carryover Allocation	<i>Not applicable</i>	General Partner	N/A

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
17.06	Carryover Allocation Agreement	<i>Not applicable</i>	General Partner	N/A
17.07	Evidence of 10% test	<i>Not applicable</i>	General Partner	N/A
17.08	Election to Lock-in Credit Rate	Rec'd.	General Partner	✓
17.09	Evidence of qualifying census tract or difficult development area for 130% basis boost (if applicable)	Rec'd, Evidence of QCT.	General Partner	✓
17.10	Evidence of State Volume Cap Compliance (IRS Form 8038)	Rec'd.	Issuer's Counsel	✓
17.11	Evidence of compliance with any conditions to reservation or carryover allocation of credits	<i>if applicable</i>	General Partner	N/A
17.12	Copies of all material correspondence with Agency	<i>if applicable</i>	General Partner	N/A
18	HISTORIC TAX CREDIT INFORMATION - NOT APPLICABLE			
19	PROJECT USE RESTRICTION			
19.01	Section 42 - Extended Use Agreement		General Partner/GP Counsel	Post-Closing
20	OPINIONS AND CERTIFICATES			
20.01	(a) Cox Castle Enforceability Opinion (b) CDP Opinion (Sabelhaus) (b) MGP/Property Tax Exemption Opinion (Chernove)	(a)-(c): Rec'd.	GP Counsel	✓
20.02	Tax Opinion	Rec'd.	Investor Counsel	✓
20.03	Tax Certification Letter	<i>Not applicable</i>	Investor Counsel	N/A
20.04	Zoning Opinion	<i>Not applicable</i>	GP Counsel	N/A
20.05	Attorney/Accountant Carryover Opinion	<i>Not applicable</i>	GP Counsel	N/A
21	PROPERTY MANAGEMENT DOCUMENTS			
21.01*	Property Management Agreement (Must be authorized to conduct business in the state if they are not otherwise organized in that state.)	Rec'd Management Agreement dated 6/1/2018.	General Partner	✓
21.02*	Marketing Plan (Tenant Selection Plan)	Rec'd.	General Partner	✓
21.03*	Management Plan	Rec'd.	General Partner	✓
21.04*	Form of Tenant Lease Agreement	Rec'd.	General Partner	✓
21.05*	LIHTC Compliance Policies and Monitoring Procedures	Rec'd.	General Partner	✓
21.06*	Form of Income Certification for Low- Income	Rec'd, TCAC and HUD Form of Tenant	General Partner	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
	Tenants	Income Certification. Rec'd, Tenant Income Summary Report.		
21.07*	Social Service Agreements	<i>Not applicable</i>	General Partner/GP Counsel	N/A
21.08*	Relocation Plan	Rec'd.	General Partner	✓
21.09*	Property Management Questionnaire	Rec'd.	General Partner	✓
21.10*	Property Manager's Organizational Chart	Rec'd.	General Partner	✓
21.11*	Schedule of Real Estate Managed	Rec'd.	General Partner	✓
21.12*	Emergency Preparedness Plan	Rec'd.	General Partner	✓
22	GOVERNMENT SUBSIDY AGREEMENTS (HAP CONTRACT)			
22.01	Agreement to enter into HAP Contract	<i>Not applicable</i>	General Partner	N/A
22.02	Current HAP Contract	Rec'd, Housing Assistance Payments Contracts and HAP Renewal Contracts. Rec'd, HAP Renewal Contracts dated 10/1/1999.	General Partner	✓
22.03	HAP Contract extension/ commitment letter from HUD granting extension		General Partner	See 22.04
22.04	Collateral Assignment of HAP Contract	Rec'd, Assignment, Assumption and Amendment Agreement of Section 8 HAP Contract.	General Partner	✓
22.05	HUD Consent to Assignment	Rec'd, Consent to Assignment of HAP Contract dated 6/28/2018.	General Partner	✓
22.06	HUD Section 8 Use Agreement	Rec'd, dated 6/28/2018.		✓
23	MISCELLANEOUS			
23.01	HUD 2530 Clearance	Aegon submitted LLCI for Aegon 55 on 5/15. Rec'd, 2530 Approval of Palmdale park Apartments LP, dated 2/27/2018. Rec'd, 2530 Approval of John Stewart Company dated 4/9/2018.	General Partner/Investor	✓
23.02	Escrow Letter	Rec'd.	Investor Counsel	✓

Document Number	Document Category	Status/Comments	Responsible Party	Final/Signed/Completed (✓ or N/A)
23.03	Wire Instructions	Rec'd.	General Partner	✓
23.04	Reserved	<i>Not applicable</i>	General Partner	N/A
23.05	Settlement Statement - Closing Requisition	Rec'd.	General Partner	✓
23.06	First Requisition	Rec'd.	General Partner	✓
23.07	Predevelopment Loan Documents	<i>Not applicable</i>	General Partner	N/A

CONSENT FOR ELECTRONIC DISTRIBUTION

**Consent for Distribution of Schedules K-1 Electronically in Lieu of Paper Format
in accordance with Revenue Procedure 2012-17**

The IRS has issued Revenue Procedure 2012-17 regarding the rules partnerships must follow if they wish to distribute Schedules K-1, Partners' Share of Income, Deductions, Credits, etc., electronically in lieu of paper format.

Paper statement

Your Schedule K-1 will be furnished on paper if you do not consent to receive it electronically.

Scope and duration of consent

This consent applies to each Schedule K-1 required to be furnished after this consent form is executed until it is withdrawn in the manner described below.

Post-consent request for a paper statement

You may request a paper copy of your Schedule K-1 in addition to receiving your electronic copy. Such requests will not be treated as a withdrawal of this consent.

Withdrawal of consent

You may withdraw this consent by writing (electronically or on paper) to the Furnisher. A withdrawal of consent takes effect on the date it is received by the Furnisher, or on a subsequent date determined by the Furnisher and communicated to you within a reasonable period of time after the Furnisher receives the withdrawal. The Furnisher will confirm the withdrawal of consent and the date on which it takes effect in writing (either electronically or on paper).

A withdrawal of consent does not apply to a statement that was furnished electronically in the manner described in Revenue Procedure 2012-17 before the date on which the withdrawal of consent takes effect.

Notice of termination

Withdrawal from the partnership will be considered an automatic withdrawal of consent.

Updating information

The Furnisher will contact you if there is any change in the Furnisher's contact information. Please contact the Furnisher as soon as possible if you have any updates to your contact information.

The Schedule K-1 may be required to be printed and attached to a Federal, State or local income tax return.

I consent to receive my Schedule K-1 in an electronic format.

INVESTOR LIMITED PARTNER:

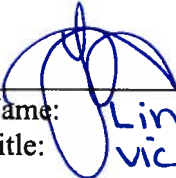

AEGON LIHTC FUND 55, LLC, a Delaware limited liability company

By: Aegon Community Investments 55, LLC, a Delaware limited liability company, its managing member

By:  _____ 
Name: LYNN C. AMBROSY
Title: VICE PRESIDENT

SPECIAL LIMITED PARTNER:

TRANSAMERICA AFFORDABLE HOUSING, INC., a California corporation

By:  _____ 
Name: Lindsay Schumacher
Title: vice President

Tab Q:

Documentation of Rental Assistance, Tax Abatement
and/or existing RD or HUD Property



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Multifamily Northeast Region
Baltimore Satellite Office
Bank of America Building, Tower II
100 South Charles Street, Suite 500
Baltimore, MD 21201

June 27, 2022

Ms. Nicole Kadomiya
Principal
Hessel Aluise & O'Leary PC
1730 Rhode Island Avenue, NW
Suite 900
Washington, DC 20036

Dear Ms. Kadomiya:

SUBJECT: Approval of Assignment of HAP Contract/ Preservation Proposal
Property Name: Aqua Vista Apartments
Contract Number: VA36M000056

This letter is in response to your submission, dated March 25, 2022, on behalf of your client, BLVD Capital LLC, the sponsor of Aqua Vista, LP, a Virginia limited partnership and the proposed owner of the Property. The Department's approval is requested regarding the assignment/assumption and renewal of the property's existing HAP contract in efforts to preserve the affordable housing. The submission includes a request to terminate the existing HAP contract and renew under Option 1-A Markup-to-Market (MUTM) in accordance with the Section 8 Renewal Policy Guide.

The Department approved the following request(s) under the terms identified below:

- 1) **The Assignment of the HAP Contract to the Proposed Owner:** The assignment of the HAP Contract to the proposed owner, Aqua Vista, LP, is granted by the Department in as much as the terms and conditions of the transaction and the documentation supporting such terms and conditions are found to be acceptable. The approval is conditioned upon compliance with the terms and conditions of this transfer outlined in the business agreements agreed to by the Department and related parties involved in this transfer.
- 2) **Consent to Assignment of HAP Contract as Security for Financing:** The Department approves the Consent to Assignment of HAP Contract as Security for Financing for the HAP Contract on the form included with your submission.
- 3) **2530 Previous Participation:** Submission 222950 for the Assignment/Assumption of HAP Contract is approved. The approval is reflected in the Submission Status via the APPS System.

- 4) **Approval of Management Agent:** The Department approves the current management agent, Barkan Management Company, Incorporated to continue as the agent for the property. Enclosed is the approved Management Agent Certification, Form HUD-9839-B, to reflect the Purchaser and management agent.
- 5) **Early Termination and Twenty-Year Renewal of HAP Contract:** The Department approves the request for an early termination and new 20-year, Option 1-A HAP contract renewal to be effective on the first day of the month after the closing, subject to Congressional Appropriations. A preservation exhibit will be required along with the new 20-year contract renewal.
- 6) **Rent Increase:** The Department reviewed the submission request for a “post-rehab” rent increase with the issuance of the new 20-year renewal contract, in accordance with the *Section 8 Renewal Guide*, under Chapter 15/ MUTM Option 1-A. The Department approves the request, subject to Congressional Appropriations, and the following rents are acceptable.

Unit Type	No. of Units	Section 8 Rents	Gross Rents
1 Bedroom	60	\$1,313	\$1,313
2 Bedroom	60	\$1,549	\$1,549
3 Bedroom	29	\$1,785	\$1,785

- 7) **Section 8 Use Agreement:** The Department requires the Proposed Owner to execute and record a 20-year Section 8 Use Agreement (form HUD-90055) at the time of acquisition. Please provide a copy to HUD, once recorded.
- 8) **15-Month Construction Period:** The Department approves the request for a 15-month construction period, based on the justification. Should there be any need for an extension beyond the 15-months approval, the owner must obtain additional Departmental approval.

Thank you for your assistance during the approval process. Should you have any questions regarding this matter, please contact Account Executive, Carolyn Roberts, at Carolyn.H.Roberts@hud.gov.

Sincerely,

Sharon Rowe Downs
Account Executive Branch Chief

Enclosures

RECEIVED MAR 07 2014

**U.S. Department of Housing and Urban Development
Office of Housing**

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT

MULTI-YEAR TERM

Aquavista Apartments (VA36M000056)

PREPARATION OF CONTRACT

Reference numbers in this form refer to notes at the end of the contract text. These endnotes are instructions for preparation of the Basic Renewal Contract. The instructions are not part of the Renewal Contract

Basic Renewal Contract

Multi-Year Term
REV-11-05-2007

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

Project-based Section 8

HOUSING ASSISTANCE PAYMENTS

BASIC RENEWAL CONTRACT¹

MULTI-YEAR TERM

1 CONTRACT INFORMATION²

PROJECT

Section 8 Project Number: **VA36M000056**

Section 8 Project Number of Expiring Contract: **Same**

FHA Project Number (if applicable): **N/A**

Project Name: **Aquavista Apartments**

Project Description:³

This property consists of 11 Building Walk-up Garden Apartments with 60 (1 BR), 60 (2 BR), and 29 (3 BR) Section 8 units and 1 (3 BR) Non-Section 8 units. This property is located at 646 6th Street, Newport News, VA 23607 and is in the County of Newport News City, VA.

