2019 Multifamily Uniform Application
2019 Multifamily Uniform Application Certification

Development Name: Carver Ridge Apartments

The undersigned hereby makes an Application to Texas Department of Housing and Community Affairs. The Applicant affirms that they have read and understand, as applicable, Title 10, Texas Administrative Code ("10 TAC"), Chapters 1, 8, 11, 12, and 13. Specifically, the undersigned understands the requirements under 10 TAC §11.101 of the Qualified Allocation Plan ("QAP"), Site and Development Requirements and Restrictions, as well as Internal Revenue Code Section 42. By signing this document, Applicant is affirming that all statements and representations made in this certification and application, including all supporting materials, are true and correct under penalty of law, including Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. Applicant is also affirming understanding of 10 TAC §11.11 of the QAP, relating to Public Information Requests, specifically that the filing of an Application with the Department is deemed as consent to release any and all information contained therein.

The undersigned further certifies that he/she has the authority to execute this certification.

Carver Ridge Apartments, LP

By: Vaughn C. Zimmerman

Date 2/28/2019

Sworn to and subscribed before me on the 28 day of February, 2019.

RACHELE HUETT
Notary Public — Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15219569

2/4/2019
Based on the expiration date of the bonds as reflected in the Certificate of Reservation issued by the Texas Bond Review Board, the above referenced Development must be scheduled for one of the TDHCA Board meetings noted below for consideration of the issuance of a Determination Notice. Therefore, as required in 10 TAC §11.201(2)(B) of the Qualified Allocation Plan, all remaining parts of the Application, including the ESA, the Market Study, Property Condition Assessment, Appraisal and Site Design and Feasibility Report, if applicable, must be submitted at least 75 days prior to the Board meeting. It is important to note that submission of the documents 75 days in advance does not ensure that the Application will be placed on the meeting agenda as requested and changes to an Application (e.g. submission of new financing term sheets) or failure to resolve application deficiencies timely subsequent to submission may delay completion of Department staff’s review and/or underwriting of the Application and presentation to the Board. Moreover, staff may choose to delay presentation to the Board in instances in which an Applicant is not reasonably expected to close within sixty (60) days of the issuance of a Determination Notice or may recommend the award be conditioned upon closing within a reasonable timeframe after Board approval. Pursuant to 10 TAC §11.201(6)(B) Applicants requesting to be on the May, June or July Board meetings are advised that such Applications will not be prioritized for review and processing based on timing constraints associated with the Competitive HTC program. Further, the Applicant is encouraged to review 10 TAC §11.201(2)(B) of the Qualified Allocation Plan, the Multifamily Housing Revenue Bond Rules at 10 TAC Chapter 12, the 2019 4% HTC and Tax Exempt Bond Process Manual and the 2019 Multifamily Programs Procedures Manual for any requirements that need to be met prior to submission of the Application.

I request to be on the Board agenda selected below and pursuant to 10 TAC §11.201(2)(B) of the Qualified Allocation Plan I understand that I must provide the remaining parts of the Application by the applicable corresponding deadline:

<table>
<thead>
<tr>
<th>Board Meeting Date:</th>
<th>75 Day Deadline:</th>
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<tbody>
<tr>
<td>January 17, 2019</td>
<td>November 2, 2018</td>
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<tr>
<td>February 21, 2019</td>
<td>December 7, 2018</td>
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<tr>
<td>March 21, 2019</td>
<td>January 4, 2019</td>
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<tr>
<td>April 25, 2019</td>
<td>February 8, 2019</td>
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<td>May 23, 2019</td>
<td>March 8, 2019</td>
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<td>June 27, 2019</td>
<td>April 12, 2019</td>
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<td>July 11, 2019</td>
<td>April 26, 2019</td>
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<td>July 25, 2019</td>
<td>May 10, 2019</td>
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<tr>
<td>September 5, 2019</td>
<td>June 21, 2019</td>
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</table>

2/28/2019
An Inducement Resolution has been approved by the Bond Issuer and a copy is provided behind Tab 8.
Development Owner Certification, Acknowledgement and Consent

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist -- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant” or “Development Owner,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of Department funding.

Applicant hereby represents, warrants, acknowledges and certifies to the Department and to the State of Texas that:

The Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or, if no local building codes are in place, then to the most recent version of the International Building Code.

This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov’t Code, Chapter 552. All persons who have a property interest in the Application, along with all plans and third-party reports, acknowledge that the Department may publish them on the Department’s website, release them in response to a request for public information, and make other use of the information as authorized by law. This includes all Third Party reports, which will be posted in their entirety on the Department’s website, as they constitute a part of the Application. The Application is in compliance with all requirements related to the eligibility of an Applicant, Application and Development as further defined in 10 TAC §§11.101 and 11.202 of the Qualified Allocation Plan. Any issues of non-compliance have been disclosed.

All representations, undertakings and commitments made by Applicant in the Application process for Development assistance expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Award Letter, Commitment or Contract by the Department. To the extent allowed under Tex. Gov’t Code §2306.6720, if any such representations,
undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and the residents of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement.

When providing a Pre-Application, Application or other materials to a state representative, local governmental body, Neighborhood Organization, or anyone else to secure support or approval that may affect the Applicant’s competitive posture, an Applicant must disclose in accordance with the Department’s rules those aspects of the Development that may not have been determined or selected or may be subject to change, such as changes in the amenities ultimately selected and provided.

The Development Owner is and will remain in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.), the Civil Rights Act of 1964 (42 U.S.C. §§2000a et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. §§701 et seq.), Fair Housing Accessibility, the Texas Fair Housing Act; and the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

The Development Owner has read and understands the Department’s fair housing educational materials posted on the Department’s website as of the beginning of the Application Acceptance Period.

All Applications proposing Rehabilitation (including Reconstruction) will be treated as substantial alteration, in accordance with 10 TAC Chapter 1, Subchapter B.

The Development Owner will establish a reserve account consistent with Tex. Gov’t Code §2306.186, and as further described in §11.302(d)(2)(l) of the Qualified Allocation Plan, relating to Replacement Reserve Account requirements.

The Development will operate in accordance with the applicable compliance monitoring requirements found in Chapter 10, Subchapter F.

The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be
required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage.

The Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses as further described in Tex. Gov’t Code §2306.6734.

The Development Owner will specifically market to veterans through direct marketing or contracts with veteran’s organizations. The Development Owner will be required to identify how they will specifically market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department.

**Accessibility Requirements**

The Development Owner understands that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

The Development Owner understands that regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must meet the requirements at 10 TAC §11.101(b)(8)(B).

The Development Owner certifies that all accessible Units under 10 TAC Chapter 1, Subchapter B, will be dispersed throughout the Development.

The Development Owner certifies that representations made in the Architect Certification are true and correct, and understands that the Department evaluation of architectural drawings may not include an assessment of accessibility. The Development Owner is responsible for any modifications necessary to meet accessibility requirements identified at the final construction inspection.
Unused Credit or Penalty Fee *(select one box as applicable)*

- The Applicant returned a full credit allocation after the Carryover Allocation deadline required for that allocation and is subject to the Unused Credit or Penalty Fee pursuant to §11.901(16) of the Qualified Allocation Plan.

- The Applicant certifies that no disclosure regarding §11.901(16) of the Qualified Allocation Plan is necessary.

Termination of Relationship in an Affordable Housing Transaction *(select one box as applicable)*

- The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that has terminated, voluntarily or involuntarily, within the past 10 years or plans to or is negotiating to terminate their relationship with any other affordable housing development. The disclosure identified the person or persons and development involved, the identity of each other development and contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the termination or proposed termination, and any appropriate supporting documents. The Applicant has read and understands §11.202(1)(M) of the Qualified Allocation Plan related to such disclosure.

- The Applicant certifies that no disclosure regarding §11.202(1)(M) of the Qualified Allocation Plan is necessary.

Voluntary Compliance Agreement with any Governmental Agency *(select one box as applicable)*

- The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that entered into a voluntary compliance agreement (or similar agreement) with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements. The disclosure identified the person or persons and development involved, the identity of each other development, contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the agreement or proposed agreement, and any appropriate supporting documents. The Applicant has read and understands §11.202(1)(N) of the Qualified Allocation Plan related to such disclosure.
The Applicant certifies that no disclosure regarding §11.202(1)(N) of the Qualified Allocation Plan is necessary.

The Applicant certifies that, for any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps, the Development Site will be developed in full compliance with the National Flood Protection Act and all applicable federal and state statutory and regulatory requirements so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. The Applicant certifies that, floodplain maps will be used and the Development Site will comply with regulations as they exist at the time of commencement of construction. Applicant further certifies that, for any Development proposing Rehabilitation (excluding Reconstruction) that is not a HUD or TRDO-USDA assisted property, the Development Site is not located in the one-hundred year floodplain unless the existing structures already meet the requirements for New Construction or Reconstruction, as certified to by a Third Party engineer, or unless the state or local government has undertaken and can substantiate sufficient mitigation efforts and such documentation is submitted in the Application.

Undesirable Site Features (select one of the boxes as applicable)

☐ The Development is not located in an area with undesirable site features as further described in §11.101(a)(2) of the Qualified Allocation Plan.

☐ The proposed Development is Rehabilitation (excluding Reconstruction) with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs ("VA") and an exemption was requested prior to the filing of an Application or is being requested with the Application in accordance with §11.101(a)(2) of the Qualified Allocation Plan.

☐ The proposed Development is Historic Preservation pursuant to §11.9(e)(6) of the Qualified Allocation Plan, is located in an area with an undesirable site feature and an exemption was requested prior to the filing of an Application or is being requested with the Application.

☐ The proposed Development is New Construction, is located in an area with an undesirable site feature and a copy of the local ordinance that regulates the proximity of such feature to a multifamily development is included in the Application.

☐ The proposed Development is located in an area with an undesirable site feature and mitigation to be considered by staff and the Board is included in the Application.
Neighborhood Risk Factors (select one of the main boxes as applicable)

☐ The Development Owner certifies that the Development is not located in an area with any of the neighborhood risk factors described in §11.101(a)(3) of the Qualified Allocation Plan and that no disclosure is necessary;

☐ The Development Owner certifies that the Development is located in an area with the following neighborhood risk factors and the Neighborhood Risk Factors Report is submitted with the Application (select all that apply):

☐ in a census tract with a poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13);

☐ in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crimes is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com;

☐ is located within 1,000 feet of a blighted or abandoned area as further described in §11.101(a)(3)(B)(iii) of the Qualified Allocation Plan;

☐ is located in the attendance zones of an elementary, middle, or high school that does not have a 2018 Met Standard rating by the Texas Education Agency, unless the school is “Not Rated” because it meets the TEA Hurricane Harvey Provision, in which case the 2017 rating will apply. Elderly Developments are exempt from the requirement to disclose the presence of this characteristic.

The Development will include all of the mandatory Development amenities required in §11.101(b)(4) of the Qualified Allocation Plan at no charge to all residents (market rate and low-income) and written notice of such amenities will be provided to the residents.

The Development will satisfy the minimum point threshold for common amenities as further described in §11.101(b)(5) of the Qualified Allocation Plan. These amenities must be for the benefit of all residents (market rate and low-income), meet accessibility standards, be sized appropriately to serve the proposed Target Population, be made available throughout normal business hours, and be maintained throughout the Affordability Period. The residents must be provided written notice of the amenity elections made by the Development Owner.

The Development will meet the minimum size of Units as further described §10.101(b)(6)(A) of the Qualified Allocation Plan.
The Development (excluding competitive Housing Tax Credit Applications) will include enough unit and development construction features to meet the minimum number of points as further described in §11.101(b)(6)(B) of the Qualified Allocation Plan.

The Development (excluding competitive Housing Tax Credit Applications) will include enough resident supportive services, at no charge to the residents, be accessible to all residents (market rate and low-income), and maintained throughout the Affordability Period, to meet the required minimum number of points as further described in §11.101(b)(7) of the Qualified Allocation Plan, and offered in accordance with §10.619 of the Uniform Multifamily Rules. The tenant must be provided written notice of the elections made by the Development Owner.

If income averaging is elected, Unit Designations for all units identified as 20%, 30%, 40%, 50%, 60%, 70% and 80% Units will be dispersed across all Unit Types in a manner that does not violate fair housing laws, as required by 10 TAC §10.605(c), effective February 28, 2019.

If the Applicant is applying for Multifamily Direct Loan funds and the Development consists of New Construction, the Applicant further certifies that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e).

If the Development has an existing LURA with the Department, the Development Owner will comply with the existing restrictions.

The Development Owner will comply with any and all notices required by the Department.

None of the criteria in subparagraphs (A) – (N) of §11.202(1) of the Qualified Allocation Plan, related to ineligible Applicants, applies to those identified on the organizational chart for the Applicant, Developer and Guarantor.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. Further, the Applicant hereby expressly represents, warrants, acknowledges and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is
affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification, and subject to criminal penalties as defined by Tex. Penal Code §§37.01 et seq., and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the providing of false information in connection with the procurement of allocations or awards, that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
By:

Signature

Vaughn C. Zimmerman
Printed Name

Managing Member
Title

2/27/19
Date

THE STATE OF Missouri

COUNTY OF Greene

Before me, a notary public, on this day personally appeared Vaughn C. Zimmerman, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of February, 2019

(Seal)

RACHELE HUETT
Notary Public – Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15219569

Notary Public Signature

Page 9 of 9

February 13, 2019
The Certification, Acknowledgement, and Consent of Development Owner is included behind this tab.

**The form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department's website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)

Please indicate whether any of the following required disclosure on the Certification, Acknowledgement, and Consent of Development Owner (to be used for data capture for application processing):

- [ ] 10 TAC §11.101(a)(2) - Undesirable Site Features
- [ ] 10 TAC §11.101(a)(3) - Neighborhood Risk Factors
- [ ] 10 TAC §11.202(1)(M) - Termination of Relationship in an Affordable Housing Transaction
- [ ] 10 TAC §11.202(1)(N) - Voluntary Compliance Agreement
  (or any similar agreement resulting from negotiations regarding noncompliance)
- [ ] 10 TAC §11.901(16) - Unused Credit or Penalty Fee

Note: If any disclosures are indicated regarding 10 TAC §11.101(a)(3), submit the Neighborhood Risk Factors Report Packet (NRFR) located on the Department's website

[http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)
The Applicant Eligibility Certification(s) is included behind this tab.

10 TAC §11.202 of the Qualified Allocation Plan identifies situations in which an Application or Applicant may be ineligible for Department funding. Applicants must provide disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action taken and accepted by the Department or mitigating factors to be considered. Documentation should be attached behind this tab.

Disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action is included behind this tab.
Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence—Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov’t Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department’s Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD’s System for Award Management (SAM).
Neither Applicant nor any other member of the Development Team has been convicted of a state or federal felony crime involving fraud, bribery, theft, misrepresentation of material facts, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the timeframe provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit
the Person from participating in the Application in the manner and capacity they are participating.

Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 11.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

 Neither Applicant nor any other member of the Development Team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov’t Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov’t Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov’t Code are met.
All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Housing Tax Credit Program; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application for Housing Tax Credits or the use of information concerning the Housing Tax Credit Program.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements.
made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but not obligated under this document to conduct its own investigation regarding any information requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
By: [Signature]

Signature of Authorized Representative

VAUGHN C. ZIMMERMAN

Printed Name

MANAGING MEMBER

Title

2-27-19

Date

THE STATE OF Missouri

§

COUNTY OF Greene

§

Before me, a notary public, on this day personally appeared VAUGHN C. ZIMMERMAN, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of February, 2019

(Seal)

RACHELE HUEY
Notary Public – Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15216669

[Notary Public Signature]
2019 REVISED Applicant Eligibility Certification

Exhibit 1

Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any and all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov’t Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department’s Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD’s System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a
2019 REVISED Applicant Eligibility Certification

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.
2019 REVISED Applicant Eligibility Certification

Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 11.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov’t Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov’t Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov’t Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that
2019 REVISED Applicant Eligibility Certification

has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application or the use of information therein.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, Determination Notice, or Closing, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but
2019 REVISED Applicant Eligibility Certification

not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
2019 REVISED Applicant Eligibility Certification

By: ________________________

Signature of Authorized Representative

Vaughn C. Zimmerman

Printed Name

Managing Member

Title

2/27/2019

Date

THE STATE OF Missouri $5

COUNTY OF Greene $5

Before me, a notary public, on this day personally appeared Vaughn C. Zimmerman, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of February 2019

(Seal)

RACHELE HUETT My Commission Expires July 27, 2023 Greene County Commission #15218568

Notary Public Signature

Page 6 of 6

February 13, 2019
2019 REVISED Applicant Eligibility Certification

By: ________________________________
Signature of Authorized Representative

Rebecca A. Zimmerman
Printed Name

Beneficiary
Title

2/27/2019
Date

THE STATE OF Missouri

COUNTY OF Greene

Before me, a notary public, on this day personally appeared Rebecca A. Zimmerman, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of February, 2019

(Seal)

RACHELE HUETT
Notary Public — Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15219569

Notary Public Signature
2019 REVISED Applicant Eligibility Certification

By:

Signature of Authorized Representative

Sandy Watson

Printed Name

President

Title

2.25.19

Date

THE STATE OF Texas

COUNTY OF Denton

Before me, a notary public, on this day personally appeared __________________________, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25 day of February, 2019

(Seal)

BETTY JO DAVIS
Notary Public, State of Texas
Comm. Expires 09-21-2022
Notary ID 131733472

Notary Public Signature
Multifamily Direct Loan Certification is included behind this tab.

X Multifamily Direct Loan Certification is not applicable to this Application.

**If applicable, the form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department’s website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)
Provide the contact information for the Applicant and any staff responsible for Administrative Deficiencies and/or clarifications to the Application.

<table>
<thead>
<tr>
<th>1. Applicant Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong> Vaughn C. Zimmerman</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:vczdevelop@wilhoitproperties.com">vczdevelop@wilhoitproperties.com</a></td>
</tr>
<tr>
<td><strong>Mailing Address:</strong> 1329 E Lark Street</td>
</tr>
<tr>
<td>Springfield</td>
</tr>
<tr>
<td><strong>City</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2. Second Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong> James McDonald</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:jmcdonald@wilhoitproperties.com">jmcdonald@wilhoitproperties.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3. Consultant Contact <em>(if applicable)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name:</strong></td>
</tr>
<tr>
<td><strong>Email:</strong></td>
</tr>
<tr>
<td><strong>Mailing Address:</strong></td>
</tr>
<tr>
<td><strong>Street</strong></td>
</tr>
</tbody>
</table>
This form will self-populate based on scoring selections made throughout the Application. Applicant should refer to this form to ensure that scoring selections are accurate prior to submitting the Application. Corrections must be made in the applicable section(s) of the Application. Highlighted rows indicate scoring items for both 9% HTC and Direct Loan applications. Additional scoring for Direct Loan applications can be found at 10 TAC §13.6.

<table>
<thead>
<tr>
<th>Criteria Promoting Development of High Quality Housing</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Sizes</td>
<td>§11.9(b)(1)(A)</td>
<td>6</td>
</tr>
<tr>
<td>Unit and Development Features</td>
<td>§11.9(b)(1)(B)</td>
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</tr>
<tr>
<td>Sponsor Characteristics</td>
<td>§11.9(b)(2)</td>
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| High Quality Housing Total | 17 |

<table>
<thead>
<tr>
<th>Criteria to Serve and Support Texans Most In Need</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Levels of Tenants</td>
<td>§11.9(c)(1)</td>
<td>16</td>
</tr>
<tr>
<td>Rent Levels of Tenants</td>
<td>§11.9(c)(2)</td>
<td>11</td>
</tr>
<tr>
<td>Resident Services</td>
<td>§11.9(c)(3)</td>
<td>10</td>
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<tr>
<td>Opportunity Index</td>
<td>§11.9(c)(4)</td>
<td>7</td>
</tr>
<tr>
<td>Underserved Area</td>
<td>§11.9(c)(5)</td>
<td>5</td>
</tr>
<tr>
<td>Tenant Populations with Special Needs</td>
<td>§11.9(c)(6)</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to the Urban Core</td>
<td>§11.9(c)(7)</td>
<td>0</td>
</tr>
<tr>
<td>Readiness to Proceed in Disaster Impacted Counties</td>
<td>§11.9(c)(8)</td>
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</tr>
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| Serve and Support Texans Most in Need Total | 51 |

<table>
<thead>
<tr>
<th>Criteria Promoting Community Support and Engagement</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Support</td>
<td>§11.9(d)(1)</td>
<td>1</td>
</tr>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision</td>
<td>§11.9(d)(2)</td>
<td>1</td>
</tr>
<tr>
<td>Declared Disaster Area</td>
<td>§11.9(d)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Quantifiable Community Participation</td>
<td>§11.9(d)(4)</td>
<td></td>
</tr>
<tr>
<td>Community Support from State Representative</td>
<td>§11.9(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Input from Community Organizations</td>
<td>§11.9(d)(6)</td>
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</tr>
<tr>
<td>Concerted Revitalization Plan</td>
<td>§11.9(d)(7)</td>
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| Community Support and Engagement Total | 11 |

<table>
<thead>
<tr>
<th>Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability</th>
<th>QAP Reference</th>
<th>Points Selected</th>
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<tbody>
<tr>
<td>Financial Feasibility</td>
<td>§11.9(e)(1)</td>
<td>18</td>
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<tr>
<td>Cost of Development per Square Foot</td>
<td>§11.9(e)(2)</td>
<td>12</td>
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<tr>
<td>Pre-application Participation</td>
<td>§11.9(e)(3)</td>
<td>6</td>
</tr>
<tr>
<td>Leveraging of Private, State, and Federal Resources</td>
<td>§11.9(e)(4)</td>
<td>3</td>
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<tr>
<td>Extended Affordability</td>
<td>§11.9(e)(5)</td>
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<tr>
<td>Historic Preservation</td>
<td>§11.9(e)(6)</td>
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</tr>
<tr>
<td>Right of First Refusal</td>
<td>§11.9(e)(7)</td>
<td>1</td>
</tr>
<tr>
<td>Funding Request Amount</td>
<td>§11.9(e)(8)</td>
<td>1</td>
</tr>
</tbody>
</table>

| Efficient Use of Limited Resources and Applicant Accountability Total | 43 |

<table>
<thead>
<tr>
<th>Point Deductions</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>§11.9(f)</td>
<td></td>
</tr>
</tbody>
</table>

| Total Application Self Score | 122 |

2/28/2019
## Site Information Form Part I

### 1. Development Address (All Programs)

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>ETJ?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1301 E Dormard Ave</td>
<td>Midland</td>
<td>No</td>
</tr>
</tbody>
</table>

#### Address Information
- **12**: Region
- **79701**: Zip
- **Urban**: Rural/Urban

### 2. Census Tract Information (All Programs)

<table>
<thead>
<tr>
<th>Census Tract Number</th>
<th>Median Household Income</th>
<th>Quartile</th>
<th>Poverty Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>48329000100</td>
<td>57405.00</td>
<td>2q</td>
<td>17.5</td>
</tr>
</tbody>
</table>

- **No**: The poverty rate for the Census Tract is above 40% (55% for Regions 11 or 13), and the Neighborhood Risk Factors Report and required documentation has been submitted.