TYPE OF RENEWAL

- Check this box for a project renewed under Section 524(a) of MAHRA (not including a Mark-Up-To-Market renewal).
- Check this box for a project renewed at exception rents under Section 524(b)(1) of MAHRA.

PARTIES TO RENEWAL CONTRACT

Name of Contract Administrator⁴

Navigate Affordable Housing Partners

Address of Contract Administrator

**500 Office Park Drive, Suite 300
Birmingham, AL 35223**

Name of Owner⁵

A.V. Limited

Address of Owner

**P.O. Box 1018
Toano, VA 23168**

2 TERM AND FUNDING OF RENEWAL CONTRACT

a The Renewal Contract begins on **6/1/2014**⁶ and shall run for a period of **20 (Twenty)**⁷ years.

b Execution of the Renewal Contract by the Contract Administrator is an obligation by HUD of \$ **\$1,167,120**⁸, an amount sufficient to provide housing assistance payments for approximately **12**⁹ months of the first annual increment of the Renewal Contract term.

- c HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

3 DEFINITIONS

ACC. Annual contributions contract.

Anniversary. The annual recurrence of the date of the first day of the term of the Renewal Contract.

Contract rent. The total monthly rent to owner for a contract unit, including the tenant rent (the portion of rent to owner paid by the assisted family).

Contract units. The units in the Project which are identified in Exhibit A by size and applicable contract rents.

Fifth year anniversary. The Renewal Contract annual anniversary that falls at expiration of each 5-year period of the Renewal Contract term.

Fifth year comparability adjustment. An adjustment of contract rents by the contract administrator at the Fifth Year Anniversary. The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

HAP contract. A housing assistance payments contract between the Contract Administrator and the Owner.

HUD. The United States Department of Housing and Urban Development.

HUD requirements. HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract.

MAHRA. The Multifamily Assisted Housing Reform and Affordability Act of 1997 (Title V of Public Law No.105-65, October 27, 1997, 111 Stat. 1384), as amended.

Mid-term comparability adjustment. An adjustment of contract rents by the contract administrator within each 5-year period of the Renewal Contract term (in addition to the comparability analysis and adjustment at

the Fifth Year Anniversary). The contract rent for each unit size is set at comparable rent as shown by comparability analysis.

OCAF. An operating cost adjustment factor established by HUD.

PHA. Public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Project. The housing described in section 1 of the Renewal Contract.

Renewal Contract. This contract, including applicable provisions of the Expiring Contract (as determined in accordance with section 5 of the Renewal Contract).

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

4 RENEWAL CONTRACT

a Parties

- (1) The Renewal Contract is a housing assistance payments contract ("HAP Contract") between the Contract Administrator and the Owner of the Project (see section 1).
- (2) If HUD is the Contract Administrator, HUD may assign the Renewal Contract to a public housing agency ("PHA") for the purpose of PHA administration of the Renewal Contract, as Contract Administrator, in accordance with the Renewal Contract (during the term of the annual contributions contract ("ACC") between HUD and the PHA). Notwithstanding such assignment, HUD shall remain a party to the provisions of the Renewal Contract that specify HUD's role pursuant to the Renewal Contract, including such provisions of section 9 (HUD requirements), section 10 (statutory changes during term) and section 11 (PHA default), of the Renewal Contract.

b Statutory authority

The Renewal Contract is entered pursuant to section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), and section 524 of MAHRA.

c Expiring Contract

Previously, the Contract Administrator and the Owner had entered into a HAP Contract ("expiring contract") to make Section 8 housing

assistance payments to the Owner for eligible families living in the Project. The term of the expiring contract will expire prior to the beginning of the term of the Renewal Contract.

d Purpose of Renewal Contract

- (1) The purpose of the Renewal Contract is to renew the expiring contract for an additional term. During the term of the Renewal Contract, the Contract Administrator shall make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract.
- (2) Housing assistance payments shall only be paid to the Owner for contract units occupied by eligible families leasing decent, safe and sanitary units from the Owner in accordance with statutory requirements, and with all HUD regulations and other requirements. If the Contract Administrator determines that the Owner has failed to maintain one or more contract units in decent, safe and sanitary condition, and has abated housing assistance payments to the Owner for such units, the Contract Administrator may use amounts otherwise payable to the Owner pursuant to the Renewal Contract for the purpose of relocating or rehousing assisted residents in other housing.

e Contract units

The Renewal Contract applies to the Contract units.

5 EXPIRING CONTRACT – PROVISIONS RENEWED

- a Except as specifically modified by the Renewal Contract, all provisions of the Expiring Contract are renewed (to the extent such provisions are consistent with statutory requirements in effect at the beginning of the Renewal Contract term).
- b All provisions of the Expiring Contract concerning any of the following subjects are not renewed, and shall not be applicable during the renewal term:
 - (1) Identification of contract units by size and applicable contract rents;
 - (2) The amount of the monthly contract rents;

-
- (3) Contract rent adjustments; and
 - (4) Project account (sometimes called "HAP reserve" or "project reserve") as previously established and maintained by HUD pursuant to former Section 8(c)(6) of the United States Housing Act of 1937 (currently Section 8(c)(5) of the Act, 42 U.S.C. 1437f(c)(5)). Section 8(c)(5) does not apply to the Renewal Contract, or to payment of housing assistance payments during the Renewal Contract term.
- c The Renewal Contract includes those provisions of the Expiring Contract that are renewed in accordance with this section 5.

6 CONTRACT RENT

a Initial contract rents

At the beginning of the Renewal Contract term, and until contract rents for units in the Project are adjusted in accordance with section 6b, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A of the Renewal Contract.

b Contract rent adjustments

(1) OCAF or Budget-Based Rent Adjustments

- (a) Except as provided in section 6b(2) below (concerning comparability adjustments at each Fifth Year Anniversary and discretionary comparability adjustments within each five-year term), during the term of the Renewal Contract the Contract Administrator shall annually, on the anniversary of the Renewal Contract, adjust the amounts of the monthly contract rents in accordance with HUD requirements by either of the following methods (as determined by the Contract Administrator in accordance with HUD requirements):
 - (i) Using an OCAF; or
 - (ii) At the request of the owner, based on the budget for the Project, as approved by the Contract Administrator in accordance with HUD requirements.

-
- (b) Adjustments by use of the OCAF shall not result in a negative adjustment (decrease) of the contract rents. The OCAF shall not be used for adjustment of rent at each Fifth Year Anniversary (as determined in accordance with section 6b(2)(b) below).

(2) **Comparability adjustments**

- (a) **Applicability.** This section 6b(2) is applicable only if the contract has been renewed pursuant to Section 524(a) of MAHRA. This section 6b(2) does not apply to a project renewed at exception rents under Section 524(b)(1) of MAHRA (See section 1 of the Renewal Contract).
- (b) **Fifth year adjustment (comparability adjustment at expiration of each 5-year period, if applicable).**
- (i) This section 6b(2)(b) is only applicable if the term of the Renewal Contract is longer than five (5) years (from the first day of the term specified in section 2a).
- (ii) At the expiration of each 5-year period of the Renewal Contract term ("Fifth Year Anniversary"), the Contract Administrator shall conduct a comparability analysis of existing contract rents. At such Fifth Year Anniversary of the Renewal Contract, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable market rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.
- (iii) To assist in the redetermination of contract rents at each Fifth Year Anniversary, the Contract Administrator may require that the Owner submit to the Contract Administrator a rent comparability study prepared (at the Owner's expense) in accordance with HUD requirements.

(c) Mid-term adjustment (discretionary comparability adjustment within 5-year term)

In addition to the comparability analysis and adjustment of contract rents at the Fifth Year Anniversary, HUD may, at HUD's discretion, require or permit the Contract Administrator to conduct a comparability analysis and adjustment of contract rents ("mid-term adjustment"), one more time within each 5-year period of the Renewal Contract term

(d) Adjusting contract rent

At the time of a fifth year or mid-term comparability adjustment, the Contract Administrator shall make any adjustments in the monthly contract rents, as reasonably determined by the Contract Administrator in accordance with HUD requirements, necessary to set the contract rent for each unit size at comparable rent. Such adjustment may result in a negative adjustment (decrease) or positive adjustment (increase) of the contract rents for one or more unit sizes.

(3) Procedure for rent adjustments during renewal term

- (a)** To adjust contract rents during the term of the Renewal Contract (including an OCAF or budget-based adjustment in accordance with section 6b(1), or a fifth year or midterm adjustment in accordance with section 6b(2)), the Contract Administrator shall give the Owner notice with a revised Exhibit A that specifies the adjusted contract rent amounts.
- (b)** The revised Exhibit A shall specify the adjusted contract rent amount for each bedroom size as determined by the Contract Administrator in accordance with this section. The adjustment notice by the Contract Administrator to the Owner shall specify when the adjustment of contract rent is effective.
- (c)** Notice of rent adjustment by the Contract Administrator to the Owner shall automatically constitute an amendment of the Renewal Contract.

(4) No other adjustments

Except for contract rent adjustments in accordance with this section, there shall not be any other adjustments of the contract rents during the term of the Renewal Contract. Special adjustments shall not be granted.

7 OWNER WARRANTIES

- a** The Owner warrants that it has the legal right to execute the Renewal Contract and to lease dwelling units covered by the contract.
- b** The Owner warrants that the rental units to be leased by the Owner under the Renewal Contract are in decent, safe and sanitary condition (as defined and determined in accordance with HUD regulations and procedures), and shall be maintained in such condition during the term of the Renewal Contract.

8 OWNER TERMINATION NOTICE

- a** Before termination of the Renewal Contract, the Owner shall provide written notice to the Contract Administrator and each assisted family in accordance with HUD requirements.
- b** If the Owner fails to provide such notice in accordance with the law and HUD requirements, the Owner may not increase the tenant rent payment for any assisted family until such time as the Owner has provided such notice for the required period.

9 HUD REQUIREMENTS

The Renewal Contract shall be construed and administered in accordance with all statutory requirements, and with all HUD regulations and other requirements, including changes in HUD regulations and other requirements during the term of the Renewal Contract. However, any changes in HUD requirements that are inconsistent with the provisions of the Renewal Contract, including the provisions of section 6 (contract rent), shall not be applicable.

10 STATUTORY CHANGES DURING TERM

If any statutory change during the term of the Renewal Contract is inconsistent with section 6 of the Renewal Contract, and if HUD determines, and so notifies the Contract Administrator and the Owner, that the Contract Administrator is unable to carry out the provisions of

section 6 because of such statutory change, then the Contract Administrator or the Owner may terminate the Renewal Contract upon notice to the other party.

11 PHA DEFAULT

- a** This section 11 of the Renewal Contract applies if the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD. This includes a case where HUD has assigned the Renewal Contract to a PHA Contract Administrator, for the purpose of PHA administration of the Renewal Contract.
- b** If HUD determines that the PHA has committed a material and substantial breach of the PHA's obligation, as Contract Administrator, to make housing assistance payments to the Owner in accordance with the provisions of the Renewal Contract, and that the Owner is not in default of its obligations under the Renewal Contract, HUD shall take any action HUD determines necessary for the continuation of housing assistance payments to the Owner in accordance with the Renewal Contract.

12 EXCLUSION OF THIRD-PARTY RIGHTS

- a** The Contract Administrator does not assume any responsibility for injury to, or any liability to, any person injured as a result of the Owner's action or failure to act in connection with the Contract Administrator's implementation of the Renewal Contract, or as a result of any other action or failure to act by the Owner.
- b** The Owner is not the agent of the Contract Administrator or HUD, and the Renewal Contract does not create or affect any relationship between the Contract Administrator or HUD and any lender to the Owner or any suppliers, employees, contractors or subcontractors used by the Owner in connection with implementation of the Renewal Contract.
- c** If the Contract Administrator is a PHA acting as Contract Administrator pursuant to an annual contributions contract ("ACC") between the PHA and HUD, the Contract Administrator is not the agent of HUD, and the Renewal Contract does not create any relationship between HUD and any suppliers, employees, contractors or subcontractors used by the Contract Administrator to carry out functions or responsibilities in connection with contract administration under the ACC.

13 WRITTEN NOTICES

- a** Any notice by the Contract Administrator or the Owner to the other party pursuant to the Renewal Contract shall be given in writing.
- b** A party shall give notice at the other party's address specified in section 1 of the Renewal Contract, or at such other address as the other party has designated by a contract notice. A party gives a notice to the other party by taking steps reasonably required to deliver the notice in ordinary course of business. A party receives notice when the notice is duly delivered at the party's designated address.

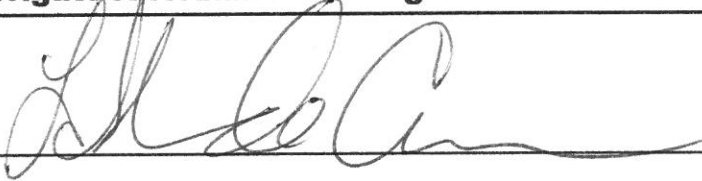
SIGNATURES

Contract administrator (HUD or PHA)

Name of Contract Administrator

RECEIVED MAR 17 2014

Navigate Affordable Housing Partners

By: 

Signature of authorized representative

Eric Q. Strong, CEO

Name and official title

Date 3/10/14

U.S. Department of Housing and Urban Development

By: 

Signature of authorized representative

Uche A. Oluku - Director, Multifamily Housing, United States Dept. of Housing and Urban Development

Name and official title

Date 3/12/2014

Owner

Name of Owner

A.V. Limited

By: 
Signature of authorized representative

Terry E. Shiver - General Partner

Name and title

Date 03/03/2014

RECEIVED MAR 07 2014

EXHIBIT A

RECEIVED MAR 17 2014

IDENTIFICATION OF UNITS ("CONTRACT UNITS")
BY SIZE AND APPLICABLE CONTRACT RENTS

Section 8 Contract Number: **VA36M000056**
FHA Project Number (if applicable): **N/A**
Effective Date of the Rent Increase (if applicable): **6/1/2014**

<u>Number of Contract Units</u>	<u>Number of Bedrooms</u>	<u>Contract Rent</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
60	1 Bedroom, Family	\$ 780	\$ 0	\$ 780
60	2 Bedroom, Family	\$ 800	\$ 0	\$ 800
29	3 Bedroom, Family	\$ 892	\$ 0	\$ 892

NOTE: This Exhibit will be amended by Contract Administrator notice to the Owner to specify adjusted contract rent amounts as determined by the Contract Administrator in accordance with section 6b of the Renewal Contract.

Comments:

EXHIBIT B
DISTRIBUTIONS LIMITATION

RECEIVED MAR 07 2014

FOR PROJECT NOT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is not subject to any limitation on distributions of project funds, either pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, neither HUD nor the PHA may impose any additional limitation on distributions of project funds during the term of the Renewal Contract.

FOR PROJECT SUBJECT TO DISTRIBUTIONS LIMITATION:

If the project is subject to any limitation on distributions of project funds pursuant to an FHA Regulatory Agreement or pursuant to the Expiring Contract, such limitation on distributions shall continue to be applicable during the term of the Renewal Contract, provided that the owner may take an increased distribution in accordance with the Section 8 Renewal Policy Guidance for Renewal of Project-Based Section 8 Contracts, (the "Guidebook").

However, owners of Section 8 properties must maintain the property in good condition, as demonstrated by a REAC score of 60 or higher, in order to take increased distributions.

The owner shall comply with the distribution limitations. The maximum distribution to the owner shall be equal to the total of:

- 1 The limited distribution permitted pursuant to the FHA Regulatory agreement or the Expiring Contract, **plus**
- 2 Any increased distribution as approved by HUD in accordance with the Guidebook.

Tab R:

Documentation of Operating Budget and Utility Allowances

This deal does not require
information behind this tab.

Tab S:

Supportive Housing Certification

This deal does not require
information behind this tab.

Tab T:

Funding Documentation



July 19, 2022

Mr. George Saad
Partner & Director, Acquisitions
BLVD Group
11911 San Vicente Boulevard, Suite 355
Los Angeles, CA 90049

Dear Mr. Saad:

Thank you for considering our proposal! This letter outlines the terms and conditions under which Enterprise Housing Credit Investments (“Enterprise”) as representative for one or more equity funds will make an equity investment in Aqua Vista Apartments (the "Project") located in Newport News, VA.

A. The Project

- Involves the acquisition and rehabilitation of 150 rental units in 10 building(s), 100% of which will be leased to LIHTC-eligible households
- Is projected to qualify for:
 - \$1,461,639 of annual Federal Low-Income Housing Tax Credits (the "Federal Housing Credit"), based on the following tax credit percentage, which will be locked as of closing: 4% for acquisition and 4% for construction

B. Project Ownership, Fees, Cash Flow and Capital Proceeds Allocations

- Sponsored by BLVD Communities (the “Sponsor”)
- The general partner will be a for -profit subsidiary of the Sponsor (the “General Partner”), which will be a single purpose entity with a 0.01% interest in the partnership. While the LOI refers to an LP structure for the partnership, the Sponsor may subsequently propose to use an LLP or LLC structure.
- The Enterprise equity fund will be the limited partner (the "Limited Partner") with a 99.99% interest in the partnership
- Development Fee – the development fee in the amount of \$3,019,531, will be payable as follows:
 - \$1,795,962 is projected to be paid out of equity as detailed in Section C below
 - \$0 is projected to be paid from sources other than equity on terms approved by the Limited Partner
 - The remainder is deferred and paid from cash flow at the interest rate shown in the projections.

ENTERPRISE HOUSING CREDIT INVESTMENTS, LLC.

70 Corporate Center ■ 11000 Broken Land Parkway ■ Suite 700 ■ Columbia, MD 21044 ■ 410.964.0552 ■ www.EnterpriseCommunity.org

If there is a discrepancy between any figures shown in this letter, compared to the projections shared by Enterprise, please defer to the projections.

- **Investor Services Fee** - the Limited Partner will receive an investor services fee of \$5,000 inflating 3% per year paid in accordance with Section E. Unpaid investor services fee will accrue without interest and be paid as a priority from subsequent cash flow or proceeds from refinancing or sale
- **Partnership Administration Fee** - the General Partner will receive a partnership administration fee of up to \$25,000, inflating at 3% per year paid in accordance with Section E, unless the sale of the property to the partnership is considered a related party transaction, in which case this fee cannot exceed the Investor Services Fee. Unpaid partnership administration fee will accrue without interest to be paid from subsequent cash flow or proceeds from refinancing or sale

Sponsor Name Ownership Assumptions	BLVD Communities		
	LP	For Profit GP	Non Profit GP
Percentage Ownership Interest	99.990%	0.01%	0.000%
Share of Project Cash Flow	99.990%	0.01%	0.000%
Share of Capital Proceeds at Sale	10.000%	90.00%	0.000%
Investor Income Tax Rate:	21.00%	Notes:	
Gross Income Allocation		90.000%	0.000%

C. Pricing of Credits and Schedule of Capital Contribution Payments

The Limited Partner proposes making an investment of \$12,278,000 based upon:

- \$.84 per dollar of Federal Housing Credit (“Federal Housing Credit Price”)

We assume the Limited Partner will be admitted to the partnership on October 15, 2022. If prior to closing there are material changes in the underwriting or timing assumptions or Enterprise’s cost or availability of capital, the Limited Partner may adjust the investment. Capital contributions (“Payments”), as scheduled in the projections, will be due upon the satisfaction of conditions and delivery of the items outlined below, to the extent not provided at closing, with approval by the Limited Partner. All Payments are contingent upon satisfaction of the conditions of prior Payments, and receipt of reporting items required at such time (see Section I below) and representations and warranties to insure the Project's viability. Additional conditions may be imposed during underwriting and will be reflected in the final partnership agreement (the “Partnership Agreement”).

First Payment: Admission **\$3,069,500 (25%)**

Up to the amount projected but limited to the amount needed to cover immediate costs.

\$449,000 of Development Fee (25% of paid fee) will be paid as part of this Payment.

Second Payment: Construction **\$6,662,118 (54.26%)**

- Loan documents for loans closed as of the admission date
- Owner’s title insurance policy

- Balanced draw request (AIA forms G702 and G703)
- Support for all soft costs
- General contractor lien waivers
- All installments of this construction Payment are tied to the construction completion milestones outlined below, as certified by the project architect and subject to acceptance by the Limited Partner and its consultant

\$0 of Development Fee will be paid as part of this Payment.

Enterprise will fund draws up to the amounts scheduled below on the following schedule:

Date	Amount	% Completion
April 1, 2023	\$3,331,059	50%
July 1, 2023	\$3,331,059	75%

Third Payment: Completion **\$449,000 (3.66%)**

On the latest to occur of January 1, 2024 and:

- Temporary certificates of occupancy for 100% of the units (for renovation projects, all applicable building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy or if no such confirmation is reasonably available, then the architect's certification of substantial completion)
- Construction completion which requires that the Limited Partner and its consultant accept the architect certification that construction is complete in accordance with the relevant project documents, excepting punch list items that do not impede occupancy on a full rent paying basis provided that funds are escrowed or retained by construction lender to complete them
- Radon testing for each building and evidence of mitigation, if required
- Lead free inspection certificate (for buildings built before 1978) or acceptable Operations and Maintenance Plan.
- Title report evidencing there are no recorded mechanics liens that have not been released or bonded against
- Partial lien release and current AIA forms G702 and G703
- Draft as-built ALTA survey
- Developer prepared cost certification documenting the Project’s eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test (for 4% deals)
- Current source and use schedule for the Project confirming sufficient funds are projected to be available to achieve loan conversion (“Loan Conversion”) which consists of:
 - Conversion of all loans to permanent status

- Closing and funding of all permanent loans in accordance with the terms shown on the Projections
- Repayment of all construction loans
- Approval of all loan documents
- Required insurance
- satisfactory evidence of the partnership's valid and timely election to be treated as an "electing real property trade or business" under Section 163(j)(7)(B) of the Code;
- Operating or rental subsidy agreements

\$449,000 of Development Fee (25% of paid fee) will be paid as part of this Payment.

Fourth Payment: Conversion/Stabilization \$1,318,076 (10.74%)

On the latest to occur of April 1, 2024 and:

- Permanent certificates of occupancy for 100% of the units (for renovation projects, all applicable building department signoff on permits or recorded notice of completion or other such confirmation that the local government approves of the completed work may be acceptable in lieu of certificates of occupancy)
- Final mechanic's lien release and final AIA forms G702 and G703
- Final as-built ALTA survey (for projects involving new construction or changes to the footprint of a building due to renovation)
- Recorded extended use agreement
- Draft and final accountant certified cost certification documenting the Project's eligible basis, balanced sources and uses, calculation of annual credit, and evidence of the 50% test (for 4% deals)
- 98% documented tax credit qualified occupancy
- Credit projection
- Stabilization Date, which is the date that is the later of:
 - i. Construction completion
 - ii. The date the Project has satisfied the required debt service coverage ratio (the "Coverage Ratio") of 1.15 for a period of three (3) consecutive calendar months evidenced as a single time period, with revenues calculated on a cash basis and expenses on an accrual basis. Rental and operating subsidy payments receivable may be included in rental income (up to the projected subsidy income) provided such amounts are not more than sixty (60) days in arrears. Revenue shall not include non-recurring revenue nor tenant-based voucher income exceeding maximum Federal Housing Credit rents. Throughout this period, the underwritten physical occupancy of the residential units is achieved and revenue equals or exceeds projected effective gross income. Project expenses (including required reserve funding) will be the greater of:
 - 1. actual expenses; OR
 - 2. the lesser of
 - A. the expenses shown on the projections

B. the current approved budget

Note that the Coverage Ratio may be adjusted upward during underwriting to maintain appropriate minimum Coverage Ratio during the initial compliance period.