### 3. Resolutions (Competitive HTC and Tax-Exempt Bonds, if applicable) [10 TAC §11.3]

Check the boxes of true statements below. Resolutions must be provided to demonstrate eligibility for any unchecked item.

- **Twice the State Average Per Capita**: The proposed Development is **NOT** located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private Activity Bonds. (QAP §11.3(c))

- **One Mile Three Year Rule**: The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located one mile or less from a New Construction HTC or Bond Development serving the same type of household and awarded within the applicable three-year period and has not been withdrawn or terminated, **OR** the Development meets one of the exceptions in §11.3(d)(2) of the QAP (provide evidence of exception).

- **Limitations on Developments in Certain Census Tracts**: The proposed Development is **NOT** a New Construction or Adaptive Reuse development that will be located in a census tract that has more than 20% HTC units per total households. (§11.3(e))

### 4. Two Mile Same Year Rule (Competitive HTC Only) [10 TAC §11.3(b)]

- **The site is not located in a county with a population that exceeds one million.**

### 5. Proximity of Development Sites (Competitive HTC Only) [10 TAC §11.3(g)]

- **The site is contiguous to or within 1,000 feet of the site for the following eligible Pre-application(s) serving the same Target Population:**

### 6. Zoning [10 TAC §11.204(11)] and Flood Zone Designation [10 TAC §11.101(a)(1)] (All Programs)

- **Development Site is appropriately zoned?** Yes
- **Zoning Designation**: MF - 2

- **Flood Zone Designation**: AE
- **Entire Development Site is outside the 100 year floodplain.** Yes

- **Farmland Designation (New Construction (including adaptive re-use) seeking Section 811 and/or Direct Loan funds):** Not Prime Farmland

### 7. Site & Neighborhood Standards (New Construction Direct Loan only) [10 TAC §13.11(o)(6)(B)]; [24 CFR 92.202, 93.150]

Confirm the following supporting documents are provided behind this tab.

- **n/a**: Statement explaining how the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

- **n/a**: DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.

Children of the proposed development will attend:

<table>
<thead>
<tr>
<th>School Name</th>
<th>Grades</th>
<th>Met Standard Rating?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>X through X</td>
<td>2016</td>
</tr>
<tr>
<td>Milam El Midland ISD</td>
<td>PK through</td>
<td>No</td>
</tr>
<tr>
<td>Abell J H Midland ISD</td>
<td>7 through</td>
<td>Yes</td>
</tr>
<tr>
<td>Lee Freshment H S</td>
<td>9 through</td>
<td>Yes</td>
</tr>
<tr>
<td>Lee H S</td>
<td>9 through</td>
<td>Yes</td>
</tr>
</tbody>
</table>

School district has no attendance zones and the closest schools are listed.

The Development Site is located within the attendance zone of an elementary school, a middle school or a high school that does not have a 2018 (or 2017 if the Hurricane Harvey Provision applies) Met Standard rating by the Texas Education Agency, and the Neighborhood Risk Factors Report ("NRFR") and required documentation has been submitted. [§11.101(a)(3)(D)(iv)]

The Target Population is Elderly. **Applicant is required to enter school rating information above, but no disclosure is required.**

9. **Waiver of Rules [10 TAC §11.207]**

- Applicant requests waiver of rules.
- Documentation to support waiver was previously provided or is attached behind Tab 8 and includes:
  - Documentation establishing how the need for the waiver was both not reasonably foreseeable and was not preventable by the Applicant and (where appropriate), plans for mitigation or alternative solutions; and
  - Documentation establishing how, by granting the waiver, it better serves the policies and purposes articulated in referenced sections of Tex. Gov't Code than not granting the waiver.
Maps:
- Street Map with Site Drawn and Identified
- Census Tract Map with Development Site Identified
  
  [link]

Resolutions:
- n/a Twice the State Average of Units Per Capita Resolution
- n/a One Mile Three Year Resolution or evidence of other exception
- n/a Housing Tax Credit Units per Total Household Resolution
- n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of 10 TAC §11.204(4) of the QAP is included
- n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of 10 TAC §11.204(4) of the QAP is not included and will be provided under separate cover no later than 14 days prior to the Board meeting selected in Tab 1b

Zoning and Floodplain
- Evidence of Zoning and/or Evidence of Re-Zoning Process
- Evidence of Flood Zone Designation

Farmland Designation
- Information is included in the ESA.
- Information is included behind this tab.

Go to [link] and:
- Go to “Quick Navigation”, select address and enter street address, city, and state. If the Development Site does not have a fixed address, enter the street, city and state.
- Just below where it says “Area of Interest Interactive Map” and to the left of where it says “Legend” is a row of buttons. Two at the end are labeled “AOI” for area of interest. Click the rectangle or triangle button based on the relative shape of the Development Site
- Outline the Development Site, getting as much within the rectangle or triangle as possible.
- Select the tab for “Soil Data Explorer”, select “Land Classifications”, then select “Farmland Classification”.
- Select “View Rating”. You may need to scroll down to see it.
- In the upper right corner, select "Printable Version". Name it if you wish, scale to "Fit to page", printed sheet size "A landscape (11” x 8.5”)”. Make sure the box box labeled “show UTM Coordinate Ticks” is checked. Select "View".
- Save the file as a PDF and include it in the Application.

Site and Neighborhood Standards (New Construction Direct Loan Only)
- Statement regarding promoting housing choice explains HOW the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low income persons.
- DP-1 Profile of General Demographic Characteristics (2010) for census tract and city (and county if applicable)

2/28/2019
Educational Quality (all Applications)

☐ School Attendance Zone Map with Development labeled;

☐ 2018 TEA accountability information for each school (or 2017 if the Hurricane Harvey Provision applies); and

☐ Neighborhood Risk Factors Report ("NRFR") if a school in the attendance zone has not achieved Met Standard for three consecutive years and has failed by at least one point in the most recent year (or 2017 if the Hurricane Harvey Provision applies).

Waiver of Rules

☐ The waiver request must establish how the need for the waiver was both not reasonably foreseeable and was not preventable by the Applicant.

☐ The waiver request must establish how, by granting the waiver, it better serves the policies and purposes articulated in Tex. Gov't Code, §§2306.001, 2306.002, 2306.359, and 2306.6701, (which are general in nature and apply to the role of the Department and its programs, including the Housing Tax Credit program) than not granting the waiver.
February 12, 2019

To Whom It May Concern,

The subject property, **1301 East Dormard Avenue** is located within City limits and zoned MF-2, Multiple-Family Dwelling District and regulated by Ordinance Nos. 9876 and 9877. There are no known outstanding zoning violations on file in our records.

For further inquiries or questions, please contact the Department of Development Services Planning Division, at 432-685-7400.

Respectfully,

[Signature]

Rolandrea Russell,
Senior Planner

Attachments:
Ordinance No. 9876
Ordinance No. 9877
Farmland Classification—Midland County, Texas

Map projection: Web Mercator   Corner coordinates: WGS84   Edge tics: UTM Zone 13N WGS84

Map Scale: 1:1,510 if printed on a landscape (11" x 8.5") sheet.

Soil map may not be valid at this scale.
MAP LEGEND

Area of Interest (AOI)

Soils

Soil Rating Polygons
- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained
- Prime farmland if protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and reclaimed of excess salts and sodium
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available

Soil Rating Lines
- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained

Soil Rating Points
- Not prime farmland
- All areas are prime farmland
- Prime farmland if drained
- Prime farmland if protected from flooding or not frequently flooded during the growing season
- Prime farmland if irrigated and reclaimed of excess salts and sodium
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available

Water Features
- Prime farmland if irrigated and drained
- Prime farmland if irrigated and either protected from flooding or not frequently flooded during the growing season
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available
- Prime farmland if irrigated and drained
- Farmland of statewide importance
- Farmland of local importance
- Farmland of unique importance
- Not rated or not available
The soil surveys that comprise your AOI were mapped at 1:31,700.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
Web Soil Survey URL: Coordinate System: Web Mercator (EPSG:3857)
Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Midland County, Texas
Survey Area Data: Version 17, Sep 15, 2018

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Oct 24, 2010—Jul 13, 2015

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.
Farmland Classification

<table>
<thead>
<tr>
<th>Map unit symbol</th>
<th>Map unit name</th>
<th>Rating</th>
<th>Acres in AOI</th>
<th>Percent of AOI</th>
</tr>
</thead>
<tbody>
<tr>
<td>MdA</td>
<td>Midessa fine sandy loam, 0 to 1 percent slopes</td>
<td>Farmland of statewide importance, if irrigated</td>
<td>0.2</td>
<td>3.6%</td>
</tr>
<tr>
<td>SfB</td>
<td>Simona fine sandy loam, 0 to 3 percent slopes</td>
<td>Not prime farmland</td>
<td>5.9</td>
<td>96.4%</td>
</tr>
<tr>
<td><strong>Totals for Area of Interest</strong></td>
<td>6.1</td>
<td>100.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Description**

Farmland classification identifies map units as prime farmland, farmland of statewide importance, farmland of local importance, or unique farmland. It identifies the location and extent of the soils that are best suited to food, feed, fiber, forage, and oilseed crops. NRCS policy and procedures on prime and unique farmlands are published in the "Federal Register," Vol. 43, No. 21, January 31, 1978.

**Rating Options**

*Aggregation Method: No Aggregation Necessary*

*Tie-break Rule: Lower*
# Texas Education Agency
## 2018 Accountability Ratings Overall Summary
### MILAM EL (165901113) - MIDLAND ISD

<table>
<thead>
<tr>
<th>Component</th>
<th>Score</th>
<th>Scaled Score</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>67</td>
<td>Met Standard</td>
<td></td>
</tr>
<tr>
<td>Student Achievement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAAR Performance</td>
<td>37</td>
<td>64</td>
<td>Met Standard</td>
</tr>
<tr>
<td>College, Career and Military Readiness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Progress</td>
<td></td>
<td></td>
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<tr>
<td>Academic Growth</td>
<td>67</td>
<td>67</td>
<td>Met Standard</td>
</tr>
<tr>
<td>Relative Performance (Eco Dis: 77.2%)</td>
<td>37</td>
<td>66</td>
<td>Met Standard</td>
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<tr>
<td>Closing the Gaps</td>
<td>45</td>
<td>68</td>
<td>Met Standard</td>
</tr>
<tr>
<td>ELA/Reading</td>
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</tr>
<tr>
<td>Mathematics</td>
<td></td>
<td>Not Earned</td>
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</tr>
<tr>
<td>Science</td>
<td></td>
<td>Not Earned</td>
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</tr>
<tr>
<td>Social Studies</td>
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<td>Not Eligible</td>
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<tr>
<td>Comparative Academic Growth</td>
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<td>Not Earned</td>
<td></td>
</tr>
<tr>
<td>Postsecondary Readiness</td>
<td></td>
<td>Not Earned</td>
<td></td>
</tr>
<tr>
<td>Comparative Closing the Gaps</td>
<td></td>
<td>Not Earned</td>
<td></td>
</tr>
<tr>
<td>Component</td>
<td>Score</td>
<td>Scaled Score</td>
<td>Rating</td>
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<td>-----------------------------------------------</td>
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<td>--------------</td>
<td>-----------------</td>
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<tr>
<td><strong>Overall</strong></td>
<td>76</td>
<td>76</td>
<td>Met Standard</td>
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<tr>
<td><strong>Student Achievement</strong></td>
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<td></td>
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</tr>
<tr>
<td>STAAR Performance</td>
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<tr>
<td>College, Career and Military Readiness</td>
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<td></td>
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<td>Graduation Rate</td>
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<tr>
<td><strong>School Progress</strong></td>
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<tr>
<td>Academic Growth</td>
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<td>75</td>
<td>Met Standard</td>
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<tr>
<td>Relative Performance (Eco Dis: 41.7%)</td>
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<td>58</td>
<td>Improvement Required</td>
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<td><strong>Closing the Gaps</strong></td>
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<td>ELA/Reading</td>
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<td>Not Earned</td>
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</tr>
<tr>
<td>Mathematics</td>
<td></td>
<td>Not Earned</td>
<td></td>
</tr>
<tr>
<td>Science</td>
<td></td>
<td>Not Earned</td>
<td></td>
</tr>
<tr>
<td>Social Studies</td>
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<tr>
<td>Comparative Academic Growth</td>
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<td>--------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Overall</td>
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<td>Met Standard</td>
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</tr>
<tr>
<td>Student Achievement</td>
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<td>Met Standard</td>
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<tr>
<td>STAAR Performance</td>
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<td>77</td>
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<td>College, Career and Military Readiness</td>
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<td>Graduation Rate</td>
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<tr>
<td>School Progress</td>
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<td>Met Standard</td>
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</tr>
<tr>
<td>Academic Growth</td>
<td>61</td>
<td>68</td>
<td>Met Standard</td>
</tr>
<tr>
<td>Relative Performance (Eco Dis: 44.0%)</td>
<td>50</td>
<td>76</td>
<td>Met Standard</td>
</tr>
<tr>
<td>Closing the Gaps</td>
<td>67</td>
<td>79</td>
<td>Met Standard</td>
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<tr>
<td>ELA/Reading</td>
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</table>
## Texas Education Agency
### 2018 Accountability Ratings Overall Summary
#### LEE H S (165901002) - MIDLAND ISD

<table>
<thead>
<tr>
<th>Component</th>
<th>Score</th>
<th>Scaled Score</th>
<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>Overall</td>
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<td>75</td>
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<td><strong>Student Achievement</strong></td>
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<td>College, Career and Military Readiness</td>
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<td>Graduation Rate</td>
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<tr>
<td><strong>School Progress</strong></td>
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<td>76</td>
<td>Met Standard</td>
</tr>
<tr>
<td>Academic Growth</td>
<td>67</td>
<td>76</td>
<td>Met Standard</td>
</tr>
<tr>
<td>Relative Performance (Eco Dis: 28.2%)</td>
<td>45</td>
<td>59</td>
<td>Improvement Required</td>
</tr>
<tr>
<td><strong>Closing the Gaps</strong></td>
<td></td>
<td>36</td>
<td>Met Standard</td>
</tr>
<tr>
<td>ELA/Reading</td>
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<td></td>
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</tr>
<tr>
<td>Comparative Closing the Gaps</td>
<td></td>
<td>Not Earned</td>
<td></td>
</tr>
</tbody>
</table>
Opportunity Index points are not requested. Part 1 entries are related to Concerted Revitalization Plan. If yes, skip down to select amenities under Urban or Rural, as applicable.

1. **Opportunity Index (Competitive HTC and Direct Loan Applications Only) [10 TAC §11.9(c)(4) and 10 TAC §13.6(1)]**

- Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.
- The census tract has a median household income rate in the two highest quartiles within the region (2 points).
- The census tract has a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. A map showing the Development Site, location of the border, scale showing distance, and other applicable evidence is included (1 point).
- Development is Rural or USDA and Development Site is within the required distance of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(ii) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.
  - public hike/bike trail or park w/playground (1 point)
  - licensed center serving children (1 point)(2 miles)
  - outdoor recreation facility available to public (1 point)
  - pharmacy (1 point)(1 mile)
  - indoor recreation facility available to public (1 point)
  - census tract with crime rate of ≤26 per 1k persons (1 point)
  - university or community college (1 point)(5 miles)
- Development is Urban and Development Site is within the required radius of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(i) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

If yes, skip down to select amenities under Urban or Rural, as applicable.

Opportunity Index points are not requested. Part 1 entries are related to Concerted Revitalization Plan.

**Application is seeking points for Opportunity Index.**

**Total Points Claimed:** 7

If necessary, provide a brief summary of how the Development Site is justifying the points selected.
2. **Underserved Area (Competitive HTC and Direct Loan Applications Only) [10 TAC §11.9(c)(5) and 10 TAC §13.6(3)]**

Applications may qualify for up to five (5) points for proposed Developments located in ONE of the following areas:

<table>
<thead>
<tr>
<th>No</th>
<th>Wholly or partially within a Colonia (2 points);</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Note: Not eligible if application qualifies for Opportunity Index points)</td>
<td></td>
</tr>
</tbody>
</table>

| Yes | Entirely within the boundaries of an Economically Distressed Area (1 point); |
| (Note: Not eligible if application qualifies for Opportunity Index points) |

| Yes | Entirely within a census tract that does not have another Development that was awarded less than 30 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report (3 points); |

For areas that did not score above, entirely within a census tract that does not have another Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report (2 points);

| Yes | Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have another Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 100,000 or more, and will not apply in the At-Risk Set-Aside (5 points); |

| No | An At-risk or USDA Development placed in service 30 or more years ago, that is still occupied, and that has not yet received federal funding, or LIHTC equity, for the purposes of Rehabilitation for the Development (3 points). |

**Contiguous Census Tract #**

<table>
<thead>
<tr>
<th>48329010112</th>
<th>48329000600</th>
</tr>
</thead>
<tbody>
<tr>
<td>48329010108</td>
<td>48329010200</td>
</tr>
<tr>
<td>48329000200</td>
<td>48329001700</td>
</tr>
</tbody>
</table>

**Application is seeking points for Underserved Area.**

**Total Points Claimed:**

| 5 |

3. **Proximity to the Urban Core (Competitive HTC Applications Only) [10 TAC §11.9(c)(7)]**

| Development Site is located in a Place with a population over 200,000 and is not in the At-Risk Set-Aside. |
| Population of Place is 200,000-749,999 and Development is located w/in 2 miles of the main municipal government administration building. |
| Population of Place is 750,000 or more and Development is located w/in 4 miles of the main municipal government administration building. |

**Application is seeking points for Proximity to the Urban Core.**

**Total Points Claimed:**

|  |

4. **Concerted Revitalization Plan (Competitive HTC Applications Only) [10 TAC §11.9(d)(7)]**

| Region: # | Urban |

| Application is claiming points for a Concerted Revitalization Plan ("CRP"). |
| No points were claimed for Opportunity Index. |
| Applicant has selected amenities in the Opportunity Index section and included documentation in the CRP packet. |
| The CRP Packet has been completed and uploaded along with but separately from the Application. |

**Application is seeking points for Concerted Revitalization.**

**Total Points Claimed:**

|  |

5. **Declared Disaster Area Scoring (Competitive HTC Applications ONLY) [10 TAC §11.9(d)(3)]**

| Development is located in an area that qualifies as a Declared Disaster Area as defined in §11.9(d)(3). |

**Application is seeking points for Declared Disaster Area.**

**Total Points Claimed:**

| 10 |

2/28/2019
6. **Readiness to Proceed in Disaster Impacted Counties (Competitive HTC Applications ONLY) [10 TAC §11.9(c)(8)]**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application is for a proposed Development located in a county declared by FEMA to be eligible for individual assistance within two years preceding December 1, 2018.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application includes a certification that the Applicant will close all financing on or before the last business day in November, 2019.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application includes acknowledgement from all lenders and the syndicator of the required closing date.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application includes a certification that the Applicant will fully execute the construction contract on or before the last business day in November, 2019.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application includes evidence that appropriate zoning will be in place at award.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Application includes a DETAILED narrative description of each piece of evidence provided that is not specifically requested and how that evidence proves that the Applicant will have appropriate zoning at award and will close all financing and fully execute the construction contract on or before the last business day of November, 2019.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applicant understands that failure to close all financing and/or fully execute the construction contract on or before the last business day in November, 2019 will result in penalty under 10 TAC §11.9(f), as determined solely by the Board.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Application is seeking points for Readiness to Proceed. Total Points Claimed: [Penalty]
Supporting Documentation for the Site Information Form Part II

Opportunity Index (Competitive HTC and Direct Loan Only)
- Map with Development Site boundaries indicated, relative to census tract boundaries
- Map with Development Site boundaries indicated, relative to census tract boundaries; and contiguous census tract with evidence of no physical barriers between the tracts
- Map(s) of Community Assets with Development, radius, and each asset labeled
- Distances are measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the facility, unless otherwise noted. All measurements include ingress/egress and any easements
- For each amenity, supporting documentation to evidence how the amenity meets each requirement of the rules.

NOTE: Per the rule, regular and recurring substantive services provided by community, civic or service organization must be beyond exclusively congregational or member-affiliated activities. For this item, you must evidence the organization's service activity in the community.

Print-out from DFPS website confirming daycare licensed to serve relevant age groups
(http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp)

Crime rate information for census tract from Neighborhood Scout or local data source dated after October 1, 2018, including the computation used to determine the crime rate
(https://www.neighborhoodscout.com)

Print-out from THECB website confirming accreditation of university or community college
http://www.txhighereddata.org/Interactive/Institutions.cfm

Evidence amenity is operational or has started site work (for instance: website postings, news paper ads, etc.); evidence of costs or membership fees, age restrictions, as applicable

Evidence of Underserved Area (Competitive HTC and Direct Loan Only)
- Evidence from Attorney General of Colonia boundaries; and
  https://www.texasattorneygeneral.gov/cpd/colonias
- Letter from the appropriate local government official or other evidence that the colonia lacks infrastructure and the Development will enable the current dwellings to connect to such infrastructure; and
- Map showing development site boundaries, relative to Colonia boundaries, and distance from Rio Grande river border.

For Economically Distressed Areas:
- A letter or correspondence from Texas Water Development Board indicating the boundaries of the EDA; and
- Map showing development site boundaries, relative to EDA boundaries.

For other items:
Development must be awarded 2004 or earlier for 15-year threshold and 1988 or earlier for 30-year threshold, as listed in the "Board Approval" column of the Property Inventory tab of the Site Demographic Characteristics Report posted on the Department's website at
http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm

- Map with Development Site boundaries indicated, relative to census tract boundaries
- Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable.
- Map with all contiguous census tracts, if applicable

Proximity to Urban Core (Competitive HTC Only)
- Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body.

2/28/2019
Concerted Revitalization Plan (Competitive HTC Only)

CRP Packet is uploaded along with but separate from the Application.

Declared Disaster Area:

- The county in which the Development Site is located is listed on the 2019 List of Declared Disaster Areas (no further documentation is required).
  
  The List of Declared Disaster Areas is posted on the Department's website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)

- Applicant believes the county in which the Development Site is located was omitted from the list and should be listed. Application includes evidence that the Development Site is located in an area declared to be a disaster area under Tex. Gov't Code §418.014 at any time within the two-year period preceding the date of Application submission.

Readiness to Proceed

- Evidence Development Site is located is in a county declared by FEMA to be a disaster area eligible for individual assistance in the last calendar year (only required if county is not included on the list and Applicant believes it should be).

- Certification for closing

- Acknowledgement(s) of closing date from lenders and syndicator

- Certification for construction contract

- Evidence that appropriate zoning will be in place at award (July 25, 2019).

  Each piece of evidence provided that is not listed above must be accompanied by a detailed narrative describing how that piece of evidence will allow the Applicant to meet the requirements.

2/28/2019
Proposed site in census tract 48329000100 and all contiguous census tracts without a LIHTC award within the past 15 years.
Carver Ridge Apartments
Amenities

Park- 1 mile Radius
Hogans Park- .14 miles
Hogan Park is a 620-acre municipal park including five baseball fields with lighting, nine croquet / horseshoe courts, 12 grills, 54 picnic tables, 11 softball fields, and more. Please see related golf course and dog park facilities pages below.
Carver Ridge Apartments
Amenities

Childcare-2 mile Radius
Number One Wee Care Learning Center- .25 miles

- Number One Wee Care Learning Center
- 2 mile Buffer
- Proposed Site
<table>
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<th>Operation Details</th>
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<tr>
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<tr>
<td>Operation Type:</td>
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<td>Program Provided:</td>
<td>Number One Wee Care Learning Center</td>
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<tr>
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<td>Email Address:</td>
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<td>Administrator/Director Name:</td>
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<tr>
<td>Type of Issuance:</td>
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Number One Wee Care Learning Center

3309 N Lamesa Rd
Midland, TX 79705
432-684-1141

Costimate™
$136/week

Ratings (1)
★ ★ ★ ★ ★

Availability
--

Send Info

Join free to hear from businesses like this
Already a member? Sign in

AT A GLANCE
In Business Since: 2010
Total Employees: 2-10
Credentials:
State Licensed

HOURS
Monday: 7:00AM - 5:30PM
Tuesday: 7:00AM - 5:30PM
Wednesday: 7:00AM - 5:30PM
Thursday: 7:00AM - 5:30PM
Friday: 7:00AM - 5:30PM
Saturday: Closed
Sunday: Closed

PROGRAM DETAILS
Type: Child Care Center/Day Care Center, Preschool (or Nursery School or Pre-K)
Program Capacity: 449
# Rates & Fees - Midland Golf

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<td>After 4 p.m.</td>
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<tr>
<td>Seniors**  (60+)</td>
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## Rate Description

*Junior rates only apply Tuesday-Friday 9am-11am, after 1:30pm, or when accompanied by an adult. **Senior 9-hole rate of $9.00 is also available. ***Seniors 65 & up - $450 annual membership + $3.75/round (does not include cart) *weekdays only

## Cart Fees

- 9-Hole: $12.75
- 18-Hole: $25.50
- PFC: $1.00 (Juniors, High School & College excluded)
- CIF: $2.75 (Juniors, High School & College excluded)
Carver Ridge Apartments
Amenities

Pharmacy-1 mile Radius
Walgreens- .67 miles
Drugstore chain with health & beauty items, plus first-aid supplies & some household products.

Address: 3201 N Big Spring St, Midland, TX 79705

Departments: Walgreens Pharmacy · Walgreens Photo · Redbox · Western Union

Hours: Open · Closes 10PM · See more hours

Phone: (432) 686-0402

Know this place? Answer quick questions
MGTC will be OPEN today, Thursday January 31, 2019-
See you in the gym!

Session 4 starts on March 2, 2019. We are happy to announce that we have added even more classes to the schedule due to the demand.

2018-2019_Schedule_with_coaches_names.pdf

Look for new programs starting in the Spring.....
**Total Crime Index**

47

(100 is safest)

Safer than 47% of U.S. neighborhoods.

### Neighborhood Annual Crimes

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<th>Total</th>
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<td>137</td>
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<tr>
<td>Crime Rate (per 1,000 residents)</td>
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<td>21.71</td>
<td>25.43</td>
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</table>
Carver Ridge Apartments
Amenities

University - 5 mile Radius
Midland College - 1.7 miles

Midland College

5 mile Buffer

Proposed Site
Program Search Results

Institution: 009797 - Midland College
Program Level: ANY
CIP Code: ANY
Program Name: ANY

Programs Found:
42 in Community Colleges

Awards Legend
A - Associate
B - Bachelor
M - Master
D - Doctorate
P - Professional
C - Certificate
E - Enhanced Skills Certificate
T - Advanced Technical Certificate

Community Colleges

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<th>Program Name</th>
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<td>C A</td>
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<tr>
<td>Midland College</td>
<td>Aircraft Powerplant Technology/Technician</td>
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<td>C A</td>
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</table>
Mission & Accreditation

Mission and Core Values

Accreditation

State Guidelines

Notice of Non-discrimination

Midland College Locations

Students Start, Strive, Succeed at Midland College

Mission

Midland College serves West Texas through exemplary teaching and dedicated public service. We prepare and inspire diverse students to start, strive and succeed. We strengthen community through educational leadership and collaboration.

Midland College provides quality programs and courses, relevant workforce development and continuing education, valuable personal enrichment and cultural experiences, and community and student-centered services.

Core Values

Upon establishment, Midland College embraced the core values of Faith, Knowledge, Truth, Understanding and Wisdom as evidenced by the College seal. To these, the following have been added:

- Quality - learning experiences to help students achieve their personal and professional goals
- Diversity - commitment to the dignity and worth of all individuals
- Continuous enrichment - academic, professional, and personal growth of students and employees
- Effective learning - preparation of students for roles as citizens in a rapidly changing global economy
- Academic freedom - safe environment where competing beliefs and ideas can be openly discussed and debated
- Stewardship - efficient, effective, and ethical use of public and private resources
- Collaboration - introspection and communication predicated upon a foundation of mutual trust and support
- Accountability - using a student focused, outcomes based approach to demonstrate the quality of a program (or college) to key stakeholders.

Accreditation

Midland College is accredited by the Southern Association of Colleges and Schools Commission on Colleges to award certificates and associate and baccalaureate degrees. Contact the Southern Association of Colleges and Schools Commission on Colleges at 1866 Southern Lane, Decatur, Georgia 30033-4097 or call 404-679-4500 for questions about the accreditation of Midland College.

The Midland College Automotive Technology program is accredited at the Master Automotive Service Technology Level by the Automotive Services Excellence (ASE) Education Foundation.

To contact the ASE Education Foundation:

ASE Education Foundation
1503 Edwards Ferry Rd., NE Suite 401
Leesburg, VA 20176
(703) 669-6650
(703) 669-6677
info@ASEEducationFoundation.org

The Midland College Sonography program is accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP) upon the recommendation of the Joint Review Committee on Education in Diagnostic Medical Sonography.

To contact CAAHEP:
The Midland College Health Information Management associate degree program is accredited by the Commission on Accreditation of Health Informatics & Information Management (CAHIIM).

To contact CAHIIM:

Commission on Accreditation of Health Informatics & Information Management
233 N. Michigan Avenue
21st Floor
Chicago, IL 60601-5800
(320) 233-1100
www.cahiim.org

The Midland College Paramedic Program is accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP) (www.caahep.org) upon the recommendation of the Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions (CoAEMSP).

To contact CAAHEP:

Commission on Accreditation of Allied Health Education Programs
25400 U.S. Highway 19 North, Suite 158
Clearwater, FL 33763
(727) 210-2350
www.caahep.org

To contact CoAEMSP:

8301 Lakeview Parkway, Suite 111-312
Rowlett, TX 75088
(214) 703-8445
FAX (214) 703-8992
www.coaemsp.org

The Midland College Respiratory Care associate degree program is accredited by the Commission on Accreditation of Allied Health Education Programs (CAAHEP) (www.caahep.org) upon the recommendation of the Commission on Accreditation for Respiratory Care (www.coarc.com).

To contact CAAHEP:

Commission on Accreditation of Allied Health Education Programs
25400 U.S. Highway 19 North, Suite 158
Clearwater, FL 33763
(727) 210-2350
www.caahep.org

To contact COARC:

Commission on Accreditation for Respiratory Care
1248 Harwood Road
Bedford, Texas 76021-4244
(817) 283-2835
www.coarc.com

State Guidelines
Midland College meets all guidelines and standards as set forth by the Texas Higher Education Coordinating Board.

Notice of Non-discrimination
Midland College does not discriminate on the basis of race, color, national origin, sex or gender, disability, age or any other basis prohibited by law. The following individuals have been designated to handle inquiries regarding non-discrimination policies:
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<tr>
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<th>Type</th>
<th>Phone</th>
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<tr>
<td>18437</td>
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<td>2018</td>
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### Park Glen Apartments
- **Address:** 2500 Camp Drive
- **City:** Midland
- **State:** Texas
- **Phone:** (915) 682-0709
- **Website:** 48329001400
- **EPA:** 48329001400
- **Latitude:** 31.379
- **Longitude:** -102.461

### Sterling Springs Village
- **Address:** 1701 Fairgrounds Rd
- **City:** Midland
- **State:** Texas
- **Phone:** (512) 527-9335
- **Website:** 48329001700
- **EPA:** 48329001700
- **Latitude:** 32.48
- **Longitude:** -102.567

### Sterling Springs Village
- **Address:** 1301 Lalla
- **City:** Midland
- **State:** Texas
- **Phone:** (210) 240-6376
- **Website:** 48329001500
- **EPA:** 48329001500
- **Latitude:** 33.55
- **Longitude:** -102.340

### Palermo
- **Address:** 1301 Lalla
- **City:** Midland
- **State:** Texas
- **Phone:** (210) 240-6376
- **Website:** 48329001700
- **EPA:** 48329001700
- **Latitude:** 32.48
- **Longitude:** -102.567

### Gateway Phase Apts
- **Address:** NWC of Loop 250 and W. Hwy. 80
- **City:** Midland
- **State:** Texas
- **Phone:** (417) 850-2512
- **Website:** 48329001114
- **EPA:** 48329001114
- **Latitude:** 31.57
- **Longitude:** -102.628

### Palermo
- **Address:** NWC of Loop 250 and W. Hwy. 80
- **City:** Midland
- **State:** Texas
- **Phone:** (417) 850-2512
- **Website:** 48329001114
- **EPA:** 48329001114
- **Latitude:** 31.57
- **Longitude:** -102.628

### Playa Del Pueblo
- **Address:** Approx 400 linear ft East of S. Terrell St. & IH-20
- **City:** Midland
- **State:** Texas
- **Phone:** (432) 682-2520
- **Website:** 48329001400
- **EPA:** 48329001400
- **Latitude:** 31.58
- **Longitude:** -102.618

### Valerindge
- **Address:** 5100 block of Granada
- **City:** Midland
- **State:** Texas
- **Phone:** (806) 257-5200
- **Website:** 48329001300
- **EPA:** 48329001300
- **Latitude:** 31.60
- **Longitude:** -102.623

### THF Palladium Midland
- **Address:** NWC of S. Lamesa and IH-20
- **City:** Midland
- **State:** Texas
- **Phone:** (830) 693-4521
- **Website:** 48329001400
- **EPA:** 48329001400
- **Latitude:** 31.58
- **Longitude:** -102.618

### Compass Points
- **Address:** 203 Best Parkway
- **City:** Midland
- **State:** Texas
- **Phone:** (512) 732-1226
- **Website:** 48329001300
- **EPA:** 48329001300
- **Latitude:** 31.59
- **Longitude:** -102.443

### Ventura at Tradewinds
- **Address:** 1811 Tradewinds B
- **City:** Midland
- **State:** Texas
- **Phone:** (763) 392-9875
- **Website:** 48329001114
- **EPA:** 48329001114
- **Latitude:** 31.60
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1. **Site Acreage**

   Please identify site acreage as listed in each of the following exhibits/documents.

   - **Site Control:** 6.86
   - **Site Plan:** 6.86
   - **Appraisal:** N/A
   - **ESA:** 6.86

   (*) Should equal acreage indicated in site control documents less acreage intended to be dedicated, sold or used for public purpose and not to be encumbered by LURA (net acreage). The net acreage will be used for calculating density for all purposes.

   Please provide an explanation of any discrepancies in site acreage below:

2. **Site Control [10 TAC §11.204(10)]**

   The current owner of the Development Site is (If scattered site & more than one owner refer to Tab 13):

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Contact Name</th>
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<tbody>
<tr>
<td>Michael Wayne Wallace</td>
<td>Michael Wallace</td>
</tr>
<tr>
<td>1210 E Cuthbert Ave</td>
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<table>
<thead>
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<th>State</th>
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<td>TX</td>
<td>79701</td>
<td></td>
<td>10/7/2003</td>
</tr>
</tbody>
</table>

   Is the seller affiliated with the Applicant, Principal, sponsor, or any Development Team member, as described in §11.302(e)(1)(B) (Identity of Interest)?

   If "Yes," please explain:

   If "Yes", the Application must include the documentation required by 10 TAC §11.302(e)(1)(B)(ii), as applicable.

   Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?

   Identify all of the sellers of the proposed property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team:

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
</table>

   Site Control is in the form of:

   - [x] Contract for sale.
   - [ ] If Direct Loan funds are requested, contract includes required language in 10 TAC §13.5(e).
   - [ ] Recorded Warranty Deed with corresponding executed closing/settlement statement.
   - [ ] Contract for lease.

   **Expiration of Contract or Option:** 10/31/2019  **Anticipated Closing Date:** 10/31/2019

   - [x] Title Commitment or Title Policy is included behind this tab (per 10 TAC §11.204(12)).
   - [ ] The Property has the following encumbrance(s):

3. **Ingress/Egress and Easements (9% and 4% HTC Only) [10 TAC §11.204(10)(D)]**

   If ingress and egress to a public right of way are not part of the Property described in the site control documentation, the Applicant must provide:

   - [ ] Evidence of an easement, leasehold, or similar documented access; and
4. **30% increase in Eligible Basis "Boost" (9% and 4% HTC Only) [10 TAC §11.4(c)]**

Development qualifies for the boost for:

- New Construction or Adaptive Reuse Development is in a QCT with 20% or greater Housing Tax Credit Units per household, and a resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development is included behind Tab 8.†*
  †Rehabilitation Developments located in a QCT with 20 percent or greater Housing Tax Credit Units per total households are eligible to qualify for the boost and are not required to obtain such a resolution from the Governing Body.

* Resolution not due until Resolutions Delivery Date for Tax-Exempt Bond Developments

- Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan (Competitive HTC only)

- Development is located in a Small Area Difficult Development Area (SADDA)

- Rural Development (Competitive HTC only)

- Development is entirely Supportive Housing (Competitive HTC Only)

- Development includes an additional 10% of units at 30% AMI. (Competitive HTC only)

  Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements.

- Development is in an area covered by a concerted revitalization plan and elects and is eligible for points under 10 TAC §11.9(d)(7), is not Elderly, and is not located in a QCT. (Competitive HTC only)

- Development is located in a Qualified Opportunity Zone designated under the Bipartisan Budget Act of 2018 (H.R. 1892). (Competitive HTC only)

If a revised form is submitted, date of submission: ___________________________
Support Documentation from Site Information Part III Should be Included Behind this Tab.

Site Control Documentation

☐ If recorded warranty deed, includes corresponding executed settlement statement (or functional equivalent).

☐ If Identity of Interest, includes documentation described in 10 TAC §11.302(e)(1)(B)(ii), as applicable.

☐ If Application is requesting Direct Loan Funds, contract for sale, option to purchase or option to lease includes the language required by 10 TAC §13.5(e).

☒ Title Commitment or Policy

Ingress/Egress and Easements

☐ Documentation required by 10 TAC §11.204(10)(D) is included, as applicable.

Increase in Eligible Basis (30% Boost)

☐ Resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development, if applicable.

☐ Census tract map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within a QCT, if applicable.

☐ SADDA map clearly showing the Development is located within the boundaries of a SADDA, if applicable.

☐ Census tract map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within the boundaries of a Qualified Opportunity Zone, if applicable.

List of Opportunity Zones can be found at:

https://www.cdfifund.gov/Documents/Copy%20of%20Designated%20QOZs.6.14.18.xlsx
February 18th, 2019

Texas Department of Housing & Community Affairs
Multifamily Finance Division
221 East 11th Street
Austin, TX 78701

RE: Expressed Desire and Ability to Assign the Attached Contract

Dear Staff,

Please allow this letter to serve as officiation notification that if Carver Ridge Apartments, LP is awarded Low Income Housing Tax Credits administered by TDHCA, then VCZ Development, LLC will assign it rights to the attached contract to Carver Ridge Apartments, LP. VCZ Development, LLC, which will serve as the managing member of the Developer, VCZ Albatross Development, LLC, and a member of the General Partner, Carver Ridge Housing, LLC.

Sincerely,

[Signature]

Vaughn C. Zimmerman
managing member
CONTRACT ASSIGNMENT

RE: That certain COMMERCIAL CONTRACT – UNIMPROVED PROPERTY to Buy and Sell Real Estate dated, October 29**TH**, 2018, by and between Zimmerman Properties Development, LLC, a Missouri limited liability company, and/or assigns, as Buyer and Michael Wayne Wallace, as Seller, concerning the purchase of certain real property located in the City of Midland, Midland County, Texas.

Legal Description: See attached Exhibit “A”. – Legal on Survey to Govern

For Ten Dollars ($10.00) and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, the undersigned hereby assigns the Contract, except for earnest money deposit which shall not be among Assignees’ duties or obligations under the original Real Estate Contract described above to VCZ Development, LLC, and/or assigns, as Assignees, provided that said Assignees shall undertake the performance of all the Buyer’s terms, conditions and obligations set forth therein. Buyer shall be released from all obligations under the contract.

This Assignment is executed this 3**rd** day January 2019.

ASSIGNOR:
Zimmerman Properties Development, LLC

By: [Signature]
Justin M. Zimmerman Trustee of the Justin M. Zimmerman Revocable Trust Agreement dated December 13, 2011, member

The Assignee hereby assumes each and every term, condition, and obligation of the Buyer as set forth in the above described Contract this 3**rd** day of January 2019.

ASSIGNEE:

VCZ Development, LLC a Missouri limited liability company

By: [Signature]
Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust U/A dated May 5, 1995, as restated, member
1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are.

*Seller: Michael Wayne Wallace*

   Address: 
   Phone: 
   Fax: 
   E-mail: 
   Other: 

*Buyer: Zimmerman Properties Development, LLC and/or assigns*

   C/O Justin M. Zimmerman / James McDonald
   Address: 1329 E Lark St, Springfield, MO 65804-7351
   Phone: (417)883-1632
   Fax: (417)883-6343
   E-mail: jmcdonald@wilhoitproperties.com
   Other: jzimmerman@wilhoitproperties.com

2. PROPERTY:

   A. "Property" means that real property situated in Midland County, Texas at
      1301 E. Dormard Ave, Midland, TX 79701
      (address) and that is legally described on the attached Exhibit "A" or as follows:
      Acres: 6.860, BLK: 005, Lot: 001, ADDN: HOLLANDALE HEIGHTS

   B. Seller will sell and convey the Property together with:
      1. all rights, privileges, and appurtenances pertaining to the Property, including Seller’s right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gors, and rights-of-way;
      2. Seller’s interest in all leases, rents, and security deposits for all or part of the Property; and
      3. Seller’s interest in all licenses and permits related to the Property.

   (Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
   (If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

   A. At or before closing, Buyer will pay the following sales price for the Property
      1. Cash portion payable by Buyer at closing $ 750,000.00
      2. Sum of all financing described in Paragraph 4 $
      3. Sales price (sum of 3A(1) and 3A(2)) $ 750,000.00
B Adjustment to Sales Price (Check (1) or (2) only)

X (1) The sales price will not be adjusted based on a survey
(2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B

(a) The sales price is calculated on the basis of $ per
(i) square foot of total area
(ii) acre of total area

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property:
(i) public roadways;
(ii) rights-of-way and easements other than those that directly provide utility services to the Property;

(c) If the sales price is adjusted by more than ___% of the stated sales price, either party may terminate this contract by providing written notice to the other party within ___ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

A Third Party Financing
One or more third party loans in the total amount of $__________

This contract
(1) is not contingent upon Buyer obtaining third party financing;
(2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).

B Assumption
In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property which balance at closing will be $__________

C Seller Financing
The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of $__________

5. EARNEST MONEY:

A Not later than 3 days after the effective date, Buyer must deposit $30,000.00 as earnest money with Carol Erick, Senior VP - Commercial Escrow Officer (title company)

If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B Buyer will deposit an additional amount of $__________ with the title company to be made part of the earnest money on or before
   (i) ___ days after Buyer's right to terminate under Paragraph 7B expires; or
   (ii) As outlined in Exhibit "B" - Special Provisions

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.
6. TITLE POLICY AND SURVEY:

A Title Policy

(1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
   (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing, and
   (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.

(2) The standard printed exception as to discrepancies conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements
     (a) will not be amended or deleted from the title policy.
     (b) will be amended to read "shortages in areas" at the expense of Buyer.

(3) Within 15 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B Survey

Within 180 days after the effective date

(1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the (i) ALTA/NSPS Land Title Survey standards or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer (insert amount) of the cost of the survey at closing, if closing occurs.

(2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.

(3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller will furnish Buyer a survey at Seller's expense. If the updating party's survey is revised or any new document evidencing a title exception is delivered, Buyer may object in writing; and the updating party will deliver an acceptable survey within the time required. The other party will reimburse the updating party (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C Buyer's Objections to the Commitment and Survey

(1) Within 30 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new
document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of (i) the date of Buyer's actual receipt of the survey; or (ii) the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition. Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:

B. Feasibility Period. Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

X (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less $ See Exhibit B that Seller will retain as independent consideration for Buyer's unrestricted right to terminate Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1), or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

□ (b) Not later than 30 days after the effective date, Buyer must pay Seller $ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2), or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility Period Extension. Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional amount in the amount of $ with the title company. If no dollar amount is stated in this Paragraph 7B or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.
(2) Buyer must
   (a) employ only trained and qualified inspectors and assessors;
   (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
   (c) abide by any reasonable entry rules or requirements of Seller;
   (d) not interfere with existing operations or occupants of the Property, and
   (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information

(1) Delivery of Property Information. Within 15 days after the effective date, Seller will deliver to Buyer (Check all that apply):
   [X] (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
   [X] (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
   [X] (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
   [X] (d) copies property tax statements for the Property for the previous 2 calendar years;
   [X] (e) plats of the Property;
   [X] (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
   [ ] (g) [ ]

(2) Return of Property Information. If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date (Check all that apply):
   [X] (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
   (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
   [X] (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations. Until closing, Seller (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8 LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller
must disclose in writing if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

1. any failure by Seller to comply with Seller's obligations under the leases;
2. any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
3. any advance sums paid by a tenant under any lease;
4. any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease, and
5. any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to this contract.

B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than ____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Kelly Realty #730
Agent: Lisa Kelly #567
Address: P.O. Box 5211
Midland, TX 79704
Phone & Fax: (432) 685-4008
E-mail: lisakellyhomes@aol.com
License No.

Cooperating Broker: Coldwell Banker Legacy
Agent: Melonna Campbell
Address: 807 Tradewinds Blvd, Suite A
Midland, TX 79706
Phone & Fax: (432) 634-0722
E-mail: melonna.campbell@cbltexas.com
License No: 615544

Cooperating Broker represents Buyer

B. Fees: (Check only (1) or (2) below)
(Complete the Agreement Between Brokers on page 14 only if (1) is selected)

(1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller.
Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

(2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of __% of the sales price.
Cooperating Broker a total cash fee of __% of the sales price.