- Loan Conversion, which may be simultaneous with equity funding per this Payment

\$718,366 of Development Fee (40% of paid fee) will be paid as part of this Payment.

Fifth Payment: 8609 **\$179,596 (1.46%)**

On the latest to occur of April 1, 2024 and:

- Receipt of IRS Form(s) 8609
- Tax return for the first Federal Housing Credit year

\$179,596 of Development Fee (10% of paid fee) will be paid as part of this Payment.

Sixth Payment: **\$599,710 (4.88%)**

On the latest to occur of April 1, 2029 and:

- All other conditions have been met.

\$0 of Development Fee will be paid as part of this Payment.

D. Adjusters

The maximum aggregate upward adjuster is 5% of the projected total capital contribution and payment thereof shall not be subject to any conditions other than as may be set forth below. If the project generates credits that result in equity above the 5% upward adjuster cap, the Limited Partner will have the first right of refusal, but not the obligation, to purchase the credits at the same price per credit. If the Limited Partner does not purchase the excess credits, then no additional consent will be required for the General Partner to utilize the credits. Alternatively, the additional credits may be sold to a third-party, subject to LP consent, as long as the Limited Partner is made whole on yield and the third-party does not receive voting rights. The calculation of the adjuster will be subject to the Limited Partner's approval and include no negative tax implications to the Limited Partner. If the unpaid Payments are less than any downward adjustment, the General Partner will make a cash contribution or loan in the amount of the deficiency on an after-tax basis to be distributed to the Limited Partner. The specific adjustments follow:

1. Total Credit Adjuster:

If there is a reduction of total credits of any type at any time, as compared to projections, then the next Payment will be reduced provided that any such adjustment based on the cost certification shall be preliminary with a final true-up made as necessary upon receipt of 8609s. The amount of the downward adjuster will be the respective credit price

multiplied by the reduction of the relevant credits.

If there is an increase of total credits of any type, as compared to projections then the aggregate capital contribution will be increased as of the Payment for which 8609s are received. The amount of the upward adjuster will be the respective credit price multiplied by the increase of the relevant credits.

2. Timing Adjuster:

If there is a reduction in equity according to the following paragraphs, it will be implemented as of the Payment dependent upon the Stabilization Date. Any additional equity funded under this section D.2 will be payable as part of the Payment requiring receipt of the relevant tax return showing the faster delivery, by year. If the Project delivers fewer Federal Housing Credits less than shown in the following schedule, total capital contribution will be reduced by \$0.53 per dollar of credit differential, and if the Project delivers more Federal Housing Credits than shown in the following schedule, total capital contributions will be increased by \$0.53 per dollar of credit differential:

2023	2024
\$1,327,655	\$1,461,639

The timing adjusters may vary between LOI and final closing as the investor’s internal rate of return requirement changes. If the increase in first year Federal Housing Credits results in any loss of Federal Housing Credits due to the 2/3 rule, the increase will be reduced by both the permanent loss of Federal Housing Credits and present value of the rescheduled credit delivery.

3. Recapture Adjuster

If the actual Federal Housing Credits allocated to the Limited Partner on the federal tax return are less than projected (after adjustments per D.1 and D.2 above), or there is recapture of Federal Housing Credits, then the Limited Partner's capital will be reduced by \$1.00 for every dollar reduction in the amount of Federal Housing Credits plus any interest and penalties imposed by the IRS.

If it is determined that a recapture adjuster will be applicable in subsequent years, the full adjuster for the future years will be made at the time of the initial determination. If the unpaid capital contributions are less than this adjustment, the General Partner will make a cash contribution in the amount of the deficiency on an after-tax basis. This contribution will be distributed to the Limited Partner.

4. Depreciation Adjuster

Failure to make various General Partner or Sponsor tax and Project depreciation elections as called for in the projections and the Partnership Agreement will result in a reduction in capital contributions to reflect, and consistent with, the reduction in benefits to the Limited Partner. If unpaid capital contributions are less than such adjustment, the General Partner will be required to make a cash contribution up to the amount of such reduction in tax benefits on an after-tax basis. This contribution will be distributed to the Limited Partner.

5. Excluded Credit Adjustment Amount

There will be no adjuster for any reduction or recapture of credits if such reduction or recapture is due solely to (i) an act or omission attributable to gross negligence or intentional misconduct of the Limited Partner in violation of the Partnership Agreement; (ii) the transfer by the Limited Partner of all or a portion of its interest in the Partnership; or (iii) any change in the Code or change in Treasury Regulations (except as related to the Average Income minimum set-aside election) that occurs after the effective date of the Partnership Agreement, with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

E. Application of Cash Flow and Refinance or Sale Proceeds

1. Cash Flow

Cash remaining after funding operating expenses, reserve deposits, and required debt service will be applied according to the following priorities:

- a) to the Limited Partner for:
 - i. unpaid credit deficiency
 - ii. taxes owed on taxable income allocated to the Limited Partner
 - iii. unpaid Investor Services Fees
- b) to replenish the operating reserve to required level
- c) to the property manager for the cash flow portion of property management fee (if related manager)
- d) to the developer to pay off remaining deferred Development Fee
- e) to the General Partner
 - i. to reimburse operating deficit contributions
 - ii. for Partnership Administration Fee (if applicable)
 - iii. to reimburse development advances, at the Limited Partner's sole discretion after tax analysis
- f) Contingent loan payments with limits for each loan scheduled in the projections and in accordance with the loan documents
- g) A percentage to the General Partner accompanied by a special allocation of income of such amount and the remainder to the Limited Partner per Section B above

2. Capital (Refinance or Sale) Proceeds

The proceeds of a refinance or sale of the Partnership's property, net of paying off outstanding debt, will be distributed according to the following priorities:

- a) to the Limited Partner for
 - i. unpaid credit deficiency
 - ii. taxes owed resulting from the sale or refinancing
 - iii. unpaid Investor Services Fees
- b) to the developer for unpaid Development Fee
- c) to the General Partner for:
 - i. reimbursement of operating deficit contributions and credit adjuster advances
 - ii. Partnership Administration Fee (if applicable)

- iii. reimbursement of development advances, at the Limited Partner's sole discretion after tax analysis
- d) Distributions to the General Partner and the remainder to the Limited Partner in accordance with Section B of this agreement.

F. Disposition of the Limited Partner's Interest

The Limited Partner will have an absolute right to withdraw from the Partnership after the credit period. Beginning after the credit period the Limited Partner may require the General Partner or its designee to purchase the Limited Partner's entire interest in the Partnership for one hundred dollars (\$100.00) and to provide adequate protection against the possibility of tax credit recapture through the end of the compliance period (provided that, such recapture liability shall not include recapture resulting solely from the transfer of the Limited Partner's interest).

The General Partner will have the following purchase options which will terminate twelve months after each respective trigger date. However, the General Partner may extend these rights or options for an additional 12 months for a payment of \$25,000 to Enterprise as an additional investor services fee:

1. Purchase of the Limited Partner's Interest

The General Partner will have the option to purchase the Limited Partner's interest at the end of the initial compliance period for a price ("Buyout Price") equal to the greater of (a) the appraised value of the Limited Partner's interest subject to all applicable use restrictions, or (b) any taxes payable by the Limited Partner attributable to the sale of its interest.

The appraised value of the Limited Partner's interest (for purposes of this section, or "2. Early Purchase of the Limited Partner's Interest") or the Project (as described in "3. Purchase of the Project" below) shall be determined by an independent appraiser selected by the General Partner who shall prepare an appraisal of the Limited Partner's interest, which appraisal may take into account any factors that the independent appraiser deems, in its sole and absolute discretion, relevant in determining the LP Interest FMV including, but not limited to, appropriate discounts typically applied to the valuation of a limited partner's interest, and deferred maintenance and capital needs requirements set forth in a physical needs assessment.

2. Early Purchase of the Limited Partner's Interest

The General Partner shall have the option to purchase the Limited Partner's interest for the Buyout Price after all credits have been delivered if the Limited Partner determines in its sole discretion that:

- a) the deal will deliver the internal rate of return projected at closing (adjusted to account for the actual delivery of credits and losses to the Limited Partner through the exercise of the option), even after the exercise of the buyout option;
- b) there are no negative tax consequences to the Limited Partner (other than a reduction in return, addressed above); and

- c) the General Partner provides adequate protection against the possibility of tax credit recapture through the remainder of the compliance period.

3. Purchase of the Project

After the initial compliance period, the General Partner will have the option to purchase the Project for a price equal to the greater of (a) the as-is appraised value of the Project subject to all applicable use restrictions, or (b) the total amount of any taxes payable by the Limited Partner due to the sale plus debt on the Project.

4. Additional Provisions

- a) There will be no requirement for a forced sale of the Project after the Compliance Period.
- b) The General Partner shall have the right to refinance the debt on the Project at any time after the Compliance Period and any consent of the Limited Partner to such refinancing shall not be unreasonably withheld, conditioned, or delayed.

G. General Partner Obligations

All obligations of the General Partner, including but not limited to the following, will be guaranteed by Sponsor (the “Guarantor”). The General Partner and Guarantor must demonstrate to Enterprise, in its sole and absolute discretion, their ability to provide meaningful guarantees.

1. Guarantees

- a) Achieve lien-free construction completion, cover all development advances necessary for the completion of the Project, and convert to permanent financing at the amounts and terms shown in the projections. Advances under this guarantee will not be reimbursed (except from later-available development proceeds, if any, or from additional funds received from an upward adjuster as contemplated in Section D) or unless approved by the Limited Partner at their sole discretion, in which case they may be structured as cash-flow contingent loans.
- b) Advance funds needed to cover operating deficits until the later of the Stabilization Date or Loan Conversion.
- c) After the later of the Stabilization Date or Loan Conversion, and withdrawal of all funds from the Operating Reserve (provided such withdrawal is approved by the Limited Partner, which approval shall not be unreasonably withheld) advance funds needed to cover operating deficits up to 6 months of operating expenses, reserve contributions, and debt service currently scheduled to be \$1,199,500. Any funds so advanced shall be repayable from cash flow or sale/refinancing proceeds. Subject to satisfaction of the conditions set forth below, the duration of this guarantee is 5 consecutive audited years (including the calendar year of Stabilization or Loan Conversion) following the later of Loan Conversion or Stabilization Date. This guarantee will continue until such time as:
 - i. the operating reserve is funded as per Projections

- ii. the Project has achieved the Coverage Ratio for the final 2 consecutive years of the guarantee period. This ratio may be adjusted during underwriting to maintain a minimum Coverage Ratio during the initial compliance period
 - iii. the project-based rental or operating subsidy and/or service subsidy is in full force and effect per the projections.
- d) Contribute capital to fund:
- i. adjusters as described in Section D above;
 - ii. reserve accounts not funded due to capital contribution adjustments; and
 - iii. unpaid Development Fee at the end of the compliance period.
- e) Repurchase the Limited Partner's interest if:
- (A) At any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, any loan is in default, after the expiration of any applicable notice and cure period, or an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

OR

- (B) If the Partnership fails to:
- i. For 4% projects, qualify for Federal Housing Credits for failing the 50% test as required in Code Section 42(h)(4)
 - ii. Achieve the minimum set-aside test for the Project
 - iii. Achieve at least 75% of the projected Federal Housing Credit
 - iv. Operate at break-even for 3 consecutive months within 18 months of the completion date
 - v. Achieve Loan Conversion
 - vi. Maintain any loan commitment which is not replaced by a comparable commitment acceptable to the Limited Partner
 - vii. Receive 8609s (with respect to the Federal Housing Credit) by December 31 of the year after the first year of the credit period for the last building placed in service (subject to agency delays in issuance of 8609s that are not within the control of the General Partner and the General Partner has provided all documentation required or requested by the Agency in a timely manner);

OR

- (C) Upon an Event of Bankruptcy with respect to the General Partner or the Guarantor prior to the completion date.

The repurchase price will be 110% of capital contributions made to date plus interest at the Prime Rate plus 2%, plus the costs and expenses incurred (including reasonable attorneys' fees incurred to enforce these provisions) less the credits allocated to the Limited Partner not subject to recapture.

- f) To the extent not paid from cash flow, indemnify the Partnership and the Limited Partner for any income tax liability on an after-tax basis or costs to remove liens realized by the Partnership or the Limited Partner in any taxable year attributable to any taxable grant not approved by the Limited Partner or to any deemed sale of state

credits. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.

- g) Indemnify and hold harmless the Partnership and the Limited Partner from any loss incurred due to the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement, or environmental violations. This indemnification is a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal, or withdrawal of the General Partner.
- h) The Guarantor shall covenant to maintain at least \$1.5 million in liquid assets until the Project achieves Conversion. After that time, such liquidity requirement will be reduced to \$1 million.

2. Reserve Requirements

- a) The operating reserve (the "Operating Reserve") will be funded in the total amount of at least 6 months of operating expenses, reserve contributions, and debt service plus the amount necessary to maintain the Coverage Ratio through the compliance period and is currently scheduled to be \$1,199,420. 50% of the reserve will be funded from equity at conversion and the remainder will be funded 5 years after conversion (currently projected to be 4/1/2029). After the Project has achieved the Stabilization Date and Loan Conversion, the General Partner will be permitted to use the Operating Reserve prior to making operating deficit contributions to the extent the Operating Reserve has been funded as of the date of the deficit.

Upon termination and winding up of the Partnership, subject to the provisions of the Partnership Agreement, the balance in the Operating Reserve shall be used to pay any tax (including exit and transfer taxes) imposed on the Partnership, the Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or for other uses approved by the Limited Partner. Paying off Sponsor notes is an eligible use of these funds.

- b) The lease-up reserve ("Lease-Up Reserve") must be budgeted in the amount needed to cover the projected deficits prior to the Stabilization Date. Borrowing authority under construction period loans may be used as a source. After the Stabilization Date, unused funded Lease-Up Reserve will reimburse development advances or reduce deferred Development Fee or partner or other loans (with the approval of the Limited Partner) with any remaining balance deposited into the Operating Reserve.
- c) The replacement reserve (the "Replacement Reserve") will be funded from operations in the amount of \$300 per unit per year, increasing 3% annually and \$150,000 will be capitalized. For rehabilitation projects, the physical needs over time analysis may indicate that a higher annual contribution is required.

H. Opinion of Counsel & Syndication Costs

The Limited Partner's attorneys will prepare the Partnership Agreement, review due diligence, and prepare the tax opinion. The Partnership will pay the Limited Partner's attorney fees, estimated to be \$45,000, but could be greater in the event of an extended closing schedule or extraordinary deal complexities.

The Limited Partner will require a satisfactory opinion of Partnership's counsel on certain corporate and other matters including formation of the Partnership, limited liability of the Limited Partner, no conflict between the Partnership Agreement and other binding contracts, no litigation, etc. The General Partner and the Partnership's counsel will prepare all other necessary documents, collect due diligence, legal opinions, and perform other work necessary to complete the transaction.

The Partnership will pay the costs, estimated to be \$30,000, of construction plan review and inspections as commissioned by the Limited Partner.

I. Reporting

The Partnership will deliver to the Limited Partner:

- a) Construction progress reports
- b) monthly lease-up report within 15 days after each month
- c) The Partnership will be required to prepare quarterly and annual reports in form and substance satisfactory to investor as set forth in the Partnership Agreement.
- d) annual draft audited financial statements and draft tax returns not later than 45 days after the end of each year and final audited financial statements and final tax returns not later than 60 days after the end of each year. The audit and tax return must be prepared by a certified public accountant approved by Enterprise. Late delivery of annual audited financial statements or tax returns obligates the General Partner to pay to the Limited Partner the sum of \$50 dollars per day for the first 30 days such audit or tax return is late, and \$100 per day thereafter

J. Additional Requirements

In addition to the conditions set forth above, any investment by the Limited Partner is contingent upon availability of capital at the time of closing and upon review and approval by Enterprise's Investment Committee, in its sole and absolute discretion, of all of the following:

- Market demand, Rent, and Operating Expenses
- Management Agent and Management Plan
- Phase I Environmental Assessment including radon, lead paint and asbestos reports, as applicable
- Commitments and documents from all other sources of financing
- Legal or other opinions
- Any other items material to the underwriting of the Project
- Partnership Agreement
- Investor approval
- If the project is utilizing 4% tax credits, an award of tax-exempt bond authority from

the relevant agency, a bond inducement resolution issued, and evidence that the project qualifies for Federal Housing Credits in the amount of the Federal Housing Credit allocation because 50% or more of the project is financed with tax exempt bonds subject to the volume cap, as provided in Section 42(h)(4)(B) of the Code

Enterprise may waive any of the conditions to closing set forth in this letter. The waiver of any condition does not constitute a waiver of any remaining conditions.

The Sponsor acknowledges that this letter of interest is proprietary and confidential and may not be shared with competing investors or any other developer. Upon execution of this letter, Enterprise will commence its underwriting and due diligence review and will have its outside counsel commence the preparation of the transaction documents. The Sponsor agrees that Enterprise will have an exclusive right to syndicate the credits for this Project which will terminate if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Enterprise reserves the right to terminate this letter if the Limited Partner has not been admitted to the Partnership within 90 days after the projected closing date. Further, or to the extent there is tax or regulatory reform prior to closing, terms are subject to renegotiation.

This letter of interest will expire if the counter-signed copy is not received by Enterprise by the 11th day after the date of this letter. Please remit one fully executed copy right away. We look forward to working with you!

Sincerely,
ENTERPRISE HOUSING CREDIT
INVESTMENTS



Reagan Maechling, Vice President

Agreed and accepted:

By: 

Title: Manager of BLVD Capital, LLC

PROJECT ASSUMPTIONS

The terms and conditions are based on the following assumptions, which may be adjusted prior to closing:

1. Market rents as established by the Enterprise market analyst are at least 10% above the scheduled unsubsidized rents and at least equal to the rental subsidy contract rents.
2. Total vacancy loss (physical vacancy plus loss to lease and bad debt) rate of 5%.
3. Annual operating expenses of \$6,776 per unit net of Replacement Reserves and Investor Services Fee.
4. Should the Project not break even, the property management fee paid to parties related to the General Partner or Guarantor will be deferred and collected from cash flow.
5. Enterprise assumes that the rate for the permanent mortgage will be locked at closing using a fixed-rate construction-permanent product or a forward commitment which encompasses the projected construction, leasing, and stabilization period with a cushion. Swaps are not acceptable. Debt service covenants which would put the project into default as long as payments are being made are generally unacceptable.
6. The project will have project-based operating, service, or rental subsidy in the form of a Project-based Section 8 HAP contract on 149 units for a period of 20+ years. In the event the rental or operating or service subsidies are not in full force and effect as per the projections, we assume the property could achieve \$2,139,732 base year gross rent potential due to adjusted use and rent restrictions. The following adjustments to use and rent restrictions and operating expenses which need to be supported during underwriting follow:
 - Annual contributions to the reserve for replacement increase to \$350/unit
7. The Project contractor will provide a 15% letter of credit or 100% payment and performance bond. Retainage will be 10% through completion unless limited by state law.
8. Construction will begin by October 1, 2022 and will be complete by January 1, 2024. Liquidated damages for delayed delivery will be built into the General Contract according to the following minimum standards:
 - Contracts up to \$5MM: \$500 per day
 - Contracts over \$5MM up to \$10MM: \$1,000 per day
 - Contracts over \$10MM up to \$15MM: \$1,500 per day
 - Contracts over \$15MM: \$2,000 per day
9. For projects in Uniform Building Code zones 3 or 4, a seismic survey will be required. Enterprise will not invest in projects with a Scenario Expected Loss ratio (SEL) above 40% post completion. Until such time as the SEL is below 20%, then earthquake insurance sufficient to cover replacement with a deductible of no more than 5% of insured value will be required.

10. Depreciation according to the following base election schedule, but with special allocations as specified in the projections (including depreciating soft costs pro-rata according to the useful lives of the hard costs):

Depreciation Assumptions

Is FP GP a For-Profit Subsidiary of a Non-Profit?	No	Years
Will a 168 (h) (6) Election be made?	No	Years
Is there a Commercial Depreciation Override?	No	Years
Will there be a Building by Building Override?	No	
Will there be Soft Cost Allocation?	Yes	
Depreciable Life of Building	30.0	Years
Depreciable Life of Furniture, Fixtures, Equipment	5	Years
Depreciable Life of Site Work	15	Years
Will there be Bonus Depreciation?	Yes	

11. The financing and tax structure will be approved by our tax attorney.

Project Loan Information:

Important:
Enter Loans in Lien Priority at Sale
Lender Name

Financing Source

Loan Amount: 138,733

Interest Rate: 1.1503

Mortgage Insurance Premium

Fixed or Variable

Term (Years):

Amortization

Loan Type

Loan Repayment Type

Loan First Payment Date:

No. of Months in First Year: Sponsor DS

Monthly Payment: 1,352,578

Annual Payment: 1,337,409

MIP Payment (1st Year):

Non-Recourse Loan?

Related Party Loan?

New or Assumed Seller Debt?

Loan Restrictions

HUD Deal/Conversion Required

¹ Belwether Enterprise Real Estate Capital, LLC

CASH FLOW CONTINGENT LOAN OPTIONS (DO NOT COMPLETE CELLS BELOW FOR LOANS

Percent of Cash Flow Available:

Interest Rate Paid (if different)

Interest-Only or P&I

Compound Interest-See Eff. Int. Calc. for Simple Int.

Fixed Payment:

Accrued Interest During Construction:

Comments:

Loan Maturity Due Date

Notes:	LOAN 1	LOAN 2	LOAN 3	LOAN 6
	VHDA	VHDA REACH	Piper Sandler	DDF
	Govt-State Other	Govt-State Other	Bank/Convention	Other
	10,000,000	7,000,000	3,810,000	1,223,569
	5.50%	2.95%	7.00%	8.00%
	Fixed	Fixed	Fixed	Fixed
	17	17	17	15
	30	30	30	15
	Conventional Must pay	Conventional Must pay	Conventional Must pay	Deferred Develop. Fee
	Fully Amortizing	Fully Amortizing	Fully Amortizing	Cash Flow Conting.
	4/1/2024	4/1/2024	4/1/2024	1/1/2024
	Sponsor DS	9	9	9
	1,352,578	56,779	29,324	25,348
	1,337,409	681,347	351,886	304,176
	0	0	0	0
	Non-Recourse	Non-Recourse	Non-Recourse	Non-Recourse
	Non-Related Party	Non-Related Party	Non-Related Party	Non-Related Party
	100.00%	100.00%	100.00%	100.00%
	5.50%	2.95%	7.00%	8.00%
	P&I	P&I	P&I	P&I
	Compound	Compound	Compound	Compound
	4/1/2041	4/1/2041	4/1/2041	12/31/2038

Construction Loan Information

	Bonds/Construction
	Loan #1 <input checked="" type="checkbox"/>
Lender Name:	VDHA
Loan Amount:	16,000,000
Interest Rate:	3.50%
Rate is based on: (Libor + X bps, etc.)	
Term (Months)	20

Other Sources	Financing Source	Amount
General Partner	Other	100
Interim Income from Development	Other	1,044,413

Tab U:

Acknowledgement by Tenant of the availability of Renter
Education provided by Virginia Housing



Virginia Housing Free Housing Education Acknowledgement

I _____, have read, understand, and acknowledge, I have been presented information regarding the Virginia Housing free renter education to tenants.

I understand that it is my responsibility to review the website link provided here www.virginiahousing.com/renters.

By signing below, I acknowledge that I have read, and understand the terms of all items contained this form.