The cash fees will be paid in Midland County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

TAR. 1802 4-1-18
Initiated or identification by Seller
NOTICE Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10 CLOSING:

A The date of the closing of the sale (closing date) will be on or before the later of

(1) ___ days after the expiration of the feasibility period

\[\text{October 31, 2019}\] (specific date)

(2) 7 days after objections made under Paragraph 6C have been cured or waived

B If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15

C At closing, Seller will execute and deliver at Seller's expense, a \[\checkmark\] general \[\checkmark\] special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property

(1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes,

(2) without any assumed loans in default, and

(3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D At closing, Seller, at Seller's expense, will also deliver to Buyer

(1) tax statements showing no delinquent taxes on the Property,

(2) an assignment of all leases to or on the Property,

(3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property,

(4) evidence that the person executing this contract is legally capable and authorized to bind Seller,

(5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law, and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms, and

(6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

E At closing, Buyer will

(1) pay the sales price in good funds acceptable to the title company,

(2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer,

(3) sign and send to each tenant in a lease for any part of the Property a written statement that

(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and

(b) specifies the exact dollar amount of the security deposit;

(4) sign an assumption of all leases then in effect, and

(5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual with any additional clauses.
11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. (If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 220.)

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:
   (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
   (2) release of Seller's loan liability, if applicable;
   (3) tax statements or certificates;
   (4) preparation of the deed;
   (5) one-half of any escrow fee;
   (6) costs to record any documents to cure title objections that Seller must cure; and
   (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:
   (1) all loan expenses and fees;
   (2) preparation of any deed of trust;
   (3) recording fees for the deed and any deed of trust;
   (4) premiums for flood insurance as may be required by Buyer's lender;
   (5) one-half of any escrow fee;
   (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:
   (1) interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
   (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
   (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
C  Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

A  If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7B(3) which Seller may pursue; or

   (Check if applicable)
   enforce specific performance, or seek such other relief as may be provided by law

B  If, without fault, Seller is unable within the time allowed to deliver the escrow certificates, survey or the commitment, Buyer may:

   (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
   (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C  Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

   (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy, or
   (2) enforce specific performance, or seek such other relief as may be provided by law, or both

16. CONDEMNATION: If before closing condemnation proceedings are commenced against any part of the Property, Buyer may

A  terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer, or

B  appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:

   (1) Seller and the sales price will be reduced by the same amount or
   (2) Buyer and the sales price will not be reduced

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

A  At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties

B  If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditor.
Commercial Contract  Unimproved Property concerning  1301 E. Dornard Ave, Midland, TX 79701

C The title company will deduct any independent consideration under Paragraph 78(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

D If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.

E Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.

F Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

G Seller and Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief (Check only one box.)

X A Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-140B)

B Except as otherwise provided in this contract, Seller is not aware of:
1. any subsurface structures, pits, waste, springs, or improvements;
2. any pending or threatened litigation, condemnation, or assessment affecting the Property;
3. any environmental hazards or conditions that materially affect the Property;
4. whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
5. whether radon, asbestos containing materials, urea-formalddehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
6. any wetlands, as defined by federal or state law or regulation, on the Property;
7. any threatened or endangered species on their habitat on the Property;
8. any present or past infestation of wood-destroying insects in the Property's improvements;
9. any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
10. any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties' addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

X A Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.

X B Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

(TAR-1802) 4-1-18

[Signature]

Midland
22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply)

- [X] (1) Property Description Exhibit identified in Paragraph 2;
- [ ] (2) Commercial Contract Financing Addendum (TAR-1931);
- [X] (3) Commercial Property Condition Statement (TAR-1408);
- [ ] (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
- [ ] (5) Notice to Purchaser of Real Property in a Water District (MUD);
- [ ] (6) Addendum for Coastal Area Property (TAR-1915);
- [ ] (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- [X] (8) Information About Brokerage Services (TAR-2501);
- [ ] (9) Information About Mineral Clauses in Contract Forms (TAR-2509); and
- [X] (10) Exhibit "B" - Special Provision

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer [X] may [ ] may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receipt this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer’s selection, or Buyer should be furnished with or obtain a title policy.

B. If the Property is situated in a utility or other statutory or created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver to Buyer a statutory notice relating to the tax rate, bonded indebtedness, or other fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code “The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area, there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you
will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property. The real property is described in Paragraph 2 of this contract.

D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (the Addendum for Coastal Area Property (TAR-1915) may be used).

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code requires a notice regarding the seaward location of the Property to be included as part of this contract (the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used).

F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of inspectors, experts, and appraisers is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.

H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer. The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of (1) an entity lawfully exercising its right to use the water stored in the impoundment, or (2) drought or flood conditions.

I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee, or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on October 16, 2018, the offer will lapse and become null and void.

(TAR 1802) 4:18

[Signature for identification by Seller and Buyer]
Commercial Contract  Unimproved Property concerning  1301 E. Dormard Ave, Midland, TX 79701

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller:  Michael Wayne Wallace

By Michael Wayne Wallace
By (signature)
Printed Name Michael Wayne Wallace
Title

By
By (signature)
Printed Name
Title

Zimmerman Properties Development, LLC and/or
Buyer: assigns
C/O Justin M. Zimmerman / James McDonald

By Justin M. Zimmerman
By (signature)
Printed Name Justin M. Zimmerman
Title member

By
By (signature)
Printed Name
Title
AGREEMENT BETWEEN BROKERS
(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay ___(Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- $__________, or
- ______% of the sale's price, or
- ______% of the Principal Broker's fee

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker ___________________ Cooperating Broker ___________________

By ___________________ By ___________________

ATTORNEYS

Seller's attorney ___________________ Buyer's attorney ___________________
Address ___________________ Address ___________________
Phone & Fax ___________________ Phone & Fax ___________________
E-mail ___________________ E-mail ___________________

Seller's attorney requests copies of documents, notices, and other information:
- the title company sends to Seller
- Buyer sends to Seller

Buyer's attorney requests copies of documents, notices, and other information:
- the title company sends to Buyer
- Seller sends to Buyer

ESCROW RECEIPT

The title company acknowledges receipt of

- A. the contract on this day, on ____________, the ____________ of ____________, 2008, at ____________ in the form of Company Check
- B. earnest money in the amount of $__________, on October 31, 2018.

Title company ___________________
By ___________________
Carol E. Erick
Assigned file number ___________________

Address: 17304 Preston Rd., Suite 110
Dallas, TX 75252
Phone & Fax: (214) 473-5414
E-mail: Carol.Erick@stewart.com
Exhibit “B”

COMMERCIAL CONTRACT SPECIAL PROVISIONS ADDENDUM
PARTIES CONCERNING THE PROPERTY AT:

Approximately 6.860-acre property located at 1301 E. Dormand Ave., Midland, Midland County, TX 79701

Buyer’s obligation to close escrow shall be contingent upon fulfillment or waiver of each of the following:

1. **DUE DILIGENCE INSPECTIONS**  Buyer shall have reasonable access to the Property for the purpose of inspecting its physical condition and performing other investigations of the Property and the suitability and feasibility of the Property for Buyer’s proposed use. Buyer’s inspection rights shall include performing soil tests, environmental tests or Audits, foundation and mechanical inspections, and such other inspections as Buyer may determine are necessary or desirable, performing development planning, engineering feasibility and other studies, reviewing applicable state, federal and local laws, reviewing all leases, contracts and agreements affecting the Property, and performing such other tests, reviews and investigations and obtaining approvals as Buyer deems necessary or appropriate. Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, expense and liability arising out of Buyer’s due diligence investigation of the Property; provided, however, that Buyer shall not be responsible for any existing conditions on the Property. All inspections and investigations shall be at Buyer’s expense. At all times prior to the expiration of the Inspection Period (as hereinafter defined), Seller shall allow Buyer and its council, accountants, or other representatives to have full access during reasonable hours to the Property, subject to the rights of any tenants of the Property, and Seller shall furnish Buyer will all information, concerning the physical condition or financial aspects of the Property as Buyer may reasonably request. Buyer’s obligations under this Contract are contingent upon these inspections and investigations revealing that the physical condition and other aspects of the Property are satisfactory to Buyer, in Buyer’s sole opinion. If Buyer is not satisfied with the physical condition or other aspects of the Property, Buyer may elect to terminate this Contract, provided that this election must be made by written notice to Seller by August 15, 2019, (the “Inspections Period”). If Buyer elects to terminate this Contract within this time period, All Earnest Money and other sums deposited under this Contract shall be returned property to Buyer, less any monies released as referenced in Section 7 B (1) of the Contract and this Contract shall be null and void. If, however, Buyer does not elect to terminate this Contract within this time period, the contingency stated in this paragraph shall have been waived by Buyer and Buyer shall be obligated to proceed with the Closing of this transaction and to accept the Property in the condition existing at the Effective Date, ordinary tear and wear excepted.

2. **MUNICIPALITY AND COUNTY APPROVALS.** Sale is contingent upon Buyer obtaining the appropriate governmental agencies suitable zoning and/or approval of final site plan for the proposed development along with utility commitments and required capacity. All such approvals, permits and allocations and any conditions imposed thereon, must be acceptable to Buyer in its sole discretion. Buyer will apply for any zoning or annexation modifications with the City or Municipality but is not obligated to complete zoning medication.

Initialed by Seller(s)  Initialed by Buyer(s)
3. HUD/Texas Department of Housing and Community Affairs ("TDHCA")

Environmental Clearance  Notwithstanding any other provision of this Contract, Buyer shall have no obligation to purchase the Property, and no transfer of title to Buyer may occur, unless and until TDHCA has provided Buyer and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies in the Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environment review shall be satisfied before or after the purchase of the property, or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. TDHCA shall use its best efforts to conclude the environmental review of the property expeditiously.

4. Initial Earnest Money  Buyer's Initial Earnest Money of $30,000 shall be credited to the purchase price at closing.

5. Feasibility Period and Earnest Money. Notwithstanding anything in the contrary contained herein, Buyer may terminate this Agreement for any reason on or before August 31, 2019, by providing Seller written notice of termination subject to the following conditions:

   (a) Upon mutually execution of this agreement and the deposit of the Initial Earnest Money, Buyer shall authorize the Escrow agent to release $2,500 to the Seller. This $2,500 shall be considered earned, non-refundable to the Buyer, and credit to the Purchase Price at Closing.

   (b) If the agreement is terminated by Buyer on or before January 31, 2019, the Initial Earnest Money will be released to Buyer less $5,000 ($7,500 total cumulative monies released to the Seller) that Seller will retain as independent consideration for Buyer's unrestricted right to terminate during this time.

   (c) If the Agreement is terminated by Buyer after January 31, 2019, but prior to or on May 31, 2019, the Initial Earnest Money will be released to Buyer less $5,000 ($12,500 total cumulative monies released to Seller) that Seller will retain as independent consideration for Buyer's unrestricted right to terminate during this time.

   (d) If this Agreement is terminated by Buyer after May 31, 2019, but prior to or on August 31, 2019, the Initial Earnest Money will be released to Buyer less $5,000 ($17,500 total cumulative monies released to Seller) that Seller will retain as independent consideration for Buyer's unrestricted right to terminate during this time.

   (e) Furthermore, Buyer will deposit an additional $20,000 as Additional Non-refundable Earnest Money with the title company on or before August 31, 2019.

   (f) Seller shall grant Buyer (3) three options to extend the Closing date for 30 days. Buyer shall notify Seller in writing of his desire to extend and deposit $10,000 as Additional Non-refundable Extension Deposit. Extension Deposits shall be immediately released to the Seller. All Earnest Money Deposits and Extension Deposits shall be credited to the Purchase Price at Closing.

Initialed by Seller(s) _______________________________  Initialed by Buyer _______________________________
COMMERCIAL CONTRACT SPECIAL PROVISIONS ADDENDUM
PARTIES CONCERNING THE PROPERTY AT:

Approximately 6.860-acre property located at 1301 E. Dormand Ave., Midland, Midland County, TX 79701

Seller: Michael Wayne Wallace
By: [Signature]
Printed Name: Michael Wayne Wallace
Title: Owner
Date: 9/22/18

Buyer: Zimmerman Properties Development, LLC, and/or assigns
By: Justin M. Zimmerman
Printed Name: Justin M. Zimmerman
Title: Member
Date: 10/18/18
PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC) 11-18-14

ADDITIONAL FOR RESERVATION OF OIL, GAS, AND OTHER MINERALS

ADDITION TO CONTRACT CONCERNING THE PROPERTY AT

1301 E. Dorman Ave
Midland 79701

(Street Address and City)

NOTICE: For use ONLY if Seller reserves all or a portion of the Mineral Estate.

A. "Mineral Estate" means all oil, gas, and other minerals in and under and that may be produced from the Property, any royalty under any existing or future mineral lease covering any part of the Property, executive rights (including the right to sign a mineral lease covering any part of the Property), implied rights of ingress and egress, exploration and development rights, protective and drilling rights, mineral lease payments, and all related rights and benefits. The Mineral Estate does NOT include water, sand, gravel, limestone, building stone, caliche, surface shale, near-surface lignite, and iron, but DOES include the reasonable use of these surface materials for mining, drilling, exploring, operating, developing, or removing the oil, gas, and other minerals from the Property.

B. Subject to Section C below, the Mineral Estate owned by Seller, if any, will be conveyed unless reserved as follows (check one box only):

- (1) Seller reserves all of the Mineral Estate owned by Seller.
- (2) Seller reserves an undivided _________ interest in the Mineral Estate owned by Seller. NOTE: If Seller does not own all of the Mineral Estate, Seller reserves only this percentage or fraction of Seller's interest.

C. Seller does not reserve and retain implied rights of ingress and egress and of reasonable use of the Property (including surface materials) for mining, drilling, exploring, operating, developing, or removing the oil, gas, and other minerals. NOTE: Surface rights that may be held by others owners of the Mineral Estate who are not parties to this transaction (including existing mineral lessees) will NOT be affected by Seller's election. Seller's failure to complete Section C will be deemed an election to convey all surface rights described herein.

D. If Seller does not reserve all of Seller's interest in the Mineral Estate, Seller shall, within 7 days after the Effective Date, provide Buyer with the contact information of any existing mineral lessee known to Seller.

IMPORTANT NOTICE: The Mineral Estate affects important rights, the full extent of which may be unknown to Seller. A full examination of the title to the Property completed by an attorney with expertise in this area is the only proper means for determining title to the Mineral Estate with certainty. In addition, attempts to convey or reserve certain interest out of the Mineral Estate separately from other rights and benefits owned by Seller may have unintended consequences. Precise contract language is essential to preventing disagreements between present and future owners of the Mineral Estate. If Seller or Buyer has any questions about their respective rights and interests in the Mineral Estate and how such rights and interests may be affected by this contract, they are strongly encouraged to consult an attorney with expertise in this area.

CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate licensees from giving legal advice. READ THIS FORM CAREFULLY

Buyer ____________________________
Seller ____________________________

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission P.O. Box 12188 Austin TX 78711-2188 512-936-3000 (http://www.trec.texas.gov) TREC No. 44-2 This form replaces TREC No. 44-1
COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWART TITLE GUARANTY COMPANY

THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

We, STEWART TITLE GUARANTY COMPANY, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

In Witness Whereof, the Company has caused this commitment to be signed and sealed as of the effective date of commitment as shown in Schedule A, the commitment to become valid and binding only when countersigned by an authorized signatory.

Authorized Countersignature

Stewart Title Company
17304 Preston Rd, Ste 110
Dallas, TX 75252

Matt Morris
President and CEO

Denise Carraux
Secretary

For purposes of this form the “Stewart Title” logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.
CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252-2029.
IMPORTANT INFORMATION

FOR INFORMATION, OR TO MAKE A COMPLAINT CALL OUR TOLL-FREE TELEPHONE NUMBER

1-800-729-1902

ALSO YOU MAY CONTACT THE TEXAS DEPARTMENT OF INSURANCE AT

1-800-252-3439

to obtain information on:
1. filing a complaint against an insurance company or agent,
2. whether an insurance company or agent is licensed,
3. complaints received against an insurance company or agent.
4. policyholder rights, and
5. a list of consumer publications and services available through the Department.

YOU MAY ALSO WRITE TO THE TEXAS DEPARTMENT OF INSURANCE
P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007

AVISO IMPORTANTE

PARA INFORMACION, O PARA SOMETER UNA QUEJA LLAME AL NUMERO GRATIS

1-800-729-1902

TAMBIEN PUEDE COMUNICARSE CON EL DEPARTAMENTO DE SEGUROS DE TEXAS AL

1-800-252-3439

para obtener informacion sobre:
1. como someter una queja en contra de una compania de seguros o agente de seguros,
2. si una compania de seguros o agente de seguros tiene licencia,
3. quejas recibidas en contra de una compania de seguros o agente de seguros,
4. los derechos del asegurado, y
5. una lista de publicaciones y servicios para consumidores disponibles a traves del Departamento.

TAMBIEN PUEDE ESCRIBIR AL DEPARTAMENTO DE SEGUROS DE TEXAS
P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007
TEXAS TITLE INSURANCE INFORMATION

Title insurance insures you against loss resulting from certain risks to your title.

The commitment for Title Insurance is the title insurance company’s promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.

El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la poliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transacción.

Your commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment’s terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the title insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company’s decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy’s Exceptions, Exclusions and Conditions, defined below.

- EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.

You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-800-729-1902 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

- Request amendment of the “area and boundary” exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner’s Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company’s other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

- Allow the Company to add an exception to "rights of parties in possession". If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.
COMMITMENT FOR TITLE INSURANCE
SCHEDULE A
ISSUED BY
STEWART TITLE GUARANTY COMPANY

<table>
<thead>
<tr>
<th>File No.: 308077</th>
<th>Effective Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October 19, 2018 at 8:00AM</td>
</tr>
</tbody>
</table>

CLOSER: Carol Erick
Issued: February 11, 2019 11:20AM

1. The policy or policies to be issued are:

   a. OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
      (Not applicable for improved one-to-four family residential real estate)
      Policy Amount: $750,000.00
      PROPOSED INSURED: VCZ Development, LLC, and/or assigns

   b. TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
      -ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
      Policy Amount: $
      PROPOSED INSURED:

   c. LOAN POLICY OF TITLE INSURANCE (Form T-2)
      Policy Amount: $
      PROPOSED INSURED:
      Proposed Borrower:

   d. TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
      Policy Amount: $
      PROPOSED INSURED:
      Proposed Borrower:

   e. LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
      Binder Amount: $
      PROPOSED INSURED:
      Proposed Borrower:

   f. OTHER:
      Policy Amount: $
      PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:

   FEE SIMPLE

3. Record title to the land on the Effective Date appears to be vested in:

   Michael Wayne Wallace

4. Legal description of land:

   See Exhibit “A” Attached Hereto
All of Block Five (5), Resubdivision of Blocks 3 Through 9, Hollandale Heights, an addition to the City of Midland, Midland County, Texas according to the map or plat thereof of record in Cabinet A, Page 111, Plat Records, Midland County, Texas.
COMMITMENT FOR TITLE INSURANCE
SCHEDULE B
ISSUED BY
STEWART TITLE GUARANTY COMPANY

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your policy will not cover loss, costs, attorney's fees and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording date or delete this exception.):

2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements. Upon receipt of an approved survey, Schedule B, Item 2 may be modified to read in its entirety. "Shortages in area" (Loan Policy only or Owner's Title Policy with prescribed premium.)

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured. (Applies to the Owner’s Policy only.)

4. Any titles or rights asserted by anyone, including, but not limited to, persons, the public, corporations, governments or other entities,
   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs, or oceans, or
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area. (Applies to the Owner's Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2019 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2019 and subsequent years." )

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence is furnished to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy T-2 only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only.)
Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance. (T-2R)

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):

   a) Rights of parties in possession. (Owner Title Policy only)

   b) All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights privileges, and immunities relating thereto, appearing in the public records whether listed in Schedule “B” or not. There may be leases, grants, exceptions or reservations of mineral interests that are not listed.


   e) Any visible and apparent roadway or easement over or across the subject property, the existence of which does not appear of record.
COMMITMENT FOR TITLE INSURANCE
SCHEDULE C
ISSUED BY
STEWART TITLE GUARANTY COMPANY

Your Policy will not cover loss, costs, attorneys’ fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:
   - no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
   - all standby fees, taxes, assessments and charges against the property have been paid,
   - all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer’s or materialman’s liens have attached to the property,
   - there is legal right of access to and from the land,
   - (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. Note: Procedural Rule P-27 as provided for in Section 2561.202, Texas Insurance Code requires that “Good Funds” be received and deposited before a Title Agent may disburse from its Trust Fund Account. Procedural Rule P-27 provides a list of the types of financial documents and instruments which satisfy this requirement. Please be advised that we reserve the right to determine on a case-by-case basis what form of good funds is acceptable.

6. Notice to closing agent: This commitment is issued solely for the purpose of furnishing title evidence in connection with issuance of a directly-issued (“home office issue”) policy. Notwithstanding any provision hereof to the contrary, neither the issuing agent nor the title insurance company named herein will have any obligation to issue a policy pursuant to this commitment. As a condition for such use, [name of title insurance agent issuing commitment] requires compliance with Procedural Rule P-24, Basic Manual of Rules, Rates and Forms (Texas Department of Insurance). If this commitment is used for such purpose, a legible complete copy of each directly-issued policy must be furnished to the above-mentioned title insurance agent no later than thirty (30) days after the date of the policy, as required by Tex. Ins. Code Sec. 2704.003 and Procedural Rule P-26, Basic Manual.

7. The tax certificate furnished by the taxing authorities is on real estate only; it does not include mineral or personal property. Therefore, no liability is assumed herein for the payment of said mineral and/or personal property taxes.

8. Item 2 on Schedule “B” can be amended to read “shortages in area” in the mortgagee’s title policy if we are furnished a survey prepared by an approved licensed surveyor who certifies that there are no discrepancies, conflicts in boundary lines, or any encroachments, or any overlapping of improvements, or we make specific exception to such items.

9. Note: The Texas Title Insurance Information portion of the Commitment for Title Insurance advises you that your Policy will insure you against loss because of non-excepted discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements if you pay an additional five percent (5%) premium of the Basic Rate for your Residential Owner Policy for the coverage, and we are provided with a satisfactory survey, pursuant to Procedural Rule P2.
10. Your Residential Owner Policy of Title Insurance will contain this coverage and you will be charged the additional five percent (5%) premium unless on or before the date of closing you advise the company in writing that you reject this coverage.

11. If you do not obtain this insurance, you must hire your own attorney and surveyor, if necessary, and you will not be protected under your Residential Owner Policy against any encroachments, such as buildings over easements, buildings over setback lines, buildings over property lines, or location of fences.
COMMITMENT FOR TITLE INSURANCE
SCHEDULE D
ISSUED BY
STEWART TITLE GUARANTY COMPANY

Policy Commitment No.: 308077

The information contained in this Schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this Commitment.

As to Stewart Title Guaranty Company, the Underwriter herein, the following disclosures are made as of December 31, 2017:

A-1. Shareholders owning or controlling, or holding, directly or indirectly, ten percent (10%) or more of the shares of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows:
   Stewart Information Services Corporation -100%

A-2. The members of the Board of Directors of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows:

A-3. The designated officers of Stewart Title Guaranty Company as of the date hereinabove set forth are as follows:
   Matthew Morris, Chief Executive Officer & President; David C. Hisey, Chief Financial Officer & Assistant Secretary-Treasurer; Brad Rabie, Chief Information Officer; Genady Vishnevetsky, Chief Information Security Officer; Ann Manal, Chief Human Resources Officer; Dave Fauth, Group President – Direct Operations; Steven M. Lessack, Group President – International Operations; Patrick Beall, Group President; John Killea, General Counsel & Chief Compliance Officer; Charles M. Craig, Senior Vice President – Associate General Counsel and Senior Underwriting Counsel; James Gosdin, Senior Vice President – Chief Underwriting Counsel & Associate General Counsel; John Rothermel, Senior Vice President – Regional Underwriting Counsel.

As to Stewart Title Company (Title Insurance Agent), the following disclosures are made:

B-1 Shareholders, owners, partners or other persons having, owning or controlling one percent (1%) or more of Title Insurance Agent are as follows:
   Stewart Title Guaranty Company – 100%

B-2 Shareholders, owners, partners, or other persons having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of Title Insurance Agent are as follows:
   Stewart Information Services Corporation - 100%

B-3 If Title Insurance Agent is a corporation, the following is a list of the members of the Board of Directors:
   Matthew W. Morris, David C. Hisey, John L. Killea

B-4 If Title Insurance Agent is a corporation, the following is a list of its officers:
   Matthew W. Morris, Chairman, Chief Executive Officer and President, David C. Hisey, Chief Financial Officer, Assistant Secretary-Treasurer, John L. Killea, General Counsel, Denise Carraux, Secretary & Assistant Treasurer, and Ken Anderson, Jr., Treasurer and Assistant Secretary

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Owner's Policy</td>
<td>$4,476.00</td>
</tr>
<tr>
<td>Loan Policy</td>
<td></td>
</tr>
<tr>
<td>Endorsement Charges</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$4,476.00</td>
</tr>
</tbody>
</table>

Of this total amount 15% will be paid to Stewart Title Guaranty Company; 85% will be retained by the issuing Title Insurance Agent; and the remainder of the estimated premium will be paid to other parties as follows:

File No.: 308077
T-7 Commitment Schedule D Revised 12-31-2017
Page 7 of 8
<table>
<thead>
<tr>
<th>Amount</th>
<th>To Whom</th>
<th>For Service</th>
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"The estimated premium is based upon information furnished to us as of the date of this Commitment for Title insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."
ORDINANCE NO. 1892

AN ORDINANCE APPROVING THE PLAT OF SCOTSDALE ADDITION, SECTION THREE, AN ADDITION TO THE CITY OF MIDLAND, MIDLAND COUNTY, TEXAS.

WHEREAS, "LYNNANN INVESTMENT COMPANY, INC., claims ownership of the land shown and included in SCOTSDALE ADDITION,

SECTION THREE to the City of Midland, Midland County, Texas, as subdivided according to a plat prepared by Merle E. Shows, dated March 19, 1962; and,

WHEREAS, the said LYNNANN INVESTMENT COMPANY, INC., desires to develop said land in accordance with said plat and wishes to dedicate to the public forever the streets and alleys shown thereon; NOW, THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. THAT the plat and subdivision of SCOTSDALE ADDITION, SECTION THREE, as shown by the official plat thereof, dated March 19, 1962 prepared by Merle E. Shows, Registered Public Surveyor, be and the same is hereby approved.

The fact that there is an immediate demand for subdivided lots for immediate development in the area so platted an emergency affecting the public health, peace, safety and general welfare, making it necessary that the rule requiring that this ordinance be read at two (2) regular meetings of the City Council before passage be suspended and this ordinance shall take effect from and after its first reading.

WHEREUPON, Councilman ______ moved the adoption of the emergency clause and the passage of the foregoing ordinance as an emergency matter, to be effective from its passage, such motion having been duly seconded by Councilman ______ , the following vote was taken:

[followed by the name of the council member and the date]
Councilmen voting "AYE": Avery, Walcher, Inman, Durham

Councilmen voting "NAY": None

The above and foregoing ordinance was read in full and adopted by the following vote, the motion having been made by Councilman Avery, and seconded by Councilman Walcher at a regular meeting of the City Council on this 27th day of March, A.D., 1962.

Councilmen voting "AYE": Avery, Walcher, Inman, Durham

Councilmen voting "NAY": None

PASSED AND APPROVED this 27th day of March, A.D., 1962.

Mayor of the City of Midland, Texas,

J. W. McCulloch
City Secretary

APPROVED:

J. M. Nessle, City Attorney
FILE NO. 27568
WARRANTY DEED WITH VENDOR'S Lien

I. J. RICE ET UX TO MALCOLM D. PATTERSON

THE STATE OF TEXAS, |
COUNTY OF MIDLAND |

KNOW ALL MEN BY THESE PRESENTS:

That we, I. J. Rice and wife, Annie Elizabeth Rice, of the County of Midland, State of Texas, for and in consideration of the sum of TWO THOUSAND AND no/100 DOLLARS to us paid, and acknowledged to be paid, by Malcolm D. Patterson as follows:

1. $1000.00 cash, the receipt of which is hereby fully acknowledged;
2. $200.00 evidenced by a vendor's lien note of even date herewith payable to the order of I. J. Rice in annual installments as follows: $200.00 payable on or before January 1, 1947, and $200.00 payable on or before the first day of each January thereafter until the entire principal and interest herein stated have been paid; and providing for interest from date at the rate of five per cent per annum payable annually in addition to the principal, the interest payable on each date for payment of principal; and providing for ten per cent interest annually on all past due installments of principal and interest; and providing for ten per cent additional as attorney's fees if the note is placed in the hands of an attorney for collection after maturity; and providing for acceleration of the entire note upon default in any installment of principal or interest, such acceleration being at the option of the payee or holder thereof;

have granted, sold and conveyed, and by these presents do grant, sell and convey except as below stated, unto the said Malcolm D. Patterson of the County of Midland, State of Texas, all that certain tract of land described as follows:

The South 40 acres of the North 80 acres of the Northwest one-fourth of Section 94, Block 30, Township 1 South, T. & P. Ry. Co. Survey, in Midland County, Texas.

Out of the grant hereby made there is, however, excepted and reserved to the grantors herein, their heirs and assigns, a 1/8th royalty interest in all oil, gas and other minerals, such interest being 1/8 of the usual 1/8th royalty provided for in oil and gas leases, and being the maximum royalty reserved by grantors in such oil or gas lease or leases as may be executed in the future. The grantors, his heirs and assigns have the exclusive right to execute oil and gas leases on the foregoing described land; and the ownership of all bonuses and delay rentals payable under any oil and gas lease or leases is in grantee, his heirs and assigns.

TO HAVE AND TO HOLD the above-described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Malcolm D. Patterson and his heirs and assigns forever and we do hereby bind ourselves and our heirs, executors and administrator, to warrant and forever defend, all and singular the said premises unto the said Malcolm D. Patterson and his heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

But it is expressly agreed and stipulated that the Vendor's Lien is retained against the above-described property, premises and improvements, until the above-described note, and all interest thereon are fully paid according to its face and tenor, effect and reading, when this deed shall become absolute.

WITNESS our hands at Midland, Texas this 24th day of December, 1946.

I. J. Rice
I. J. Rice
Annie Elizabeth Rice
Annie Elizabeth Rice
THE STATE OF TEXAS, COUNTY OF MIDLAND

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared I. J. Rice and Annie Elizabeth Rice, his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they each executed the same for the purposes and consideration therein expressed, and the said Annie Elizabeth Rice, wife of the said I. J. Rice, having been examined by me privately and apart from her husband, and having the same fully explained to her, she, the said Annie Elizabeth Rice, acknowledged such instrument to be her act and deed, and she declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 24 day of December, A. D., 1945.

L. M. Crane, Notary Public in and for Midland County, Texas.

Filed for record the 27th day of December, A. D. 1946 at 8:15 o'clock A. M.

SUSIE O. NOBLE, Clerk County Court, Midland County, Texas.

Recorded on this the 28th day of December, A. D. 1945 at 8:20 o'clock A. M.

By Deputy.
ASSIGNMENT OF LIEN

THE STATE OF TEXAS, County of Midland

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, on the 18th day of July, A.D. 1946, S.M. Caffey, did execute his one certain note, described as follows:

In the principal sum of $3,500.00 payable to the order of Marvin English on or before 90 days from the date of said note, with interest thereon from said date at the rate of 6 per cent per annum, and which said note is set out and described in a certain Mechanic's Lien Contract executed by S. M. Caffey to Marvin English and recorded in Volume 8, page 191, records of Mechanic's Liens of Midland County, Texas, and secured by the Mechanic's lien therein expressed, on the following described lot, or parcel of land, situated in the County of Midland, State of Texas, to-wit:

Block E of The Gardens Addition, a subdivision of the East 200 acres of the South 238 acres of Section 28, Block 39, Township 1-South, T. & P. Ry. Company Survey, Midland County, Texas, as per plat of said subdivision of record in Book 66, page 84, Deed Records of Midland County, Texas.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, That I, Marvin English, the payee and owner and holder of said note, for and in consideration of the sum of Three Thousand, Five Hundred and no/100 Dollars to me in hand paid by Fidelity Union Life Insurance Company, Dallas, Texas, the receipt of which is hereby acknowledged, have sold, transferred and conveyed, and do hereby sell, transfer and convey unto said Fidelity Union Life Insurance Company, of the County of Dallas, Texas, the said note and said lien and all liens and titles held by me in and to said land.

To have and to hold the same unto the said Fidelity Union Life Insurance Company, its successors and assigns forever.

WITNESS my hand this 3rd day of January, A.D. 1946.

Marvin English
SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,

CONTY OF MIDLAND

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Marvin English, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 2nd day of January, A. D. 1946,

(SEAL)

G. G. Hazel  O. G. HAZEL
Notary Public in and for Midland County, Texas

Filed for record the 4th day of January, A. D. 1946 at 2:15 o'clock P. M.

Recorded on this the 4th day of January, A. D. 1946 at 3:55 o'clock P. M.

Susie G. Noble, Clerk County Court,

Midland County, Texas.

By: Juanita F. Rosell Deputy.
The State of Texas, County at Midland.

That We, J. L. Patterson and wife, Libbie Lee Patterson, of the County of Midland, State of Texas, for and in consideration of the sum of Ten and no/100 ($10.00) Dollars and other good and valuable consideration, to us in hand paid by Edna Jean Elliott, as follows:

have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey, unto the said Edna Jean Elliott of the County of Midland, State of Texas, all that certain lot, tract or parcel of land lying and being situated in the County of Midland, State of Texas, described as follows, to wit:

Being what is known as Tracts 5 and 6 of "Patterson Acres" a subdivision of the North 14.6 acres of the North 40 acres of the SW/4 of Section 24, Block 39, Township 1 South, T. & P. Ry. Company Survey in Midland County, Texas, according to the map or plat thereof of record in Volume 130, page 179-180, Deed Records of Midland County, Texas.

There is especially excepted from this conveyance, however, an undivided one-fourth (1/4th) of the minerals on, in and under the said land, the title to which 1/4th of the minerals is hereby expressly reserved by and retained in the said Grantors herein save and except that there is hereby granted to the said Edna Jean Elliott all of the rights of executing oil, gas and other mineral leases upon the above described land.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Edna Jean Elliott, her heirs and assigns forever and we do hereby bind ourselves, our heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises unto the said Edna Jean Elliott, her.

heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

WITNESS our hands at Midland, Texas, this 30th day of April, 1951.

Witnesses at Request of Grantor:

J. L. Patterson
Libbie Lee Patterson
JOINT ACKNOWLEDGMENT

THE STATE OF TEXAS, 
COUNTY OF Midland.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
J. L. Patterson  and Libbie Lee Patterson , his wife, both known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that
they each executed the same for the purposes and consideration therein expressed, and the said
Libbie Lee Patterson , wife of the said J. L. Patterson , having been examined by me privily and apart from her husband, and having the same fully explained to her, she, the
Libbie Lee Patterson acknowledged such instrument to be her act and deed, and she
declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not
wish to retract it.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 29th day of May, A. D. 1951.

(L. S.)
Notary Public in and for Midland County, Texas.

Filed for Record on the 30th day of May, A. D. 1952, at 3:05 o'clock P.M.
Duly Recorded this the 30th day of May, A. D. 1952, at 3:05 o'clock P.M.

Instrument No. 6342

ROSETTE CHERRY, County Clerk
Midland County, Texas
By ______________________ Deputy
The State of Texas, } Know All Men by These Presents:
County of Midland.

That we, J. L. Patterson and wife, Libbie Lee Patterson, - - - -
of the County of Midland, - - - State of Texas, - - - for and in consideration
of the sum of Ten and no/100 ($10.00) Dollars and other good and valuable
consideration - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - to us in hand paid by Belton Cartis Bryson - - -

All cash in hand paid, the receipt of which is hereby acknowledged
and confessed,
have Granted, Sold and Conveyed, and by these presents do Grant, Sell and Convey unto the said
- - - - - - - - - - - - - - - - - - - - - Belton Cartis Bryson - - - - - - - - - - - - - - - - - - - - -
of the County of Midland, - - - - - - State of Texas, - - - - - - all that certain
lot, tract or parcel of land lying and being situated in Midland County, Texas, described as follows, to wit:

Acre No. 4 of Patterson Acres, according to the map and plat thereof recorded in Volume 130, page 179, Deed
Records of Midland County, Texas, said Patterson Acres
being out of the North 40 acres of the NW of Section 24,
Block 39, Township 1 South, R. & F. Ry. Co. Survey in
Midland County, Texas.

There is excepted from this conveyance, however, and expressly reserved
in the premises herein the title to an undivided 3/4ths of the oil, gas
and other minerals in the said land with full right of ingress and
egress thereon for the purpose of prospecting for, development, production,
marketing and transportation of oil, gas and other minerals on said land.

TO HAVE AND TO HOLD the above described premises, together with all and singular the
rights and appurtenances thereto in anywise belonging unto the said Belton Cartis Bryson,
his
heirs and assigns forever and we do hereby bind ourselves, - - - - - - - - - - - - - - - - - - - - -
his
heirs, executors and administrators, to Warrant and Forever Defend, all and singular the said premises
unto the said Belton Cartis Bryson, - - - - - - - - - - - - - - - - - - - - -
his
heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any
part thereof.

WITNESS our hand at Midland, Texas,

this 8th -- -- day of January, - 1952.

Witnesses at Request of Grantor:

Libbie L. Patterson
J. L. Patterson

J OINT ACKNOWLEDGMENT

THE STATE OF TEXAS, }
COUNTY OF Midland. }

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared
J. L. Patterson and Libbie Lee Patterson, his wife, both
known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that
they each executed the same for the purpose and consideration therein expressed, and the said
Libbie Lee Patterson, wife of the said J. L. Patterson,
having been examined by me privately and apart from her husband, and having the same fully explained to her, she, the
said Libbie Lee Patterson,
acknowledged such instrument to be her act and deed, and she further stated that she had willingly signed the same for the purpose and consideration therein expressed, and that she did not
wish to retract.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 8th day of January A. D. 1952

[Signature]
Notary Public in and for Midland - - - - County, Texas.

Filed for Record on the 23rd day of. April A. D. 1952, at 10 o'clock A.M.
Duly Recorded this the 23rd day of. April A. D. 1952, at 10 o'clock A.M.

Instrument No. 1455

ROSENNELLE CHERRY, County Clerk
Midland County, Texas

By [Signature] Deputy
WARRANTY DEED

THE STATE OF TEXAS
COUNTY OF ECTOR

KNOW ALL MEN BY THESE PRESENTS:

That ROBERT E. SUTTON and wife, RUBY L. SUTTON

of the County of Ector and State of Texas for and in
consideration of the sum of TEN AND NO/100--------($10.00)----------------DOLLARS

and other valuable consideration to the undersigned paid by the grantee herein named, the receipt of

which is hereby acknowledged, and the execution by Grantee, acting by and through its Managing General Partner, of one certain Vendor's Lien Note, of even date herewith, in the original principal sum of $1,200,000.00, payable to

Robert E. Sutton and wife, Ruby L. Sutton, at Odessa, Texas, in ten annual installments as therein stipulated; said note being further secured by Deed of Trust of even date therewith to Terry K. Donk, Trustee, reference to which is here made for the agreements, conditions, and stipulations therein contained;

have GRANTED, SOLD AND CONVEYED, and by these presents do GRANT, SELL AND CONVEY unto MDD INVESTMENTS, a Colorado General Partnership

of the County of Jefferson and State of Colorado, all of

the following described real property in Midland County, Texas, to-wit:

(SEE ATTACHMENT)
BEING THE SURFACE ESTATE ONLY OF THE FOLLOWING TRACTS OF LAND:

TRACT II: BEING the North 174 feet of Lot One (1); and

TRACT III: BEING Lot Two (2), EXCEPT the West 100 feet (W/100') of the South 247 feet (S/247') of the Northwest part of Lot 2, all in Block Thirteen (13), Replat of Blocks 4, 8, and 9, of the Resubdivision of Blocks 3 through 9 and 10, 11, and 12, HOLLANDALE HEIGHTS, an Addition to the City of Midland, Midland County, Texas, according to the plat thereof of record in Plat Cabinet B/229, Plat Records of Midland County, Texas.

TRACT IV: BEING all of Blocks One (1) and Two(2) of HOLLANDALE HEIGHTS, an Addition to the City of Midland, Midland County, Texas, according to the replat thereof of record in Plat Cabinet B/201, Plat Records of Midland County, Texas.

TRACT V: BEING all of Block Five (5) according to the Resubdivision of Blocks 3 through 9, HOLLANDALE HEIGHTS, an Addition to the City of Midland, Midland County, Texas, according to the replat thereof of record in Plat Cabinet A/111, Plat Records of Midland County, Texas.

SAVE AND EXCEPT all oil, gas, and other minerals in, on, and under all of the hereinabove-set out land as heretofore reserved by prior Grantors; and, FURTHER, SAVE AND EXCEPT all remaining oil, gas, and other minerals in, on, and under all of said hereinabove set out land being here reserved to these Grantors, their heirs and assigns.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said grantee, their heirs and assigns forever, and we do hereby bind ourselves, our heirs, executors and administrators to WARRANT AND FOREVER DEFEND all and singular the said premises unto the said grantee, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

But it is expressly agreed that the Vendor's Lien is retained against the above described property, premises and improvements, until the above-described note and all interest thereon are paid according to its face and tenor, effect and reading, when this deed shall become absolute.

EXECUTED this 31st day of October, A.D. 1980

ROBERT E. SUTTON

RUBY L. SUTTON
THE STATE OF TEXAS
COUNTY OF ECTOR

(Acknowledgment)

Before me, the undersigned authority, on the day personally appeared

ROBERT E. SUTTON and wife, RUBY L. SUTTON

known to me to be the person or persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 31st day of October, A.D. 19--.

Notary Public in and for Ector County, Texas

Marion S. Daily
Notary Public in and for Ector County, Texas

Filed for Record on the 31st day of October, A.D. 19--.

Duly Recorded this the 31st day of October, A.D. 19--.

ROSENElle CHEERY, COUNTY CLERK
MIDLAND COUNTY, TEXAS

Instrument No.

By _____________, Deputy
I, J. Rice, do hereby grant and convey to MAGNOLIA PIPE LINE COMPANY, a corporation organized under the laws of the State of Texas, with its principal office at Dallas, Texas, its successors and assigns, the right of way, easement and prescriptive, to lay, repair, maintain, operate and remove pipe lines and replace existing lines with other lines, for the transportation of oil and gas, and the products thereof, water, or any other fluid or substance, over and through my lands described herein, to wit:

Said lands lying within Midland County, Texas, and bounded and described as follows:

On the north by the lands of May Estate.
On the east by the lands of J. W. Prothro.
On the south by the lands of J. G. Armstott.
On the west by the lands of ______

Containing 320 acres in W 1/2 of Section 24 T & P RR co. survey book 39 TIS and more fully described in Deed from Milford to I. J. Rice recorded in Vol. _____ Page _____ in Deed Records of Midland County, Texas, with ingress and egress to and from the same.

TO HAVE AND TO HOLD unto said Magnolia Pipe Line Company, its successors and assigns, so long as such line or lines shall be maintained for the purpose of constructing, inspecting, repairing, operating and maintaining the same and the removal of suchalt will, in whole or in part. The said Grantor shall have the right fully to use and enjoy the said premises, except for the purposes hereinafter granted to said Magnolia Pipe Line Company, which hereby agrees to pay any damages which may arise to crops or fences from the laying, erecting, maintaining and operating of said pipe, lines; said damages if not mutually agreed upon to be ascertained and determined by three disinterested persons, one thereof to be appointed by the said Grantor, his heirs or assigns; one by Magnolia Pipe Line Company, or its assigns, and the third by the two so appointed as aforesaid, and the written award of such three persons, shall be final and conclusive. Should more than one pipe line be laid under this grant at any time, Twenty-five Cents per rod shall be paid for each additional line so laid, besides the damage above provided for. It is further agreed that said pipes shall be buried to a sufficient depth so as not to interfere with cultivation of soil.

It is hereby understood that party securing this grant in behalf of the Grantee is without authority to make any covenant or agreement not herein expressed.

Witness my hand, this 27th day of November, 1940.

I. J. Rice, his X mark
Signed and delivered in the presence of the undersigned witnesses:
 Witnesses:
  F. R. Rice
  E. Pilley

THE STATE OF TEXAS
COUNTY OF MIDLAND

BEFORE ME, a Notary Public in and for said County and State, on this day personally appeared I. J. Rice known to me, (or proved to me on the oath of ) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 3rd day of December A. D. 1940.
(SEAL)

G. P. Euberry, Notary Public,
Midland County, Texas.

Filed for record the 10th day of December A. D. 1940 at 11:30 o'clock A.M.
Recorded on this the 11th day of December A. D. 1940 at 8:30 o'clock A.M.

SUSIE Q. NOBLE, Clerk County Court,
Midland County, Texas.
By: Deputy.
WHEREAS I. J. Rice by instrument dated November 27, 1940 granted to MAGNOLIA PIPE LINE COMPANY certain rights of way and easements across the West One-Half (W/2) of Section 24, T&P RR Co. Survey Block 39, Township 1 South, Midland County, Texas, same being recorded in Volumes 67 at Page 513-514 Deed Records of Midland County, Texas, to which reference is made for all purposes; and

WHEREAS the TEX-MEX CORPORATION is the present owner of a part of the land covered by said right of way, said land owned by Tex-Mex Corporation being more particularly described in Deed from F. R. Spaulding to TEX-MEX CORPORATION Recorded in Volume 232, Page 38, Deed Records of Midland County, Texas, to which reference is here made; and

WHEREAS, TEX-MEX CORPORATION is to erect buildings and improvements on said property and has requested Magnolia Pipe Line Company to release said rights of way and easements across said land except for a right of way strip 100 feet in width and has agreed to limit the uses of said strip to specified purposes;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that Magnolia Pipe Line Company, a Texas corporation with principal office in Dallas, Texas, in consideration of the premises, hereby releases said rights of way in so far as they affect the above referred to tract of land owned by Tex-Mex Corporation, save and except the following right of way strip:

Beginning at a point in the east line of said Tex-Mex Corporation property and the west line of Ranchland Hills Golf and Country Club property.
Said point being South 74° 57' West 2638.5 feet and South 15° 18' East 476.7 feet from the Northeast corner of Section 24; T. & P. RR, Block 39, T 1 S, Midland County, Texas.