Resident Name: _____

Resident Signature: _____

Date: _____

Tab V:

Nonprofit or LHA Purchase Option or Right of First
Refusal

This deal does not require
information behind this tab.

Tab W:

Internet Safety Plan and Resident Information Form (if internet amenities selected)

The Apartment Internet Guidelines

Acknowledgement

I _____, have read, understand, acknowledge and agree to be bound by the recommendations, guidelines, terms, and conditions outlined in The Aqua Vista Apartments Internet Guidelines Manual (provided to Resident). The Internet Guideline Manual outlines and summarizes the proper use and safety guidelines when using the Internet Services provided at The Aqua Vista Apartments common areas.

I understand that the Internet Guideline Manual and handbook contains information that will assist me and my guests in the proper use of the internet made available by Aqua Vista Apartments. I also understand that I will be held accountable for my behavior, as well as for my guests' behavior, and me be subject to legal and/or financial consequences related to any misuses as outlined in the Internet Guideline Manual.

By signing below, I acknowledge that I have read, agree to, and understand the terms of all items contained in The Aqua Vista Apartments Internet Guideline Manual.

Resident Name: _____

Resident Signature: _____

Date: _____

AQUA VISTA APARTMENTS

INTERNET SECURITY PLAN

The internet service at Aqua Vista Apartments will have a rotating password that is only accessible to residents. The network router will be in a secure area to which tenants will not have access. The router will have a secure firewall to prevent data breaches.

At move-in, we will provide Tenants with the attached security and safety information and guidelines and will ask Tenants to sign an Acknowledgement of Responsibilities statement to ensure that they are educated in the internet safety and security guidelines.



Internet Safety

Playing it safe while playing online



Hi there kids! I am Charlie Cardinal and this is Speedy the Crime Fighting Hamster. We are here to introduce you to the basics of Internet Safety and some of the villains you need to watch out for. There are some bad characters out there, so you have to protect

yourself. Your parents won't always be there to watch out for you, so stay sharp, learn all you can, and stay safe!



Privacy & Personal Information



Privacy is being able to keep things secret or hidden from others.

Personal Information is information about you or your family such as your address, a social security number, your parent's bank account, or how much money they have.

Criminals love to get people's personal information because they can pretend to be you, or use your money to buy things.

They can also make money off of your information by selling it to others. Companies or other criminals will use your info to send you junk mail or spam emails.

Criminals learning your address can be very bad. They may break in and steal from you. Protect your safety and your belongings, by keeping your information a secret.

These bad people may even use your personal information to trick someone else in your circle of friends and family. People sometimes tell criminals things that they shouldn't if they think that they are communicating with someone they know.



Think before you click



Do you know who sent that email?



Passwords

One of the most important things you need to learn is how to create strong passwords. A password is a code you type in to let the computer know it is really you.

Having an easy to guess password could allow someone to snoop around in your private information.

The way to make your password strong is to never use your name or your birthday. Use something hard to guess, but easy for you to remember. Make your password at least 8 characters long, and mixing numbers, symbols, and upper and lower case letters makes the password strong just like Speedy. Avoid using the same password over and over. That way if they do figure out your password, they only gain access to one account. And never leave your passwords written down where someone can find it.



A great tool online that creates kid friendly passwords is the website, www.dinopass.com

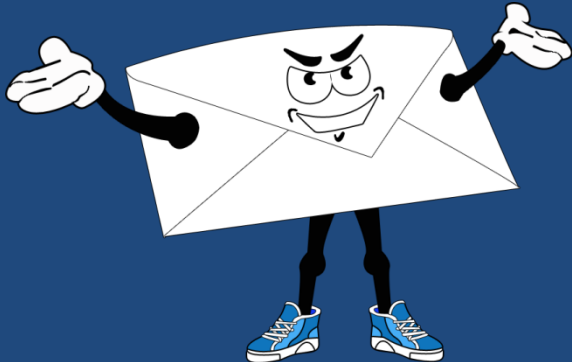
Spam



Spam is basically email that you receive from different companies or strangers that you did not sign up for. Most times it isn't from real companies and usually the sender is up to no good.

Spam emails can sometimes be a phishing scam. Phishing emails are emails that look like it is from some trusted source. A place like your bank, the IRS where taxes are collected, or some other business you shop with often. They make their email look like it is the real thing with logos, and they put links in the email baiting you to click them. Once you click the link, you could be launching a program that can damage your computer in some way or collect your personal information.

Spam emails can also use winning a sweepstakes or some other type prize to trick you into trusting the email source. After they hook you in, they inform you that to collect your prize, you must give them your credit card number.



How do you know it is spam?

Spam emails typically have a bunch of spelling and grammar errors or a mention of someone you don't know in the subject line. Don't Open It! Delete those emails right away.



Malware



Malware is a program written with the intent to harm your computer in some way.

Programs such as this, may be waiting for you to do something(a trigger), so that it can run. This could be the clicking of the link or opening an email attachment.

When searching for free downloads online, be very careful. There are a lot of sites out there trying to trick you. They will pay to make their site get returned at the top of the list of search results. Then when you access the page, they use blinking buttons to trick you to click. The result of clicking usually ends up being your computer loaded up with malware.

Once your machine is infected, it can change browser settings, create unusual popup ads on your computer and then pass the malware on to someone else.



Spyware is a program that gets onto your computer through a download or a virus and it gathers information about you and sends this back to its creator.

Some of the types of information spyware might send back to home base is email addresses of you or your contacts, passwords, account numbers, and credit card numbers.

Some spyware out there records how you use your computer and what you search for online.

Adware

Adware is software that you are allowed to use by the author because of the advertisements that pop up occasionally during the game. Many of these type games you will find in the form of apps on your phone or devices.

Through the addition of advertisements, the developer gains some income that may supplement a discount to the user, sometimes making the software free.

Often after using the product with the ads, a consumer will purchase the software to get rid of the ads.

<http://www.pctools.com/security-news/what-is-adware-and-spyware/>



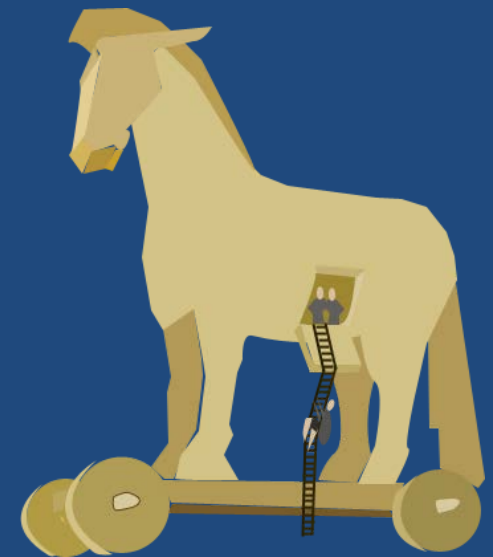
Trojan Horse

The name for the Trojan Horse virus was derived from tale of the Trojan Horse constructed by the Greeks to gain access to the city of Troy. The wooden horse was left at the gates as an offering to Athena. The horse was then wheeled into the city and out came Greek fighters hiding inside. <http://www.britannica.com/topic/Trojan-horse>

A Trojan horse virus is a form of malware that is dressed up as something interesting or software from a source we are familiar with. The purpose is to trick the person into installing it. This allows the creator of the Trojan to do damage to data or software on your computer. They also will set up a 'back door' or access point that allows them to access your system.

Trojan viruses don't spread by infecting other files and they cannot duplicate themselves.

<http://www.webopedia.com/DidYouKnow/Internet/virus.asp>



Worms

Worms are malware that can duplicate itself and spread to other computers. Worms always do something bad, even if it is just slowing things down.

Worms will frequently set up the ability for computers to be taken over by the worm's author by creating backdoors on the host computer. These computers are then called a "zombie computer". "Zombie computers" can be used to send out spam or as a shield to hide the web address of people who want to do bad things.

<http://www.webopedia.com/TERM/Z/zombie.html>





Virus

A virus is a small program that is created to spread from one computer to the next and to mess up the way your computer works.

Many times viruses hop from computer to computer via email attachments or messages. They can also hide in funny pictures(memes), e-cards, or other desirable file attachments. It can also be sent through an instant message.

A virus can corrupt your data, or worse, delete it. It can also email copies of itself to your friends.

Keeping your anti-virus software up to date is key to protecting against the latest viruses and other security threats.

<https://www.microsoft.com/security/pc-security/virus-whatis.aspx>

Social Media



Privacy settings on social media accounts are set up as public when you first get one. Unless you want everyone to be able to look at all of your photos and other private stuff, you must go into your account settings and change this.

Something to remember is whatever you post and say on your page can be shared by your friends. Think about what you post online, BEFORE you do it. What you post, could be seen by anyone at any time depending on your settings and the friends you keep. Because we can take pictures of our screens, there is really no setting that can protect you. Think twice about what you are sharing with others, so there are no regrets later.

Make sure you know the people that you accept friend requests from. Sometimes people try to friend you to hack your Facebook account or access your contacts. Once you are hacked they will send out strange messages or friend requests to your contacts. Protect your friends and yourself by being cautious with friends and creating strong passwords for your social media accounts.

Geotagging



Geotagging is the bit of data that your electronic device packages with your picture that has information about where the picture was taken. This is something that can be turned on and off in your device and typically comes turned on until you change the setting.

When your photo is geotagged, this gives people information about your location. Letting outsiders know where you are, can allow them to plan to steal your belongings or vandalize your home.

Consider if you post a photo every Wednesday in your outfit ready to walk to ball practice and geotagging is turned on. This shows you have a routine and gives a rough area you will be in. A predator could come and take you away.

Another issue with allowing the geotagging to occur is you don't have control of your own privacy. Everyone does not need to know where you are all of the time, keep this information private.

<http://www.nytimes.com/2010/08/13/technology/personaltech>



Be Careful of What You Say!



Defamation: Defamation is the blanket word used for all types of untrue statements made about others. [Definition of Defamation on Law.com](#)

Slander: When someone orally tells one or more people an untruth about someone, which will harm the reputation of the person it is about. It is not slander if the untruth is in writing of some sort or if it is broadcast through television or radio.

[Definition of Slander on Law.com](#)

Libel: This is where someone publishes to print(including pictures), written word, online posts, blogs, articles, or broadcast through radio, television, or film, an untruth about another which will do harm to the person's reputation. [Definition of Libel on Law.com](#)



Be Careful of What You Say!



Much of the things people post online may get ignored, and you may get lucky and avoid legal action. But, when someone gets angry and files a lawsuit it can cause a major headache and possibly hit you hard in the wallet.

You might think you should have a right to openly complain about a company and their bad service or lousy product. Well when it comes to this, it is not always that simple. You can get sued for this and even if the judge agrees with you, you still have to pay for a defense attorney. Think twice and make sure that whatever you have to say is worth any headache you may have pop up later.

<http://ideas.time.com/2013/01/07/yelp-reviewers-beware-you-can-get-sued/>

On social media, people get into the habit of letting their emotions get the better of them and they end up speaking their minds about others online. When that person feels that this damages their character, they may opt to sue the other person for defamation. Even if their case is not successful, the stress, money, and time that you spend defending yourself is not worth it. To read more about defamatory social media posts, [click here](#).

Stranger Danger Online



When you think of being on your computer or other electronic device in your own home, you probably think you are safe. Your mom is in the next room, what could happen?

Well there are people online that are up to no good. They go in chat rooms and pop up on your instant messenger, looking for someone to “groom”.

What is grooming you say? Well, grooming is when a stranger (can be any age) finds someone they are interested in, usually a minor. They act really nice and maybe they pretend they are much younger than they really are, like they are a kid just like you. Then they try to get you to like them and to trust them. They may ask you not to tell anyone you are talking to them. This is not okay and is a warning sign of a possible groomer.