THENCE, North 64° 15' West, parallel to the present pipelines, 371.5 feet to a point in North line of said TEX-MEX CORPORATION property, and 280' from Northeast corner of said property;

THENCE, South 74° 57' West, along North Line of said property, 153 feet to a point;

THENCE, South 64° 15' East, parallel to present pipe lines, 574 feet to a point in the East line of said TEX-MEX CORPORATION;

THENCE, North 15° 18' West, along East line of said property, 132.6 feet to the point of beginning.

And in consideration of the premises said TEX-MEX CORPORATION hereby grants and conveys to Magnolia Pipe Line Company, its successors and assigns, the rights of way, easements and privileges to lay, repair, maintain, operate and remove pipe lines and replace existing lines with other lines for the transportation of oil and gas and the products thereof, water, or any other fluid or substance, together with such drips, valves, meters, and similar appurtenances as may be necessary or convenient to the operation of said lines, over, across and through the above described right of way strip, with ingress and egress to and from the same, said rights of way, easements and privileges herein granted each being divisible and assignable or transferable in whole or in part.

TO HAVE AND TO HOLD the same unto said Magnolia Pipe Line Company, its successors and assigns, for the purposes aforesaid, it being expressly understood that Magnolia Pipe Line Company shall own an exclusive easement across and over said right of way strip and no further easements may be granted on said strip except for water, gas and other utility lines running across but not along said strip; that no buildings or other obstructions may be placed upon said right of way strip,
it being particularly understood that said right of way strip
shall not be used as streets or alley-ways except crossings
and shall not be paved, graveled, nor shall the dirt covering
said pipe line be added to or removed without Magnolia Pipe
Line Company's written consent; provided, however, that not-
withstanding any of the foregoing provisions, said present
owner, his heirs and assigns, may construct, operate and
maintain across (as distinguished from running lengthwise
along) said right of way strip paved and/or graveled streets,
roadways and alley-ways, railroads and ditches and drains,
but it is expressly agreed that said present owner, his
heirs and assigns, shall reimburse Magnolia Pipe Line Company
all of the reasonable and necessary costs for labor and
materials incurred by Magnolia Pipe Line Company in lowering,
casing or otherwise protecting said pipe lines for said
crossings.

Said right of way grants from I. J. RICE to
Magnolia Pipe Line Company above referred to shall remain
in full force and effect except as amended herein.

EXECUTED THIS 9th day of November 1956.

TEX-MEX CORPORATION

By

By

MAGNOLIA PIPE LINE COMPANY

Vice President

Secretary
THE STATE OF TEXAS
COUNTY OF DALLAS

Before me, a Notary Public in and for said State and County, on this day personally appeared Robert O. Yager, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of TEX-MEX CORPORATION, as the President thereof, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 30th day of November A.D. 1956.

[Signature]

THE STATE OF TEXAS
COUNTY OF DALLAS

BEFORE ME, a Notary Public in and for said State and County, on this day personally appeared D. R. Ford, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of Magnolia Pipe Line Company, as the Vice President thereof, for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, This 4th day of November A.D. 1956.

[Signature]

Filed for Record on the 30th day of November A.D. 1956 at 12 o'clock A.M.

Duly Recorded this the 30th day of November A.D. 1956, at 12 o'clock A.M.

Instrument No. 12,385

ROSENELLE CHERRY, County Clerk
Midland County, Texas

By Mary Byars, Deputy
SHERIFF'S DEED

DATE OF SALE: October 7, 2003
DEFENDANT(S): Midland Development Investors Group (In Rem Only), Campbell and Company (In Rem Only), Development Real Estate, Inc. (In Rem Only), Ronald D. Campbell (In Rem Only), W.M. Campbell (In Rem Only), and Investment Real Estate, Inc. (In Rem Only)
GRANTEE: W.M. Campbell and Company (In Rem Only), Campbell and Company (In Rem Only), Development Real Estate, Inc. (In Rem Only), Ronald D. Campbell (In Rem Only), W.M. Campbell (In Rem Only), and Investment Real Estate, Inc. (In Rem Only)
GRANTEE'S MAILING ADDRESS: 1308 Lynn Avenue, Midland, Texas 79702
PROPERTY: Lot 1, Block 5, Hollandale Heights Addition to the City of Midland, Midland County, Texas being that property more particularly described in Volume 695, Page 618 of the Deed Records, Midland County, Texas.
TAX FORECLOSURE LAWSUIT: Cause No. T9794 Midland Central Appraisal District v. Midland Development Investors Group, et al
SHERIFF: Gary Painter
COUNTY: Midland County, Texas
NEWSPAPER: MIDLAND REPORTER-TELEGRAM
DATE OF PUBLICATION: September 7, 2003

WHEREAS, by virtue of an Order of Sale issued by the Clerk of the District Court in and for Midland County, pursuant to a Judgment rendered in the TAX FORECLOSURE LAWSUIT listed above, I, SHERIFF, after having advertised the sale of said PROPERTY by giving notice of the time and place of sale by advertisement in the English Language, published once a week for three consecutive weeks preceding such sale, the first publication appearing not less than twenty days immediately preceding the day of sale, beginning on the DATE OF PUBLICATION referenced above, in the NEWSPAPER, which newspaper is published in said County, stating in said advertisement a description of the PROPERTY, and by delivering a notice to the above named DEFENDANT(S), and on the DATE OF SALE listed above, within the hours prescribed by law, sold said PROPERTY at public vendue, at the courthouse door of said COUNTY, at which sale the PROPERTY was struck off to the GRANTEE, for the amount of CONSIDERATION listed above, the GRANTEE being the highest bidder therefore, and thus being the highest bid for the same. The GRANTEE exhibited to the officer named below who conducted this sale an unexpired written statement issued to the GRANTEE in the manner prescribed by Section 34.015 of the Texas Tax Code, showing that the county tax assessor collector of this COUNTY determined that there were no delinquent ad valorem taxes owed by the GRANTEE to the COUNTY and that there are no known or reported delinquent ad valorem taxes owed by the GRANTEE to any school district or municipality having territory in this COUNTY.

NOW THEREFORE, I, SHERIFF, in consideration of the premises aforesaid and the payment of said CONSIDERATION, the receipt of which is hereby acknowledged, have granted, sold and conveyed, and by these presents do grant, sell and convey to the Grantee all of the estate, right, title and interest which the DEFENDANT(S) in the TAX FORECLOSURE LAWSUIT had on the date said Judgment was rendered or at any time afterwards acquired, in and to the PROPERTY, together with all and singular the rights, privileges and appurtenances to the same belonging.

TO HAVE AND TO HOLD the PROPERTY, unto the said GRANTEE, the GRANTEE'S successors and assigns, forever, as fully and as absolute as I, as SHERIFF aforesaid, can convey by virtue of said Judgment and Order of Sale, subject, however, to the rights of the DEFENDANT(S) in the TAX FORECLOSURE LAWSUIT to redeem the same in the manner prescribed by law and to such and further conditions and stipulations as may be applicable under the provisions of Texas Property Tax Code Chapter 34. This conveyance is expressly made subject to the property taxes for the tax year 2003 and subsequent years and all easements, restrictions and reservations of record. When the context requires, singular nouns and pronouns include the plural.
IN TESTIMONY WHEREOF, I have hereunto set my hand this 30 day of October, A.D., 2003.

Gary Painter
Sheriff, Midland County, Texas

by Candace Matlock
Candace Matlock, Deputy

THE STATE OF TEXAS

COUNTY OF MIDLAND

Before me, the undersigned authority, on this day personally appeared Candace Matlock, Deputy Sheriff, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of the Sheriff aforesaid, for the purposes and consideration therein stated, and in the capacity therein set forth.

Given under my hand and seal of office, this 30 day of October, A.D., 2003.

Barbara J. Thompson
Notary Public, State of Texas
My commission expires

After Recording, Return to:
Michael Wayne Wallace and Brenda M. Wallace
1308 Lynn Avenue, Midland, Texas 79705

BARBARA J. THOMPSON
MY COMMISSION EXPIRES
July 16, 2007
STATE OF TEXAS
COUNTY OF MIDLAND

I hereby certify that this instrument was FILED on the date and at the time stamped herein by me and was duly RECORDED in the volume and Page of the above-named RECORDS of Midland County, Texas, as stamped herein by me.

[Signature]
County clerk
Midland County, Texas
TAX CERTIFICATE
PROFESSIONAL REAL ESTATE TAX SERVICE OF NORTH TEXAS LLC
15950 DALLAS PARKWAY~ STE 100
DALLAS~ TX 75248
972-308-8098 FAX 972-991-0530

CUST: PROFESSIONAL REAL ESTATE TAX
ORDER: 308077
CLOSER: CE
BRANCH: 703
ORDER TYPE: T
SUBTYPE: R
DATE: 11/01/2018

CAD ACCOUNT NUMBER SUMMARY

R-000025396

SUMMARY OF ALL ACCOUNT(S)

<table>
<thead>
<tr>
<th>TAX YEAR</th>
<th>SUMMARY OF CURRENT YEAR</th>
<th>SUMMARY OF ALL TAXES DUE</th>
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<td>CITY OF MIDLAND</td>
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<td>MIDLAND MEMORIAL HOSPITAL</td>
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<td>MIDLAND JR. COLLEGE DIST</td>
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<td>TOTAL TAX</td>
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165 SCM RDC CTM HOS
ST/SZL

CAD# R-000025396
DESC BLK: 005 LOT: 001 ADDN: HOLLANDALE HEIGHTS ABST/SUB ID 47800
ACREAGE 6.860
SITUS 1301 E DORMARD AV CTM
MAIL 1210 E CUTHBERT AV MIDLAND TX 79701-3645

ASSESSED OWNER(S)
WALLACE MICHAEL WAYNE

2018 ASSESSED VALUES
LAND | 69,100
IMPROVEMENT | 0
TOTAL VALUE | 69,100

ASSESSED AS LAND ONLY
TOTAL TAX RATE | 1.8931780
TOTAL EST TAXES | 1308.18
W/O EXEMPT | 1308.18

TAX ENTITY INFORMATION

| MIDLAND COUNTY | PAYMENTS AS OF | 10/15/2018 |
|                |               |            |
| COLL BY MIDLAND CAD PO BOX 908002 MIDLAND, TX 79708-8002 | 18 TAX RATE | 0.1400000 |
| PHONE 432-699-4991 | W/O EXEMPT | 96.74 |
| EXEMPTIONS UNAVAILABLE | YR | BASE TAX | BASE DUE | DUE 11/2018 | DUE 12/2018 |
| AC# 0004780000050010 | 18 | 96.74 | 96.74 | 96.74 | 96.74 |
| SUBTOTAL | 96.74 | 96.74 | 96.74 | 96.74 |

| CITY OF MIDLAND | PAYMENTS AS OF | 10/15/2018 |
|                |               |            |
| COLL BY MIDLAND CAD PO BOX 908002 MIDLAND TX 79708-8002 | 18 TAX RATE | 0.3922490 |
| PHONE 432-699-4991 | W/O EXEMPT | 271.04 |
| EXEMPTIONS UNAVAILABLE | YR | BASE TAX | BASE DUE | DUE 11/2018 | DUE 12/2018 |
| AC# 0004780000050010 | 18 | 271.04 | 271.04 | 271.04 | 271.04 |
| SUBTOTAL | 271.04 | 271.04 | 271.04 | 271.04 |
### ISD - MIDLAND

**PAYMENTS AS OF:** November 15, 2018

| COLL BY MIDLAND CAD PO BOX 908002 MIDLAND TX 79708 | 18 TAX RATE 1.1200500 |
| PHONE 432-699-4991 | W/O EXEMPT 773.95 |

**EXEMPTIONS UNAVAILABLE**

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**SUBTOTAL**

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### MIDLAND MEMORIAL HOSPITAL DISTRICT

**PAYMENTS AS OF:** November 15, 2018

| COLL BY MIDLAND CAD PO BOX 908002 MIDLAND TX 79708 | 18 TAX RATE 0.1261580 |
| PHONE 432-699-4991 | W/O EXEMPT 87.18 |

**EXEMPTIONS UNAVAILABLE**

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**SUBTOTAL**

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### MIDLAND JR. COLLEGE DIST

**PAYMENTS AS OF:** November 15, 2018

| COLL BY MIDLAND CAD PO BOX 908002 MIDLAND, TX 79708-8002 | 18 TAX RATE 0.1147210 |
| PHONE 432-699-4991 | W/O EXEMPT 79.27 |

**EXEMPTIONS UNAVAILABLE**

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**CERTIFICATION, CONDITIONS AND EXCLUSIONS**

This certifies that all ad valorem taxes applicable to the above referenced property have been checked and found to have the status indicated.

1. This certification does not cover any changes made to the tax roll or records after the "payment as of" dates listed above.
2. This document does not constitute a report on or certification of mineral (productive and non-productive) taxes, leases, personal property taxes or other non ad valorem taxes (such as paving liens, stand-by charges or maintenance assessments). These items may be included for convenience purposes only.
3. This certificate is not transferrable and is enforceable only by the party to which it has been issued.

PRINTED BY STS/ZEL
Multiple Site Information Form

This exhibit is required if a development site is assembled by aggregating noncontiguous tracts conveyed by one contract, or tracts conveyed by more than one contract whether contiguous or not. For each contract, list the address, legal description and acreage of each tract. The sum of the acreages must equal or exceed the acreage of the corresponding site plan(s) before dedications and other foreseeable reductions. Provide a reconciliation of any discrepancy (dedications, takings, reserves for other uses, etc.).

*Behind this form, provide a plat of the acquisitions that correspond to each distinct development site. The plat should state the dimensions of each tract and identify the address, legal description and acreage. If the development site boundaries do not match the boundaries of the platted acquisitions, provide an overlay plat of the development site.*

<table>
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<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
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<table>
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<tr>
<th>Street Address</th>
<th>City</th>
<th>Seller Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? If yes above, describe relationship:</th>
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<table>
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<tr>
<th>Contact Name for Seller</th>
<th>Name of Seller Entity</th>
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</thead>
<tbody>
<tr>
<td>Only list if owner has owned &lt;36 mos.</td>
<td>Only list if owner has owned &lt;36 mos.</td>
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</table>

<table>
<thead>
<tr>
<th>Contact Name for Previous Seller</th>
<th>Name of Previous Seller Entity</th>
</tr>
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</table>

Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? If yes above, describe relationship:

Contract includes more than one tract/lot. Address, legal description, and acreage are below.

<table>
<thead>
<tr>
<th>Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address</th>
<th>City</th>
<th>Seller Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? If yes above, describe relationship:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Contact Name for Seller</th>
<th>Name of Seller Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only list if owner has owned &lt;36 mos.</td>
<td>Only list if owner has owned &lt;36 mos.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Name for Previous Seller</th>
<th>Name of Previous Seller Entity</th>
</tr>
</thead>
</table>

Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? If yes above, describe relationship:

Contract includes more than one tract/lot. Address, legal description, and acreage are below.

<table>
<thead>
<tr>
<th>Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If a revised form is submitted, date of submission: 2/28/2019
Elected Officials

- Elected officials were identified in the Pre-Application, and there have been no changes.
  (If box above is checked, the rest of the form may be left BLANK.)

- Elected officials have changed since the Pre-Application was submitted, and information regarding notifications or re-notifications is entered below.

- No Pre-Application was submitted.

Please identify all elected officials which represent the Development Site.

| K. Michael Conaway                  | 11 |
| ** US Representative               |    |
| ** While Applicants are not required to notify US Representatives, the Department is required to notify them. Therefore, Applicant must identify the appropriate US Representative of the district containing the Development. |

| Kel Seliger                       | 31 |
| State Senator                     |    |
| Not included with Application     |    |
| Support Letter                    |    |
| Jerry Morales                     |    |
| City Mayor                        |    |

| Tom Russell Craddock              | 82 |
| State Representative              |    |
| Included with Application         |    |
| Support Letter                    |    |
| Terry Johnson                     |    |
| County Judge                      |    |

| Orlando Riddick                   | Midland ISD |
| School Superintendent             | District Name |
| 615 W Missouri Ave                | City |
| Address                           | Midland |
| Email or Phone                    | Zip |

| Rick Davis                        |    |
| Presiding officer of Board of Trustees |    |
| 615 W Missouri Ave                | City |
| Address                           | Midland |
| Email or Phone                    | Zip |

| Micahel Trost                     | At Large |
| City Council Member               |    |
| District/Precinct Judge           | (432) 685-7100 |
| Email or Phone                    |    |

| Terry Johnson                     |    |
| County Commissioner              |    |
| District/Precinct Judge at large | (432) 688-4310 |
| Email or Phone                    |    |

| Spencer Robnett                   |    |
| City Council Member               |    |
| District/Precinct Judge at large  | srobbett@midlandtexas.gov |
| Email or Phone                    |    |

| Scott Dufford                     |    |
| City Council Member               |    |
| District/Precinct Judge at large  | sdufford@midlandtexas.gov |
| Email or Phone                    |    |

| John B. Love III                  |    |
| City Council Member               |    |
| District/Precinct 2 - Pro Temp    | jlove@midlandtexas.gov |
| Email or Phone                    |    |

| Sharla Hotchkiss                   |    |
| City Council Member               |    |
| District/Precinct 3               | shotchkiss@midlandtexas.gov |
| Email or Phone                    |    |

| J. Ross Lacy                      |    |
| City Council Member               |    |
| District/Precinct 4               | jlacy@midlandtexas.gov |
| Email or Phone                    |    |

| Scott Ramsey                      |    |
| County Commissioner              |    |
| District/Precinct 1               | sramsey@mcounty.com |
| Email or Phone                    |    |

3/1/2019
<table>
<thead>
<tr>
<th>Name</th>
<th>District/Precinct</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robin Donnelly</td>
<td>2</td>
<td>432-688-4310 Email or Phone</td>
</tr>
<tr>
<td>Luis D. Sanchez</td>
<td>3</td>
<td>432-688-4310 Email or Phone</td>
</tr>
<tr>
<td>Randy Prude</td>
<td>4</td>
<td>432-688-4310 Email or Phone</td>
</tr>
</tbody>
</table>

3/1/2019
Organizations **were identified in the Pre-Application**, and there have been no changes. (If above is checked, the rest of the form may be left **BLANK**)

Organizations have **changed since the Pre-Application was submitted**, and information regarding notifications or re-notifications is entered below.

**No Pre-Application was submitted.**

Identify all Neighborhood Organizations on record with the county or Texas Secretary of State as of the beginning of the Application Acceptance Period whose boundaries include the Development Site.

<table>
<thead>
<tr>
<th>Neighbors Organization</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Organization</td>
<td>Contact Name</td>
</tr>
<tr>
<td>Address</td>
<td>City</td>
</tr>
<tr>
<td>Zip</td>
<td>Phone</td>
</tr>
<tr>
<td></td>
<td>Fax or Email</td>
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</tbody>
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<td>Zip</td>
<td>Phone</td>
</tr>
<tr>
<td></td>
<td>Fax or Email</td>
</tr>
</tbody>
</table>

2/28/2019
### CERTIFICATION OF NOTIFICATIONS (ALL PROGRAMS)

Pursuant to 10 TAC §11.203 of the Qualified Allocation Plan, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants must complete Parts 1 through 4 below:

#### Part 1. Notifications made at Pre-Application (Competitive HTC only):

I (We) certify that the pre-application included evidence of these notifications pursuant to 10 TAC §11.203, the pre-application met all threshold requirements, and no additional notifications were required with this full Application.

#### Re-notifications made at Application (Competitive HTC only):

I (We) certify that the pre-application for this full Application met all threshold requirements, but all required entities were re-notified as required by 10 TAC §11.203.

#### Notifications made at Application:

- No pre-application was submitted, and I (We) certify that the all required entities were notified as required by 10 TAC §11.203.
- One or more persons holding a position or role described changed between the submission of the pre-application and the Application, and I (We) certify that the new person(s) was notified as required by 10 TAC §11.203.
- As applicable, all re-notifications or notifications made at Application are indicated in the Application on the Elected Officials and/or Neighborhood Organizations Form(s).

#### Part 2. Notifications - Form and Content:

- I (We) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications and not older than three (3) months prior to the date Parts 5 and 6 of the Application are submitted for Tax Exempt Bond Developments, and not older than three (3) months prior to the date the Application is submitted for all other Applications.
- I (We) certify that the notifications do not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification does not create the impression that the proposed Development will serve a Target Population exclusively or as a preference without such targeting or preference being documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws.
- I (We) certify that the notifications or any other communications do not contain any statement that violates Department rules, statute, code, or federal requirements.
- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with 10 TAC §11.203. The notifications were in the format provided in the Application Notification Template. All of the following entities were notified and are correctly listed on the Elected Officials Form and Neighborhood Organizations Form:
  - Superintendent of the school district containing the Development;
  - Presiding officer of the board of trustees of the school district containing the Development;
  - Mayor of any municipality containing the Development;
  - Presiding officer of the Governing Body of any municipality containing the Development;
  - All elected members of the Governing Body of the county containing the Development;
  - State senator of the district containing the Development; and
  - State representative of the district containing the Development.
- While not required to be submitted in this Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

#### Part 3. Neighborhood Organizations (competitive HTC only):

Pursuant to 10 TAC §11.203, I (We) certify that a reasonable search for applicable entities has been conducted and all Neighborhood Organizations for which this Application would be eligible to receive points under 10 TAC §11.9(d)(4) of the QAP or for which notification is required have been listed in the pre-application and/or the Application.

Certify on next page
CERTIFICATION OF NOTIFICATIONS (continued)

Part 4. Certification

By: _____________________________

Signature of Applicant/Development Owner

Vaughn C. Zimmerman

Printed Name

Missouri

Notary Public, State of

Greene

County of

July 27, 2019

My Commission expires

2/28/2019

Date

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

28 day of February 2019

Given under my hand and seal of office this ________ day of February, 2019

RACHELE HUETT

Notary Public Signature

Notary Public – Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15219569
### Development Narrative

1. **The proposed Development is: (Check all that apply)**
   - [ ] New Construction
   - [ ] and/or: Adaptive Reuse

   (Note: Definition of "Adaptive Reuse" has changed. Review 10 TAC §11.1(d)(1) to ensure compliance.)