How to Protect Yourself in Online Chats

- Choose chat sites designed for kids, such as www.kidzworld.com. Kidzworld is moderated and its aim is to protect kids from unwanted requests and online bullying.
- Beware of people you don't know. If they are asking too many questions or being too friendly they may be up to no good.
- If someone asks you to send them a picture or sends you a picture or video that is inappropriate, tell an adult or report them to the site moderators.
- Don't give out personal information to strangers online
- Don't tell strangers where you live or give them your telephone number
- Don't send strangers pictures of you or others
- If you are being bullied or threatened online, tell an adult or someone you trust





Cyberbullying

- Cyberbullying is the **willful and repeated harm** inflicted through the use of computers, cell phones, and other electronic devices.
- Using PhotoShop or other tools to create harassing images.
- Posting jokes about another person on the internet
- Using the internet to entice a group to physically harm another person.
- Making threats online using IM, email, social networking sites, or other electronic devices.



Consequences of Cyberbullying

Anything that you write, pictures that you post, or videos that you upload can be used by your school to suspend you.

College students have been removed from their athletic teams and lost college funding for writing negative comments about their coach.

When applying to colleges, they will search online to see what kind of person you are. They can deny you access if they don't like what they find.

When businesses are looking at people to hire for a job they will many times use social media to see what kind of person they are. Mean or inappropriate type posts can prevent you from getting the job you desire.

Cyberbullying can also be considered a crime and participating in this type of behavior can land you in big trouble.

Consequences of Cyberbullying

- § 18.2-152.7:1. Harassment by Computer; Penalty makes cyberbullying a crime.
- Carries a \$2500 fine and punishable by up to **12 months in prison.**

There are many websites designed to inform and decrease the number of bullying cases we see each year. The U.S. Department of Health and Human Services has created a website with lots of resources to help combat bullying of all kinds - www.stopbullying.gov

If you experience cyberbullying or witness it, tell someone such as a school counselor, teacher, or a parent.





The Effects of Cyberbullying

- Victims feel depressed, sad, angry, and frustrated.
- Victims become afraid and/or embarrassed to attend school.
- Can lead to low self-worth, family problems, academic problems, school violence, and bad behavior.
- Victims can also develop thoughts of killing themselves and possibly act on these feelings.
- There are no positive effects of cyberbullying, only pain and suffering for the victims.
- The affects of being bullied can affect the victim into adulthood and prevent them from being all they can be in the future.



Dealing with Cyberbullying

- Never do the same thing back, 2 wrongs don't make a right
- Tell them to stop
- Block their access to you
- Report it to the site you are on such as Facebook or Twitter
- NEVER pass along messages from cyberbullies, stop the spread of this behavior
- Set up privacy controls and keep the bully out of your friends list
- Don't be a cyberbully yourself
- If you witness someone getting bullied, tell someone so it can be stopped. Many times the person being bullied won't tell out of fear.
- Spread the word that bullying is not cool
- Don't laugh or encourage the bully, it is not funny and it can lead to major trouble for the person doing the bullying.



About Sexting



“Sexting” is when someone sends or receives sexually explicit or non-PG Rated pictures or video electronically, mainly via cell phones or tablets.

The numbers on how many teens say that they have sent/posted nude or semi-nude pictures or videos of themselves is upsetting.

20% of teens between 13 to 19 years of age have engaged in sexting.

22% of teen girls

18% of teen boys

11% of teen girls between 13 to 16 years of age have engaged in sexting.

Did you know that if you forward a picture of a sexual or nude photo of someone underage, you are as responsible for the image as the original sender?? You can be charged with a crime.

Many teens don't realize that if you send a picture of yourself that is inappropriate and that picture ends up online, it could be there forever. You can never fully delete things that end up on the web.



About Sexting



There is no age minimum that protects young people from getting charged with a sexual offense.

Something that you think is okay or just a joke, might land you in a ton of trouble. For example, you might take a picture of your friend naked to embarrass them, but if they are under the age of 18, this is considered production of child pornography.

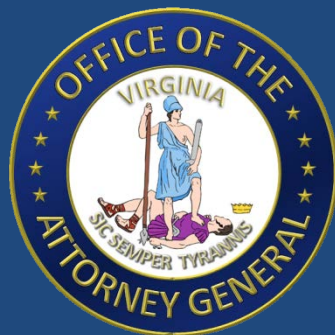
If you are sent something inappropriate, do not share it and don't delete it. Tell an adult immediately. You may feel like you are getting your friend into trouble, but you are protecting yourself and you are protecting them. They may not be thinking about the consequences or the effect this behavior can have on their future.

Anyone that gets convicted of a sex offense, will have to register as a sex offender. Sex offenders have to keep their address updated and keep a current photo with the police. The information goes on the sex offender registry where anyone can go and see your picture and where you live online.

REMEMBER: You can't control what other people do with your photos. Even if you think you are sending it to someone you can trust, they may end up surprising you. You can't trust anyone with something as private as that. Don't Do It!

Legal Consequences of Sexting

- The Virginia Department of Education has an excellent resource with real life examples of the consequences of sexting that can be found [here](#).
- The Attorney General's Virginia Rules website is designed to give Virginia Youth information on all the laws in the state. [Virginia Rules](#) has extensive information on sexting and other internet security risks.
- This article in The Virginian-Pilot tells a story of five Virginia teens getting charged with felonies for sexting and being in possession of sexually explicit photos of a minor, read more about it [here](#).



Information Provided By:
Office of the Attorney
General

202 North Ninth Street
Richmond, Virginia 23219

(804) 786-2071

www.ag.virginia.gov

Tab X:

Marketing Plan for units meeting accessibility
requirements of HUD section 504

AQUA VISTA APARTMENTS

Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act

This Marketing Plan for Units Which Conform to Section 504 of the Rehabilitation Act (the “Marketing Plan”) has been designed to convey to current and potential residents with disabilities that AQUA VISTA APARTMENTS will be a new rental housing experience, with a commitment to excellent management and resident service, as well as an expectation of resident responsibility. Therefore, the majority of this plan will address ways in which property management will endeavor to secure qualified tenants, ensure quality tenancy, and effective management and maintenance of the property.

The Management Agent will be responsible for the management of AQUA VISTA APARTMENTS. BARKAN MANAGEMENT, the Management Agent, will be responsible for all the traditional management functions, including rent collection, maintenance, record keeping, reports, development of budgets, and monitoring resident income qualifications. Additionally, BARKAN MANAGEMENT will be responsible for the development and management of community and resident services program.

I. Affirmative Marketing

BARKAN MANAGEMENT is pledged to the letter and the spirit of the U.S. policy of the achievement of equal housing opportunity throughout the Nation and will actively promote fair housing in the development and marketing of this project. BARKAN MANAGEMENT, its Officers, Directors and employees will not discriminate on the basis of race, creed, color, sex, religion, familial status, elderliness, disability or sexual orientation in its programs or housing. They will also comply with all provisions of the Fair Housing Act (42 U.S.C. 3600, et. Seq.).

Any employee who has discriminated in the acceptance of a resident will be subject to immediate dismissal. All persons who contact the office will be treated impartially and equally with the only qualification necessary for application acceptance being income and credit, and conformity with the requirements of the Section 8 Program and Tax Credit programs. All interested parties will be provided a copy of the apartment brochure/flyer. Any resident who has questions not answered by the housing staff will be referred to the Associate Director or the Executive Director of BARKAN MANAGEMENT.

II. Marketing and Outreach

Locating people with disabilities to occupy the units which conform to the requirements of Section 504 of the Rehabilitation Act will be accomplished as follows:

1. Networking

BARKAN MANAGEMENT will contact local centers for independent living, disability services boards and other service organizations via phone and printed communication. The contacts will include the following organizations:

- **Area Center for Independent Living - (757) 827-0275**
- **Virginia Board for People with Disabilities - (804) 786-0016**
- **Virginia Department for Aging and Rehabilitative Services - (757) 865-4863**

Leasing Preference for Target Population Identified in MOU between the Authority and the Commonwealth

- Unless prohibited by and applicable federal subsidy program.
- A “first preference” will be given for person in a target population identified in a memorandum of understanding between the Authority and one or more participating agencies of the Commonwealth.
- Will obtain tenant referrals from the Virginia Department of Medical Assistance Services (DMAS) or Virginia Department of Behavioral Health and Developmental Services (DBHDS) or any other agency approved by the Authority.
- Will Retain Tenant verification letter, Acknowledgment and Settlement Agreement Target Population Status
- Target Population units will be confirmed by VHDA.

2. Internet Search

AQUA VISTA APARTMENTS will also be listed on the following websites:

www.virginiahousingsearch.com
www.hud.gov
www.craigslist.org
accessva.org
dbhds.virginia.gov

3. Print Media

Print media sources will also be identified in the Lynchburg area that cater to people with disabilities as well as the public at large. These sources may include, but are not limited to, rental magazines such as the *Apartment Shoppers Guide*, *Apartments For Rent*, local newspapers, etc. All advertising materials related to the project will contain the Equal Housing Opportunity logo, slogan or statement, in compliance with the Fair Housing Act, as well as the fact that units for people with disabilities are available.

4. Resident Referrals

An effective Resident Referral program will be set up, in which current residents are rewarded for referring friends, coworkers, and others who may have disabilities to the property. These referrals are generally the best form of advertising as it attracts friends who will want to reside together, thus binding the community. ***Residents will be offered incentives, to be determined, for referring qualified applicants who rent at the property.*** Flyers will be distributed to residents along with the resident newsletter announcing the tenant referral program.

5. Marketing Materials

Additional marketing materials are needed in order to further support the specific marketing effort to people with disabilities. All printed marketing materials will include the EHO logo. The marketing will also emphasize the physical and administrative compliance with Americans with Disabilities Act.

These marketing materials include:

- **Brochures or news media coverage** – A simple, two color brochure may be produced at low cost which will effectively sell the apartments and community. A brochure will include a listing of features and amenities. News media may include the local newspaper and/or the local television station coverage.

- **Flyers** - As mentioned earlier, a flyer campaign can be used effectively to market the community. Each flyer should incorporate graphics as well as a small amount of copy and should be designed to generate traffic.

- **Resident Referral** - The least expensive form of advertising is through Resident Referrals. A flyer should be created and distributed to all residents. (\$50 - \$100 per referral, paid upon move in). In addition to being distributed to all residents, the referral flyer should be left in the Management office and should be included in the move in packet. (People are most inclined to refer their friends in the first few weeks of their tenancy.) The flyers will be changed to reflect the season or any type of special referral program.

III. Public and Community Relations

Equal Housing Opportunity promotions - all Site Signage containing the EHO logo and Fair Housing posters are displayed in English and Spanish in the Rental Office. BARKAN MANAGEMENT encourages and supports an affirmative marketing program in which there are no barriers to obtaining housing because of race, color, religion, national origin, sex, elderliness, marital status, personal appearance, sexual orientation, familial status, physical or mental disability, political affiliation, source of income, or place of residence or business.

Additionally, a public relations program will be instituted to create a strong relationship between management and local disability organizations, neighborhood civic organizations, city officials, and other sources of potential qualified residents still to be identified.

IV. Tenant Selection and Orientation

The first contact with the management operations is an important one in attracting qualified residents; therefore, the management/leasing offices should convey a sense of professionalism, efficiency, and cleanliness. The management/leasing office is designed to provide a professional leasing atmosphere, with space set aside specifically for applicant interviews and application assistance. The leasing interviews will be used to emphasize the respect afforded to the applicant and the responsibilities which the applicant will be expected to assume.

Times of Operation - the Management Office will be open Monday through Friday from 8:30 A.M. to 4:30 P.M. Applicants will be processed at the Management Office Tuesday, Wednesday and Thursday, in accordance with approved criteria. Move-in process and orientation to property - applicants meet with designated staff to discuss programs available on the property and will be supplied relevant information to assist them in their move.

Management staff will perform housekeeping/home visits, check previous landlord and personal references, perform criminal/sex offender and credit background checks and verify income for each application taken. Tenant Selection will include minimum income limits assigned by the Owner/HUD. New residents will be given an orientation to the property including a review of the rules and regulations, information on the area, proper use of appliances, move-out procedures, maintenance procedures, rent payment procedures, energy conservation, grievance procedures and a review of the Lease documents.

Tenant Selection Criteria

Tenant Selection will include maximum income limits under the Low-Income Tax Credit and Section 8 programs. Selection criteria will also include student status guidelines pursuant to the Low-Income Housing Tax Credit program.

Management will commit that no annual minimum income requirement that exceeds the

greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance

Application Processing

Application processing will be done at the Management Office by the housing staff who are well versed in Fair Credit Law. As stated before, the processing will include a review of housekeeping/home visit, prior landlord references, personal references, criminal/sex offender and credit reporting and income verification. The housing staff will make further review for inaccuracies in the application. The annual income and family composition are the key factors for determining eligibility. However, the Housing Committee will also use the following criteria in selecting applicants for occupancy:

- Applicants must be individuals, not agencies or groups.
- Applicants must meet the current eligibility income limits for tax credits and any other program requirements.
- We will process the Rental Applications through a credit bureau to determine the credit worthiness of each applicant. If the score is below the threshold, and it has been determined that applicant has no bad credit and no negative rental history and no criminal history then the application can be conditionally approved after contacting the prior landlord. In these cases, the application must be reviewed by the Associate Director/ housing committee before final approval.

Note - If the applicant's denial is based upon a credit report, the applicant will be advised of the source of the credit report in accordance with the Federal Fair Reporting Act. Guidelines published by the Federal Trade Commission suggest that apartment managers fall under the provisions of the Act and are obligated to advise the person refused an apartment for credit reasons, the name and address of the credit reporting firm in writing. The credit report will not be shown to the applicant, nor will specific information be revealed.

- We will process the Rental Application through a credit bureau to determine any possible criminal conduct. Convictions will be considered, regardless of whether "adjudication" was withheld. A criminal background check will be used as part of the qualifying criteria. An applicant will automatically be denied if;
 - There is a conviction for the manufacture, sale, distribution, or possession with the intent to manufacture, sell or distribute a controlled substance within the past five years.
 - There is evidence in the criminal history that reveals that the applicant has developed a pattern of criminal behavior, and such behavior presents a real or potential threat to residents and/or property.
 - The application will be suspended if an applicant or member of the applicant's family has been arrested for a crime but has not yet been tried. The application will be reconsidered, within the above guidelines, after such legal proceedings have been concluded at applicants' request.
- Applicants must provide complete and accurate verification of all income of all family members. The household's annual income may not exceed the applicable limit and the household must meet the subsidy or assisted Income Limits as established for the area in which AQUA VISTA APARTMENTS is located. The annual income is compared to the area's Income Limits to determine eligibility.
- Family composition must be compatible for units available on the property.
- Applicants must receive satisfactory referrals from all previous Landlords.
- Applicants must provide verification of full-time student status for all individuals listed on the application as full-time student for tax credit units.

- Applicants must not receive a poor credit rating from the Credit Bureau and other credit reporting agencies and must demonstrate an ability to pay rent on time.
- Applicants must provide a doctor's statement and/or other proof of any handicap or disability.
- Applicants must provide a birth certificate or other acceptable HUD approved form of documentation for all household members.
- Applicants must complete the Application for Lease and all verification forms truthfully.
- Applicants must provide all information required by current Federal regulations and policies.
- Applicants must have the demonstrated ability to maintain acceptable housekeeping standards.
- Applicants must meet current Federal program eligibility requirements for tax credits and any other programs.
- Preference will be given to those households whose family members are handicapped or disabled for housing in the units specifically designated for the handicapped or disabled.
- Applicants who meet the above criteria will be placed on a waiting list based on the date and time of their application. If an applicant turns down a unit for any reason, the applicant will be moved to the bottom of the waiting list. If the applicant turns down a unit for any reason a second time, the applicant will be removed from the waiting list.
- Held Vacant for 60 Days

Unit must be held vacant for 60 days during which marketing efforts must be documented. However, if marketing to the Target Population is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to VHDA's Compliance Officer, management may request the ability to lease 60-point Units and 30-point Units, to a household not in the Target Population without the unit remaining vacant for the 60-day timeframe. "Ongoing basis" means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the Target Population.

Each time a vacancy occurs in a 60-point Unit or a 30-point Unit, if a qualified household including a person in the Target Population is not located in the 60-day timeframe, the owner or manager may submit the evidence of marketing to VHDA's Compliance Officer and request approval to rent the unit to an income-qualified household not a part of the Target Population. If the request is approved, the lease must contain a provision that the household must move to a vacant unit of comparable size in the development if a household in the Target Population applies for the unit. The move will be paid for by the owner.

If no vacant unit of comparable size is available at that time, the Target Population prospective tenant should be placed on the development's waiting list and placed in the 60-point Unit or 30-point Unit, when the first available vacant comparably sized unit becomes available to move the non-Targeted Population tenant.

NOTE: The move of the temporary/non-disabled tenant will be paid for by the owner.

Tab Y:

Inducement Resolution for Tax Exempt Bonds

AQUA VISTA APARTMENTS

Overview

Summary: Aqua Vista Apartments is an existing 150-unit property with 99% of the units covered under a long term, Project-Based Section 8 HAP agreement. Located in the city of Newport News, VA, the property is in high tenant demand with a waitlist. The buildings will benefit from a significant rehabilitation including windows, roofing, amenities, unit interiors, site drainage improvements and updates to building systems, which will extend the useful life of the property. A 4% LIHTC with tax exempt bond transaction will be executed to enable completion of this scope of work with an LP closing / construction commencement target date of November 2021. The sponsor and developer is BLVD Communities.

Location: The property is located less than three miles from downtown Newport News, eight miles from downtown Hampton, and 13 miles from the Newport News/Williamsburg international airport. The property is situated along the coastline and overlooks the Hampton Roads Harbor. Aqua Vista Apartments is also located within a Qualified Census Tract and eligible for a 130% basis boost.

Property: Aqua Vista Apartments is comprised of 150 units in 10 residential buildings and one management office. The property was built in 1970 and has never participated in the LIHTC program previously. All units are family designated, with 149 out of 150 units covered under the Project-Based Section 8 HAP contract. In conjunction with closing, the Section 8 rental assistance contracts will be renewed with a new 20-year term until 2041. The property is operated with dedicated on-site management and maintenance staffing.

Property Address	Units	Unit Mix
646 Aqua Vista Drive, Newport News, VA 23607	150	(60) 1+1, (60) 2+1, (30) 3+1

Tab Z:

Documentation of team member's Diversity, Equity and
Inclusion Designation

This deal does not require
information behind this tab.

Tab AA:

Priority Letter from Rural Development

This deal does not require
information behind this tab.

Tab AB:

Socially Disadvantaged Population
Documentation

SWAM CONTRACT CERTIFICATION
(TO BE PROVIDED AT TIME OF APPLICATION)

LIHTC Applicant Name Aqua Vista, LP

Name of SWaM Service Provider Compass Contracting, Inc.

Part II, 13VAC10-180-60(E)(5)(e) of the Qualified Allocation Plan (the "Plan") of the Virginia Housing Development Authority (the "Authority" formerly VHDA) for the allocation of federal low income housing tax credits ("Credits") available under §42 of the Internal Revenue Code, as amended, provides that an applicant may receive five (5) points toward its application for Credits for entering into at least one contract for services provided by a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's Small, Women-owned, and Minority-owned Business certification program (SWaM Program). Any applicant seeking points from Part II, 13VAC10-180-60(E)(5)(e) of the Plan must provide in its application this certification together with a copy of the service provider's certification from the Commonwealth of Virginia's SWaM Program. The certification and information requested below will be used by the Authority in its evaluation of whether an applicant meets such requirements.

Complete a separate form for each SWaM Service Provider.

INSTRUCTIONS:

Please complete all parts below. Omission of any information or failure to certify any of the information provided below may result in failure to receive points under Part II, 13VAC10-180-60(E)(5)(e) of the Plan.

1. The SWaM Service Provider will provide the following services and roles eligible for points under the Plan:
 - consulting services to complete the LIHTC application;
 - ongoing development services through the placed in service date;
 - general contractor;
 - architect;
 - property manager;
 - accounting services; or
 - legal services.

2. Please describe in the space below the nature of the services contracted for with the SWaM certified service provider listed above. Include in your answer the scope of services to be provided, when said services are anticipated to be rendered, and the length of the contract term.

Clean and prepare the below-grade foundation walls and install a cold fluid-applied waterproofing membrane, protection sheet and composite drainage board on ten apartment buildings. The anticipated start date would be October / November 2022 and would take approximately 160 calendar days.

3. Attach to this certification a copy of the service provider's current certification from the Commonwealth of Virginia's SWAM Program.
4. The undersigned acknowledge by their signatures below that prior to the Authority's issuance of an 8609 to the applicant, the undersigned will be required to certify that the SWaM service provider successfully rendered the services described above, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, and that the undersigned service provider is still a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM) Program.

[Contract Certification and signatures appear on following page]

CONTRACT CERTIFICATION

The undersigned do hereby certify and acknowledge that they have entered into with each another at least one contract for services as described herein, that said services fall within the scope of services outlined within Part II, 13VAC10-180-60(E)(5)(e) of the Plan, that the undersigned service provider is a business certified as Women-Owned, Minority-Owned, or Service Disabled Veteran-owned through the Commonwealth of Virginia's SWaM Program, and that it is the current intention of the undersigned that the services be performed (i.e., the contract is *bona fide* and not entered into solely for the purpose of obtaining points under the Plan). The undersigned do hereby further certify that all information in this certification is true and complete to the best of their knowledge, that the Authority is relying upon this information for the purpose of allocating Credits, and that any false statements made herein may subject both the undersigned applicant and the undersigned service provider to disqualification from current and future awards of Credits in Virginia.

APPLICANT:

Aqua Vista, LP
Name of Applicant



Signature of Applicant

Robert Budman, Manager
Printed Name and Title of Authorized Signer

SWAM CERTIFIED SERVICE PROVIDER:

Compass Contracting, Inc.

Name of SWaM Certified Service Provider



Signature of SWaM Certified Service Provider

Philip R. Bashford Secretary / Treasurer

Printed Name and Title of Authorized Signer

From: Virginia Department of Small Business and Supplier Diversity <noreply@sbsd.virginia.gov>
To: lisa <lisa@compasscontracting.com>; robert <robert@compasscontracting.com>
Cc: meden.jones <meden.jones@sbsd.virginia.gov>
Subject: Application Decision Letter-Certification #: 648107 SWaM Certification
Date: Thu, Feb 15, 2018 9:40 am



COMMONWEALTH of VIRGINIA
Department of Small Business and Supplier Diversity

Company Name: COMPASS CONTRACTING, INC.
SWaM Certification Number: 648107
Small Certification Start Date: Feb 15, 2018
Micro Certification Start Date: Feb 15, 2018
SWaM Certification Expiration Date: Feb 15, 2023

Dear Applicant,

We are pleased to inform you that your request for certification has been approved. Your company has been approved for the following designations:

Small, Micro

Your certification is valid for a term of five years from the date of your approval; re-certification is required at the end of that term.

You may log into your account to download a copy of your company's SWaM certificate as well as the SWaM-certified logo to use on marketing materials.

You will see your company listed as a certified vendor in our directory at <https://www.sbsd.virginia.gov/directory/>

It is very important that you keep your contact information up to date. Submit your changes electronically by logging into your account and updating the necessary information.

To do business with the Commonwealth of Virginia, you need to register your company with the eVA system, the state's online procurement system at <https://eva.virginia.gov/pages/eva-overview.htm> . All state solicitations are conducted on this site.

To check Procurement and Business Opportunities with state agencies, local governments, and others, please visit: <https://evafutureprocurements.dgs.virginia.gov/defaultpublic.aspx>

If you need assistance to operate your business, please visit this site: <http://www.bos.virginia.gov/running.shtml>

Sincerely,

Virginia Department of Small Business and Supplier Diversity
Certification Team