   Previous TDHCA #
   - If applicable
   - If Acquisition/Rehab or Rehab, original construction year:
   - n/a

   If Reconstruction,
   - Units Demolished
   - n/a
   - Units Reconstructed
   - n/a

2. **The Target Population will be:**

   - General

   If Elderly is selected (10 TAC §11.1(d)(47)):
   - [ ] Development meets the requirements of the Housing for Older Persons Act under the Fair Housing Act.
   - [ ] Development receives federal funding that has a requirement for a preference or limitation for elderly persons or households, but must accept qualified households with children.

   Selection is based on funding from (select from list):

   - [ ] 

   - [ ] 

3. **Staff Determinations regarding definitions of development activity obtained?**

   - [ ] If a determination under 10 TAC §11.1(k) was made prior to Application submission, provide a copy of such determination behind this tab.

4. **Narrative**

   - [x] The Development will not provide continual or frequent nursing, medical or psychiatric services to the residents.
   - [x] The Development does not violate the general public use requirement of Treasury Regulation §1.42-9 regarding units for use by the general public.

   - [ ] Development financing violates TR 1.42-9 and the Application includes a private letter ruling ("PLR").

   - [ ] Development financing includes a funding source that specifically allows for the intended Target Population. A copy of that funding source’s authority to target the intended population is included behind this tab.

   - [x] Development does not violate the Department’s Integrated Housing Rule under 10 TAC §1.15 regarding restricting occupancy to persons with disabilities or in combination with other populations with special needs.

   Briefly describe the proposed Development, including any relevant information not already identified above. If Adaptive Reuse, Additional Phase, or Scattered Site, or if any of the three main boxes above are not checked, include detailed information below.

   Carver Ridge Apartments will be a 60 unit family community located at 1301 E. Dormard Ave. The 6.860 acre site will contain 30 two-bedroom/two bath units with 990 square feet and 30 three-bedroom/two bath units with 1,170 square feet. Both unit types will serve residents with AMI’s at 30%, 50%, 60%, and market rate. Two-bedroom unit rents are estimated at $554, $961, $1,000, and $1,100 respectively. Three-bedroom unit rents are estimated at $636, $1,106, $1,200, and $1,300 respectively. All of the units will include carpeted living areas and vinyl flooring in the kitchen and bathrooms. All of the units will also include kitchens designed with energy efficient appliances including self-cleaning ovens, refrigerators with ice-makers, washer & dryers, garbage disposals, and dishwashers. Each unit will have either a balcony or a patio and an exterior storage space. All residents will have access to the community's clubhouse containing a total of 2,515 square feet. The clubhouse area will include community space with a kitchenette, fitness center, service coordinator’s office, and a leasing office. Other amenities include BBQ grills and picnic tables. The grounds will be professionally landscaped and maintained.

If a revised form is submitted, date of submission: 2/28/2019
5. **Funding Request:**

Complete the table below to describe this Application’s funding request. If applying for Multifamily Direct Loan funds, please select only one type of loan.

<table>
<thead>
<tr>
<th>Department Funds applying for with this Application</th>
<th>Requested Amount</th>
<th>If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Direct Loan: Const. to Perm (Repayable)</td>
<td></td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Construction Only (Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Const. to Perm. (Soft Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>CHDO Operating Expenses Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td>$ 897,000</td>
<td></td>
</tr>
<tr>
<td>Private Activity Mortgage Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **§11.5 - Set-Aside (For Competitive HTC & Multifamily Direct Loan Applications Only)**

Identify any and all set-asides the application will be applying under with an “x”.

Set-Asides cannot be added or dropped from pre-application to full Application for Competitive HTC Applications.

<table>
<thead>
<tr>
<th>Competitive HTC Only</th>
<th>Multifamily Direct Loan Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-Risk</td>
<td>Nonprofit</td>
</tr>
</tbody>
</table>

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

7. **Previously Awarded State and Federal Funding**

Has this site/activity previously applied for TDHCA funds? No

Has this site/activity previously received TDHCA funds? No

If "Yes" Enter Project Number: [ ] and TDHCA funding source:

Has this site/activity previously received non-TDHCA federal funding? No

If yes, source: [ ]

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? No

8. **Qualified Low Income Housing Development Election (HTC Applications only)**

Pursuant to §42(g)(1)(A) - (C), the term “qualified low income housing development” means any project for residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer. Once an election is made, it is irrevocable. Select only one:

- [ ] At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.
- [X] At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.
- [ ] Applicant elects to use the Average Income for the Development.

If a revised form is submitted, date of submission: [ ]

2/28/2019
Development Activities I

1. **Common Amenities (ALL Multifamily Applications) [10 TAC §11.101(b)(5)]**

<table>
<thead>
<tr>
<th># of Units</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

   Development will provide sufficient common amenities to qualify for the number of points indicated above, pursuant to 10 TAC §11.101(b)(5). Applications for scattered site developments should refer to 10 TAC §11.101(b)(5)(B).

2. **Unit Requirements (ALL Multifamily Applications) [10 TAC §11.101(b)(6)(A) and (B)]**

   A. **Unit Sizes**

   - Development is New Construction or Reconstruction and will meet the minimum Unit Size requirements:

     | Bedroom Size | 0 | 1 | 2 | 3 | 4 |
     |--------------|---|---|---|---|---|
     | Square Footage | 500 | 600 | 800 | 1,000 | 1,200 |

   **OR:**

   - Development is proposing Rehabilitation (excluding Reconstruction) or Supportive Housing, and is not required to meet the size requirements above.

   B. **Unit Amenities (For Competitive HTC Applications, see Tab 19 for Unit and Development Features scoring)**

   - Application is a **Tax Exempt Bond Development** and will meet a minimum of nine (9) points as outlined in 10 TAC §11.101(b)(6)(B).

   - Application is **Direct Loan not layered with Housing Tax Credits** and will meet a minimum of four (4) points as outlined in 10 TAC §11.101(b)(6)(B).

   ****Rehabilitation Developments and Supportive Housing Developments will start with a base score of five (5) points.**

3. **Resident Supportive Services (For Competitive HTC Applications and Direct Loan Applications seeking to qualify for points under 10 TAC §13.6, see Tab 19 for Tenant Services scoring elections)**

   - Application is a **Tax Exempt Bond Development** and will meet a minimum of eight (8) points as outlined in 10 TAC §11.101(b)(7).

   - Application is **Direct Loan not layered with Housing Tax Credits** and will meet a minimum four (4) points as outlined in 10 TAC §11.101(b)(7).

4. **Development Accessibility Requirements (ALL Multifamily Applications) [10 TAC §1.207]; [10 TAC §11.101(b)(8)]**

   - Development will meet all specifications and accessibility requirements reflected in the Certification of Development Owner form pursuant to 10 TAC §11.101(b)(8).

   Yes

   All Units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §11.101(b)(8)(B).

   and

   - Development will meet all specifications and accessibility requirements reflected in 10 TAC Chapter 1, Subchapter B, §1.207.

   Yes

   Development has a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% set aside for the hearing and/or visually impaired.

   Regardless of building type, **ALL Units accessed by the ground floor or by elevator (“affected units”) must comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §11.101(b)(8)(B).**

2/28/2019
1. **Size and Quality of Units (Competitive HTC Applications only) [10 TAC §11.9(b)(1)]**

   - Development is Rehabilitation (excluding Reconstruction), Supportive Housing, or USDA financed; OR meets the minimum size requirements below:
     - **Bedroom Size**
       - 0
       - 1
       - 2
       - 3
       - 4
     - **Square Footage**
       - 550
       - 650
       - 850
       - 1,050
       - 1,250
     - Points claimed: 6
     - Points claimed: 9

   - Specific amenities and quality features will be provided in every Unit at no extra charge to the resident; Development will maintain the points selected and associated with those amenities as outlined in 10 TAC §11.101(b)(6)(B).
     - Points claimed: 9

   *Direct Loan applicants proposing new construction or rehabilitation should be prepared to comply with requirements of 81 FR 92626, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.*

2. **Rent Levels of Residents and Tiebreaker (Direct Loan Applications only) [10 TAC §13.6(5)]**

   - At least 20 percent of all low-income Units at 30% or less of AMGI*
     - Direct Loan Points: 0
   - At least 10 percent of all low-income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30% or
     - Direct Loan Points: 0
   - At least 5 percent of all low-income Units at 30% or less of AMGI*
     - Direct Loan Points: 0

   * In the event of a tie with another application or applications, this percentage of 30% AMGI MFDL units within the Development would be converted to be available to households at 15% AMGI.

   * Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those same units for scoring points under §13.6(5). However, 50% AMGI and 60% AMGI units that are layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(5). Points claimed here will not appear on the Self Score tab.

3. **Income Levels of Residents (Competitive HTC Applications only) [10 TAC §11.9(c)(1)]**

   - Application proposes to use the 20-50 or 40-60 election under §42(g)(1)(A) or §42(g)(1)(B) of the Code, respectively.
     - 15
     - Total Number of Units at 50% or less of AMGI
     - 5
     - Number of 30% Units used to score points under §11.9(c)(2)*
     - 0
     - Number of 30% Units used under §11.4(c)(3)(D) regarding an Increase in Eligible Basis (30% boost)
     - 10
     - Number of Units at 50% or less of AMGI available to use for points under §11.9(c)(1)
     - 20.00%
     - Percentage used for calculation of eligible points under §11.9(c)(1)

   - Development located in Non-Rural Area of Dallas, Fort Worth, Houston, San Antonio or Austin MSA; or
     - Development proposed in all other areas.
     - Points claimed: 16

   * Applicants electing the 30% boost for additional 30% units are advised to ensure the units used to support the boost are not included in the units needed to achieve the Application's scoring elections.

   OR

   - Application proposes to use the Average Income election under §42(g)(1)(C) of the Code, and
     - Development located in Non-Rural Area of Dallas, Fort Worth, Houston, San Antonio or Austin MSA
       - The Average Income for the proposed Development will be 54% or lower (16 points).
     - The Average Income for the proposed Development will be 55% or lower (14 points).
     - The Average Income for the proposed Development will be 56% or lower (12 points).
     - Points claimed: 0

   OR

   - Development proposed in all other areas.
     - The Average Income for the proposed Development will be 55% or lower (16 points).
     - The Average Income for the proposed Development will be 56% or lower (14 points).
     - The Average Income for the proposed Development will be 57% or lower (12 points).
     - Points claimed: 0

Application is seeking points for Income Levels of Residents. Points Claimed: 16

2/28/2019
4. **Rent Levels of Residents (Competitive HTC Applications only) [§11.9(c)(2)]**

Mark **only one** box below:

- At least 20% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; development is Supportive Housing proposed by a Qualified Nonprofit Organization.  
- Development is urban and at least 10% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or
- Development is located in a Rural Area and 7.5% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or
- At least 5% of all low-income Units at 30% or less of AMGI

**Application is seeking points for Rent Levels of Residents.** **Points Claimed:** 11

5. **Resident Services (Competitive HTC Applications and Direct Loan Applications) [§11.9(c)(3) and §13.6(6)]**

Development will provide a combination of supportive services as identified in §11.101(b)(7) and those services will be recorded in the Development’s LURA.

- Supportive Housing Development proposed by a Qualified Nonprofit  
- All other Developments.
- The Applicant certifies that the Development will contact local service providers, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants.

**Application is seeking points for Income level of Tenants.** **Points Claimed:** 10

6. **Tenant Populations with Special Housing Needs (Competitive HTC, MFDL, and Section 811 Applications) [§11.9(c)(6); §13.6(6)]**

A HTC and MFDL Applicants pursuing these points must try to score first under item B below by committing an Existing Development, and then under item C below by committing the proposed Development. Only if an HTC Applicant or Affiliate cannot meet the requirements of subparagraphs (B) or (C) may an HTC Application qualify for points under subparagraph (D). **MFDL Applications that are not layered with 2019 9% HTC cannot elect to score points under subparagraph (D).**

B  
- Applicant or Affiliate Owns or Controls an **Existing Development** that is included on the List of Qualified Existing Developments for Participation in the Section 811 PRA Program (See 10 TAC §8.3 and 10 TAC 8.4)

- **Existing Development Name:**
- **TDHCA #:**
- Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.

Or

C  
- If not scoring under B above, Applicant or Affiliate is committing at least 10 Units in the proposed Development for participation in the Section 811 PRA Program

To establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B), the Application must include the information as described in clauses (i) – (iii) of that subparagraph in the Section 811 PRA Program Supplement Packet.

The packet must be uploaded along with but separate from the Application.

- Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant’s or Affiliate’s lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs;
  - **AND**
  - Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.
  - **OR**

D  
- If cannot score under A or B above, Applicant elects to set-aside at least 5 percent of the total Units for Persons with Special Needs. The Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Needs or held vacant, unless the units receive HOME funds from any source.

- Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant’s or Affiliate’s lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs; and the Development applying for funding has a disqualifying factor described below:
Mark any of the following factors that disqualify the development applying for funding from participating in the Section 811 PRA Program and provide documentation supporting the selection:

☐ The Development is not proposing to use and previously did not use federal funding (such as HOME or CDBG funds), and the Development was originally constructed before 1978;
☐ Development only has units available that have existing or proposed project-based rental or long-term operating assistance that will be in effect when the property is operating or within six months of receiving Section 811 PRA Program assistance;
☐ Development only has units available that are restricted for persons with disabilities. A Development having a preference for Persons with Disabilities or a use restriction for Special Needs Populations is not a disqualifying factor for purposes of this scoring item.
☐ Development only has units with an existing or proposed 62 or more age restriction.
☐ Development is not located in Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA, Dallas-Fort Worth-Arlington MSA, El Paso MSA, Houston-The Woodlands-Sugar Land MSA, McAllen-Edinburg-Mission MSA, or San Antonio-New Braunfels MSA.
☐ The Development is a new construction project and located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA’s most current Flood Insurance Rate Maps.
☐ The Development is located in a coastal high hazard area (V Zone) or regulatory floodway.
☐ Other disqualifying factor (please explain)

Application is seeking points for Tenant Populations. Points Claimed: 2

7 Pre-Application Participation (Competitive HTC Applications only) [§11.9(e)(3)]
☐ Development is requesting Pre-Application Points.

8 Extended Affordability (Competitive HTC Applications only) [§11.9(e)(5)]
☒ Development will maintain a 35 year Affordability Period.

9 Historic Preservation (Competitive HTC Applications only) [§11.9(e)(6)]
☐ Application requests points for Historic Preservation.
☐ Application contains a letter from the Texas Historical Commission (THC) determining preliminary eligibility for federal or state historic (rehabilitation) tax credits.
☐ Application includes documentation from the Texas Historical Commission that the property is currently a Certified Historic Structure or determining preliminary eligibility for status as a Certified Historic Structure.
☐ Development will be able to document receipt of historic tax credits by the time Forms 8609 are issued.
☐ At least 75% of the residential units will be within the Certified Historic Structure.

☒ Attached behind this tab are the THC letter and other documentation described above.

0 Application is eligible for five (5) points.

10 Right of First Refusal (Competitive HTC Applications only) [§11.9(e)(7)]
☒ Development Owner agrees to provide a Right of First Refusal to purchase the Development upon or following the end of the Compliance Period.

11 Funding Request Amount (Competitive HTC Applications only) [§11.9(e)(8)]
☒ Application reflects funding request for no more than 100% of the amount available in the subregion or set-aside as of 12/3/2018.

2/28/2019
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Introduction

The purpose of this Packet is to formalize the process by which an Applicant establishes its lack of legal authority to commit Section 811 PRA Program Units in a Development as described pursuant to 10 TAC §11.9(c)(6)(A) of the Qualified Allocation Plan ("QAP").

This Packet is required only if all of the following conditions are true:

1) An Applicant is selecting points under Tenant Populations with Special Housing Needs pursuant to 10 TAC §11.9(c)(6) AND

2) An Applicant is seeking to establish its lack of legal authority where an Applicant or Affiliate Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of the QAP.

One Packet must be submitted for each Existing Development for which the Applicant or Affiliate is seeking a determination that the needed legal authority is lacking and that the Development can be excluded from consideration.

Instructions: Complete the Questionnaire on page 2 of this packet, then complete the fields on each of the subsequent form cover pages, and attach the denoted documentation for each item behind each included cover pages. Submit each Packet, including Attachments in PDF format and include bookmarks for each item. The Packet must be saved and uploaded as one standalone file to the Serv-U folder associated with each 2019 Multifamily Application.

This Packet and all supporting documentation must be uploaded to the Department’s Serv-U system at the same time as, but as a separate document from, the Application. Refer to the Multifamily Programs Procedures Manual posted at http://www.tdhca.state.tx.us/multifamily/applyfunds.htm for an explanation of the process to set-up a Serv-U Account if needed.

Questions about this Packet may be submitted to Spencer Duran: spencer.duran@tdhca.state.tx.us
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet Questionnaire

2019 Uniform Multifamily Application #19100

1) Selecting Points under 10 TAC §11.9(c)(6)?
☐ No – STOP. PACKET SUBMISSION NOT NEEDED
☒ Yes – CONTINUE TO QUESTION 2

2) To obtain Points under 10 TAC §11.9(c)(6), Applicants must first attempt to meet the requirements in §11.9(c)(6)(B).

Does the Applicant Own or Control and Existing Development that appears on the List of Qualified Existing Developments?
☐ No – STOP. PACKET SUBMISSION NOT NEEDED
☒ Yes – CONTINUE TO QUESTION 3

3) Is the Applicant seeking to establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that appears on the List of Qualified Existing Developments?
☐ No - STOP. PACKET SUBMISSION NOT NEEDED
☒ Yes – CONTINUE TO QUESTION 4

4) Can the Applicant provide all three of the following items listed under §11.9(c)(6)(A)(i)-(iii)?
☐ No - STOP. PACKET SUBMISSION NOT NEEDED
☒ Yes – CONTINUE TO COVER PAGES

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement);

(ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program); AND

(iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party identified in (ii) that they are denying an Existing Development from participation).
Section 811 Project Rental Assistance (“PRA”) Program Supplement Packet

Legal Right to Withhold Cover Page §11.9(c)(6)(A)(i)

2019 Uniform Multifamily Application #19100

Existing Development Name Atascocita Pines

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement)

Describe the specific legally enforceable agreement being attached: Limited Partnership Agreement

Provide the name of the Third Party: Raymond James - Investor Limited Partner

List the specific citation in the agreement that clearly denotes the Third Party has a legal right to withhold consent:

(b) The General Partner shall not, within the Consent of the Investor Limited Partner.....

(xiv) amend, modify, terminate or renew in any material manner any Project document;

(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the project;

List the page number in the agreement that clearly denotes the Third Party has a legal right to withhold consent: Page 31-33

ATTACH PDF OF THE LEGALLY ENFORCEABLE AGREEMENT BEHIND THIS PAGE.
THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AMENDED AND
RESTATED AGREEMENT OF LIMITED PARTNERSHIP (THE “AGREEMENT”) HAVE NOT
BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER
THE SECURITIES ACT OF 1933 OR PURSUANT TO APPLICABLE STATE SECURITIES
LAWS. ACCORDINGLY, THE LIMITED PARTNERSHIP INTERESTS CANNOT BE RESOLD
OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE
SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE
APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION
REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN
COMPLIANCE THERewith. IN ADDITION, THE SALE OR TRANSFER OF SUCH
LIMITED PARTNERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET
FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE
RESTRICTIONS SET FORTH IN ARTICLE X HEREOF.
# TABLE OF CONTENTS

**ARTICLE I CONTINUATION OF PARTNERSHIP** .......................................................... 1

1.01 Continuation ............................................................................................................ 1
1.02 Name ....................................................................................................................... 1
1.03 Principal Executive Offices; Agent for Service of Process ................................. 2
1.04 Term ........................................................................................................................ 2
1.05 Admission of General Partner ................................................................................. 2
1.06 Admission of Investor Limited Partner ................................................................... 2
1.07 No Other Partners ................................................................................................... 2
1.08 Recording of Certificate .......................................................................................... 2

**ARTICLE II DEFINED TERMS AND RULES OF INTERPRETATION** ......................... 3

**ARTICLE III PURPOSE AND BUSINESS OF THE PARTNERSHIP** ............................ 14

3.01 Purpose of the Partnership .................................................................................... 14
3.02 Authority of the Partnership .................................................................................. 14

**ARTICLE IV WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER** ................................................................. 15

4.01 Representations, Warranties and Covenants ......................................................... 15
4.02 Duties and Obligations .......................................................................................... 20

**ARTICLE V PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP** ......................................................................................... 23

5.01 Partners, Capital Contributions and Interests ....................................................... 23
5.02 Additional Capital Contributions .......................................................................... 23

**ARTICLE VI CAPITAL ACCOUNTS** .............................................................................. 23

6.01 Capital Accounts ................................................................................................... 23
6.02 Current Balances ................................................................................................... 23

**ARTICLE VII ALLOCATIONS AND DISTRIBUTIONS** ................................................ 23

7.01 Allocation of Profit and Loss and Tax Credits ..................................................... 23
7.02 Special Allocations ................................................................................................ 24
7.03 Distributions of Net Cash Flow ............................................................................. 25
7.04 Allocation of Gains and Losses ............................................................................. 25
7.05 Distribution of Proceeds from Capital Transactions .............................................. 26
7.06 Variation of Allocations to Preserve and Protect Partners’ Intent ......................... 26
7.07 Regulatory Allocations .......................................................................................... 27
7.08 Deficit Restoration Obligation ................................................................................ 28
7.09 Allocations Among General Partners ................................................................... 28
7.10 Accounting and Tax Rules; Tax Effect of Allocations .......................................... 29
ARTICLE VIII RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER ............................................................................................................ 30

8.01 Management of the Partnership ............................................................................................................................................................................ 30
8.02 Limitations Upon the Authority of the General Partner .................................................................................................................................. 30
8.03 Management Purposes ......................................................................................................................................................................................... 33
8.04 Delegation of Authority ......................................................................................................................................................................................... 33
8.05 General Partner or Affiliates Dealing with Partnership ................................................................................................................................ 33
8.06 Other Activities ................................................................................................................................................................................................. 34
8.07 Liability for Acts and Omissions ................................................................................................................................................................. 34
8.08 General Partner Guaranties and Indemnities ............................................................................................................................................... 34
8.09 Management Agent ......................................................................................................................................................................................... 36
8.10 Loans to the Partnership by General Partner or Others .............................................................................................................................. 37
8.11 Replacement Reserve ......................................................................................................................................................................................... 37
8.12 Operating Reserve ............................................................................................................................................................................................ 38
8.13 Capital Expenditure Reserve ......................................................................................................................................................................... 38
8.14 Options to Purchase/Order Sale ................................................................................................................................................................. 38

ARTICLE IX WITHDRAWAL OF GENERAL PARTNER; REMOval OF GENERAL PARTNER ............................................................................................................ 40

9.01 Withdrawal of the General Partner ................................................................................................................................................................. 40
9.02 Admission of a Successor or Additional General Partner .............................................................................................................................. 40
9.03 Events of Withdrawal of a General Partner ................................................................................................................................................. 41
9.04 Removal of the General Partner ................................................................................................................................................................. 42

ARTICLE X INVESTOR LIMITED PARTNER TRANSFERS ................................................................................................................................. 45

10.01 Transfer of Investor Limited Partner’s Interest ................................................................................................................................................. 45
10.02 Rights of Assignee of Interest ................................................................................................................................................................. 45
10.03 Admission of Substitute Investor Limited Partner ................................................................................................................................... 46
10.04 Withdrawal of the Investor Limited Partner ................................................................................................................................................. 47

ARTICLE XI RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER ............................................................................................................ 47

11.01 Management of the Partnership ................................................................................................................................................................. 47
11.02 Limitation on Liability of Investor Limited Partner ................................................................................................................................... 47
11.03 Other Activities ................................................................................................................................................................................................. 47
11.04 Loans to the Partnership by Investor Limited Partner ................................................................................................................................... 47
11.05 Liability for Acts and Omissions ................................................................................................................................................................. 48

ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION ................................................................................................................................. 48

12.01 Dissolution of the Partnership ................................................................................................................................................................. 48
12.02 Reconstitution of the Partnership ................................................................................................................................................................. 48
12.03 Winding Up and Distribution ................................................................................................................................................................. 49
12.04 Obligation of Partners to Restore Deficit ............................................................................................................................................... 49
ARTICLE XIII BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC. .......... 50

13.01 Books and Records .................................................................................................................. 50
13.02 Bank Accounts .......................................................................................................................... 50
13.03 Accountants ............................................................................................................................... 50
13.04 Section 754 Elections ................................................................................................................ 50
13.05 Fiscal Year and Accounting Method ......................................................................................... 51
13.06 Tax Matters Partner .................................................................................................................. 51

ARTICLE XIV REPORTS ........................................................................................................................ 53

14.01 Tax Returns and Related Reports - Due February 15 ................................................................. 53
14.02 Annual Financial Statements - Due March 1 ............................................................................. 53
14.03 Annual Business Report Due January 31 .................................................................................. 54
14.04 Annual Budgets .......................................................................................................................... 55
14.05 Insurance Reports – Annually ................................................................................................... 55
14.06 Quarterly Financial Statements .................................................................................................. 55
14.07 Rent Roll and General Partner Certificate .................................................................................. 55
14.08 Monthly Reports ........................................................................................................................ 55
14.09 Event Reports .............................................................................................................................. 56
14.10 Other Reports .............................................................................................................................. 56
14.11 Costs of Preparation; Penalties for Late Reports ........................................................................ 56

ARTICLE XV AMENDMENTS .............................................................................................................. 57

15.01 Amendment by All Partners ....................................................................................................... 57
15.02 Amendment by Investor Limited Partner Only .......................................................................... 57

ARTICLE XVI VOTING AND MEETINGS ............................................................................................ 57

16.01 Method of Giving Consent ......................................................................................................... 57
16.02 Submissions to Investor Limited Partner .................................................................................... 57
16.03 Meetings; Submission of Matter for Voting ............................................................................... 57

ARTICLE XVII GENERAL PROVISIONS ............................................................................................ 58

17.01 Burden and Benefit ...................................................................................................................... 58
17.02 Applicable Law .......................................................................................................................... 58
17.03 Counterparts ............................................................................................................................... 58
17.04 Separability of Provisions ........................................................................................................... 58
17.05 Entire Agreement ........................................................................................................................ 58
17.06 Liability of the Investor Limited Partner .................................................................................... 58
17.07 Notices .......................................................................................................................................... 58
17.08 Power of Attorney ....................................................................................................................... 59
17.09 Remedies Cumulative; No Waiver .............................................................................................. 59
17.10 Interpretation ............................................................................................................................... 59
<table>
<thead>
<tr>
<th>EXHIBIT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Legal Description of Property</td>
</tr>
<tr>
<td>B.</td>
<td>Unconditional Guaranty</td>
</tr>
<tr>
<td>C.</td>
<td>Insurance Guidelines</td>
</tr>
<tr>
<td>D.</td>
<td>Financial Projections</td>
</tr>
<tr>
<td>E.</td>
<td>General Partner Pledge and Security Agreement</td>
</tr>
<tr>
<td>F.</td>
<td>Quarterly General Partner Certificate</td>
</tr>
<tr>
<td>G.</td>
<td>Affidavit of Non-Foreign Status</td>
</tr>
</tbody>
</table>
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

This Amended and Restated Agreement of Limited Partnership is made and entered into effective as of November 30, 2016, by and among ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, as the general partner (the “General Partner”) and Raymond James Preservation Opportunities Fund I L.L.C., a Florida limited liability company, as limited partner (the “Investor Limited Partner”).

WHEREAS, Conroy Partners LP, a Texas limited partnership (the “Partnership”) was formed pursuant to the terms of the State of Texas (Revised) Uniform Limited Partnership Act by the filing of a Certificate of Limited Partnership with the Texas Secretary of State on August 26 2003, which Certificate was amended on March 31, 2005 (as so amended, the “Original Certificate”); and

WHEREAS, the Partnership is currently governed by an Amended and Restated Agreement of Limited Partnership dated April 13, 2005, as it was amended by the First Amendment to Amended and Restated Agreement of Limited Partnership dated January 28, 2008, (as so amended, the “Current Agreement”); and

WHEREAS, on the date hereof, the General Partner has acquired a portion of the general partnership interest in the Partnership and the Investor Limited Partner has acquired the remainder of the general partnership interest in the Partnership and all the limited partnership interest in the Partnership; and

WHEREAS, the Partners desire to continue the Partnership pursuant to the Act and the provisions of this Agreement; and

WHEREAS, the Partners wish to evidence (i) the admission of the General Partner as the general partner of the Partnership, (ii) the admission of the Investor Limited Partner as the limited partner of the Partnership, (iii) the conversion of the portion of the general partnership interest acquired by the Investor Limited Partner into a limited partnership interest, and (iv) the restatement of the relative rights and responsibilities of the General Partner and the Investor Limited Partner in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Partnership pursuant to the Act, and agree that all agreements of limited partnership of the Partnership, entered into prior to the date hereof are hereby amended and restated in their entirety, as follows:

ARTICLE I

CONTINUATION OF PARTNERSHIP

1.01 Continuation. The undersigned hereby continue the Partnership as a limited partnership under the Act.

1.02 Name. The name of the Partnership is Conroy Partners LP, a Texas limited partnership.
1.03 Principal Executive Offices; Agent for Service of Process.

(a) The principal executive office of the Partnership shall be 1730 E. Republic Road, Suite F, Springfield, Missouri 65804. The Partnership may change the location of its principal executive office to such other place or places as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the principal executive office. The Partnership may maintain such other offices at such other place or places as the General Partner may from time to time deem advisable.

(b) The name and address of the agent for service of process in Missouri is CSC-Lawyers Incorporating Service Company, 221 Bolivar Street, Jefferson City, Missouri 65101. The name and address of the agent for service of process in Texas is Corporation Services Company, 211 East 7th Street, Suite 620, Austin, Texas 78701. The Partnership may change the agent for service of process to such other agent as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the agent for service of process.

1.04 Term. The term of the Partnership commenced as of the date of the filing of the Original Certificate with the Secretary of State of the State, and shall continue until 2066 unless the Partnership is sooner dissolved by law or in accordance with the provisions of this Agreement.

1.05 Admission of General Partner. ZP Atascocita Pines Housing, LLC is hereby admitted as the General Partner of the Partnership, with its Percentage Interest re-allocated, as set forth in Section 5.01(a), and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth.

1.06 Admission of Investor Limited Partner. The Investor Limited Partner is hereby admitted as the sole Investor Limited Partner of the Partnership, and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth. The Investor Limited Partner is not, and has never been, a general partner of the Partnership, has taken its interest acquired from the previous general partner solely as an assignee thereof and that interest is hereby subsumed into its Interest as an Investor Limited Partner as described in this Agreement, with its Percentage Interest re-allocated, as set forth in Section 5.01(b).

1.07 No Other Partners. The General Partner and the Investor Limited Partner are the only partners in the Partnership, as they have acquired all partnership interests held by the former partners and those former partners have no further interest in the Partnership.

1.08 Recording of Certificate. Upon the execution of this Amended and Restated Agreement of Limited Partnership by the parties hereto, the General Partner shall take all actions necessary to assure the prompt recording of an amendment to the Original Certificate if required by the Act, including filing with the Secretary of State of the State. All fees for filing shall be paid out of the Partnership’s assets. The General Partner shall take all other necessary action required by law to perfect and maintain the Partnership as a limited partnership under the laws of the State, and shall register the Partnership under any assumed or fictitious name statute or similar law in force and effect in the State. Notwithstanding the foregoing, this Agreement (and any exhibits attached hereto) shall not be filed with the Secretary of State of the State or published or recorded in any public forum without the Consent of the Investor Limited Partner.
ARTICLE II
DEFINED TERMS AND RULES OF INTERPRETATION

In addition to the abbreviations of the parties set forth in the preamble to this Agreement, defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified below. References in this Agreement to Sections, unless otherwise specified, are to Sections of this Agreement. Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter and vice versa, as the context requires. Words such as "herein," "hereinafter," "hereof," "hereto," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires. Unless otherwise indicated, the word "including" is not limiting.

“Access Laws” means Section 504 of the Uniform Federal Accessibility Standards, where applicable and as amended, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act of 1988, as amended, the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto.

“Accountants” means the firm or firms of independent certified public accountants engaged by the General Partner, with the Consent of the Investor Limited Partner, to prepare (i) the Partnership filings with respect to Section 42, (ii) the Partnership’s annual income tax returns, and (iii) the Partnership’s audited financial statements.

“Act” means the Uniform Limited Partnership Act of the State, as may be amended from time to time during the term of the Partnership.

“Actual Return” means the actual rate of return to the Investor Limited Partner throughout the term of the Partnership prepared taking into account the Deemed Equity Investment and using the same methodology and assumptions as the Financial Projections, but updated to show the actual dates and amounts of Capital Contributions and cash distributions and tax benefits or detriments; provided, however, that for any year in which tax losses were projected in the Financial Projections, Actual Return will be determined using the lower of the projected tax loss and the actual tax loss for such year.

“Affidavit of Non-Foreign Status” means the Affidavit of Non-Foreign Status, in the form attached as Exhibit G.

“Affiliate” means, when used with reference to a specified Person, (i) any Person that directly or indirectly controls, is controlled by or is under common control with, the specified Person, (ii) any Person that is an officer, director, trustee, managing member, manager or general partner of the specified Person, and (iii) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of the outstanding voting interests or general partner interests of the specified Person. Any entity that is directly or indirectly controlled by Raymond James Tax Credit Funds, Inc. is an Affiliate of the Investor Limited Partner.

“Agency” means the Texas Department of Housing and Community Affairs, in its capacity as the designated agency of the State to allocate Housing Tax Credit, acting through any authorized representative.
“Agreement” means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Anti-Corruption Laws” means 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.

“Approved Principals” means Vaughn C. Zimmerman.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means:

(a) 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 its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(b) 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 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;

(c) 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 or discharged within 90 consecutive days;

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

(e) 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 relevant state or federal act or law, or the ruling of any court with jurisdiction over such Person.

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, or any corresponding provision or provisions of succeeding law.
“Capital Account” means the capital account of a Partner as described in Section 6.01.

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Interest of such Partner.

"Capital Expenditure Reserve" as defined in Section 8.13.

“Capital Transaction” means any transaction not in the ordinary course of the Partnership’s business, which is capital in nature, including without limitation the disposition of any substantial part of the Project, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by the Investor Limited Partner), casualty (where the proceeds are not to be used for reconstruction), or condemnation (where the proceeds are not to be used for reconstruction). A refinancing or similar event that yields net proceeds to the Partnership shall be considered a Capital Transaction.

“Certificate” means the Partnership’s Certificate of Limited Partnership or any other instrument or document which is required under the laws of the State to be filed in the appropriate public offices within the State to perfect or maintain the Partnership as a limited partnership under the laws of the State, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State.

“Changes in Tax Law” means amendments to the Code after the date of this Agreement and amendments to or the promulgation of new legislative regulations after the date of this Agreement, but shall not include the promulgation of final or temporary Treasury Regulations with respect to Section 42 of the Code or Subtitle A, Chapter 1, Subchapter K of the Code to the extent that such regulations correspond to final, temporary or proposed regulations which were promulgated more than two business days prior to the date of this Agreement.

“Class B Limited Partner” means a General Partner whose Interest is converted to that of a Class B Limited Partner pursuant to Section 9.03(b).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“Compliance Period” means, with respect to any building in the Project, the “compliance period” as defined in Section 42(i)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Compliance Period begins for any building in the Project and ending on the latest date that a Compliance Period ends for any building in the Project.

“Consent” means the prior written consent or approval of the Investor Limited Partner and/or any other Partner, as the context may require, to do the act or thing for which such consent or approval is solicited.

“Continued Compliance Sale” is defined in Section 8.14(c).

“Counsel” or “Counsel for the Partnership” means Locke Lord LLP or such other attorney or law firm upon which the Investor Limited Partner and the General Partner shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein,
or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by
another Person, then such designation or provision shall prevail over this general definition.

“Credit Period” means, with respect to any building in the Project, the “credit period” as defined
in Section 42(f)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date
that a Credit Period begins for any building in the Project and ending on the latest date that a Credit
Period ends for any building in the Project. When the context requires, the Credit Period shall be deemed
to include the year following the Credit Period if Housing Tax Credit is available in that year pursuant to
Section 42(f)(2) of the Code, but shall not include later years in the Compliance Period during which
Housing Tax Credit may be received under the special rule of Section 42(f)(3) of the Code.

“Credit Reduction Adjustment” is defined in Section 8.08(b)(ii).

“Current” means that at any given point in time, (i) all reserves required to be maintained by the
Partnership are fully funded to the extent required as of such time, and (ii) all payments for operating
expenses, Must-pay Debt Service, necessary maintenance, preventive maintenance and capital
improvements due and payable as of such time (assuming all expenses are paid within 30 days of invoice)
have been made or the Partnership has sufficient unrestricted cash reserves to make all such payments.

“Current Agreement” means the Amended and Restated Agreement of Limited Partnership dated
April 13, 2005, as it was amended by the First Amendment to Amended and Restated Agreement of

“Decision Maker” means any general partner of a partnership, any managing member or manager
of a limited liability company, any officer or director of a corporation, and any other individual who is
authorized, empowered, or has apparent authority to make decisions on behalf of any entity.

“Deemed Equity Investment” is equal to $2,979,290, allocated $2,978,992 to the Investor Limited
Partner and $298 to the General Partner.

“Department of the Treasury” means the United States Department of the Treasury or any
successor government agency thereto.

“Environmental Laws” is defined in Section 4.01(e).

“Environmental Reports” means a certain Phase I Environmental Property Assessment dated
August 17, 2016, prepared with respect to the Project by Gabriel Environmental Group.¹

“Extended Use Agreement” means the extended low-income housing commitment required
pursuant to Section 42(h)(6) of the Code executed by the Partnership and delivered to the Agency, dated
May 24, 2007, setting forth certain terms and conditions under which the Project is to be operated.

“Financial Projections” means the Financial Projections used by the Investor Limited Partner in
its underwriting of the Project attached hereto as Exhibit D to this Agreement.

“First Permanent Loan” is defined in the definition of Permanent Financing.

¹ List all environmental reports, including Phase II reports, if applicable.
“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with aggregate incomes of 60% or less of area median income, as adjusted for family size.

“GAAP” means generally accepted accounting principles.

“General Partner” means ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, and any other Person admitted as a General Partner and designated as a General Partner pursuant to this Agreement, and any of their respective successors pursuant to this Agreement, including particularly the provisions of Sections 8.01, 9.02 and 9.04.

“Government Official” means 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.

“Gross Effective Income” means, for any period of time, the entire amount of all receipts by the Partnership (determined on a cash basis) for the operation of the Project, including (a) tenant rentals collected pursuant to tenant leases or occupancies for such period, including without limitation, housing/tenant assistance payments, including utility reimbursements; (b) security deposits forfeited by tenants during such period and non-refundable tenant deposits made during such period; (c) laundry and garage/parking income received during such period; (d) proceeds from rental interruption insurance received during such period; (e) expense-related reimbursements or charges paid by tenants for insurance, taxes, utility charges, and other Project expenses; and (f) other income including cleaning fees, NSF check charges, late charges, and charges for credit checks; excluding, however, (i) proceeds from the sale or condemnation of any part of the Project, (ii) refinancing and other loan proceeds, (iii) Capital Contributions and loans to the Partnership, (iv) refundable security deposits prior to forfeiture; and (v) interest income.

“Guarantor” means ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company.

“Hazardous Material(s)” is defined in Section 4.01(e).

“Housing Tax Credit” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“HUD” means the United States Department of Housing and Urban Development or any successor government agency thereto.

“IRS” means the United States Internal Revenue Service or any successor government agency thereto.

“Insurance Guidelines” means the standards for insurance coverage required for the Project, a copy of which is attached hereto as Exhibit C.

“Interest” means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with
all the terms and provisions of this Agreement and of said Act. Such Interest of each Partner shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Partner's Interest.

“Investor” means any Person that owns an equity interest, directly or indirectly, in the Investor Limited Partner.

“Investor Limited Partner(s)” means Raymond James Preservation Opportunities Fund I L.L.C., a Florida limited liability company, and/or its successors or assigns admitted as Investor Limited Partners in accordance with this Agreement, in such Persons’ capacity as an Investor Limited Partner of the Partnership.

“Land” means the tract of land upon which the Project is located as more fully set forth in Exhibit A.

“Land Use Restrictions” means any restrictions applicable to the Project that restrict tenant incomes or rents charged to tenants, including but not limited to any Extended Use Agreement entered into in accordance with the requirements of Section 42 of the Code and any restrictions relating to Permanent Financing.

“Lender” means the Permanent Lenders.

“Limited Partner(s)” means the Investor Limited Partner, and/or the Special Limited Partners, and/or any other Limited Partner in such Person’s capacity as a limited partner of the Partnership.

“Liquidator” means the General Partner or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

“Loan” means the Permanent Financing.

“Loan Documents” means any Mortgage, Note or other documents executed in connection with a Loan.

“Loss” is defined in Section 7.01(b).

“Low-Income Units” means those units which the Partnership expects will qualify for the Housing Tax Credit by virtue of being occupied at all times by Qualified Tenants.

“Majority in Interest” means, with respect to any specified group of Partners, those Partners who hold more than 50% of the Percentage Interests held by such group.

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.09.

“Management Agreement” means the agreement between the Partnership and the Management Agent providing for the marketing, compliance and management of the Project by the Management Agent.
“Minimum Set-Aside Test” means the set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the 40-60 Set-Aside Test as the Minimum Set-Aside Test and will not select the 20-50 Set-Aside Test as the Minimum Set-Aside Test.

“Mortgage” means any mortgage or deed of trust to be given by the Partnership in favor of a Lender as maker of any Loan, constituting a lien on the Project and securing a Loan.

“Must-pay Debt Service” means debt service on any loan of the Partnership, including without limitation the Permanent Financing, that is due prior to final maturity of the loan and that must be paid by the Partnership to avoid default on such loan without regard to whether there is Net Cash Flow sufficient to pay such debt service.

“Net Cash Flow” means the sum of (i) all cash actually received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (unless forfeited), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and other casualty or extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the General Partner with the Consent of the Investor Limited Partner and the Lender, if required, less the sum of (i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Partnership’s business including the management fee to the Management Agent but excluding any expenditures paid from any Partnership reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes) (ii) all Must-pay Debt Service and any other debt service on the Permanent Financing to the extent then due and payable, but not including any amounts to be paid on account of Operating Deficit Loans, (iii) the payment of any tax liability owed by the Partnership, and (iv) all amounts deposited into any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Lender or this Agreement or the Investor Limited Partner (with respect to reasonably identified anticipated expenditures for which reserves have not otherwise been established) or as may be determined from time to time by the General Partner with the Consent of the Investor Limited Partner, and the Lender, if required, to be advisable for the operation of the Partnership.

Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative.

“Net Operating Income” shall equal Rent plus Other Operating Income less Operating Expenses, where those terms have the following meanings:

(a) Rent, for any month, shall be equal to the rent from residential units that was due and payable for such month less any portion of such rent that has not actually been collected by the time the calculation of Rent is being made (excluding any amounts subsidized by the General Partner and adjusted to reflect average monthly rents for leases that include rent-free or reduced rental periods). Rent may include government subsidies of tenant rental revenue that has been actually received by the time the calculation of rent is being made, but the subsidy amount received shall be attributed to the month in which the subsidy was due rather than to the month it was paid. Rent shall not include government subsidies of a Permanent Financing (such as an interest rate credit), unless the subsidy has not been factored into the maximum annual debt service described in the definitions of such Permanent Financing. Rent shall not include rent attributable to short-term tenant leases of less than nine months, unless the
tenant has actually been a resident of the Project for at least one year or unless otherwise approved by the Investor Limited Partner. Rent shall not include any amount collected that is in excess of maximum rents permitted by the Agency, any Project Document or applicable law.

(b) Other Operating Income, for any month, shall be equal to monthly collected revenue from recurring sources and shall include forfeitures of deposits, income from any laundry facilities, commercial rents, garage or parking fees, cable television and phone usage (after adjusting for any concessions). Other Operating Income shall not include interest on reserves and security deposits, non-recurring revenue, and withdrawal from reserve accounts.

(c) Operating Expenses, for any month, shall be equal to monthly accrued operating expenses (adjusted for seasonal fluctuations where appropriate and excluding nonrecurring expenses), a ratable portion of all other expenses which might reasonably be expected to be incurred during the full annual period of operation, and shall include, but not be limited to, taxes or payments in lieu of taxes, insurance costs, assessments, audit expenses, the funding of any Replacement Reserve deposits required under this Agreement or any Permanent Financing, compliance costs as required by the Agency, payment of the Management Agent’s fees, any other Partnership loans or obligations not paid out of Net Cash Flow, the costs of capital improvements to the Partnership property (to the extent such capital improvements are not funded from any Partnership reserves, casualty or condemnation proceeds, any Permanent Financing proceeds, Capital Contributions or the proceeds of any Capital Transactions) and a ratable portion of the greater of (x) the annual amount (as reasonably estimated by the General Partner) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities and maintenance expenses which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation) or (y) the annual amount of such expenses assumed in the Financial Projections.

“Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.

“Note” means any mortgage or deed of trust promissory note given by the Partnership in favor of a Lender, evidencing a Loan.

“Notice” means a writing containing the information required by this Agreement to be communicated to a Partner and sent by express courier or email transmission (provided that such email transmission shall be immediately followed by a “hard” original of such writing delivered by a method set forth in this definition), or by registered or certified mail, with postage prepaid and return receipt requested, to such Partner at such Partner's address as specified pursuant to Section 17.07. The date of receipt of the Notice (or the next business day if the date of receipt is not a business day) (or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable) shall be deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Partner actually received by such Partner shall constitute Notice for all purposes of this Agreement.

“OFAC” means the U.S. Treasury Department’s Office of Foreign Assets Control.

“Operating Deficit” means the amount by which the revenues of the Partnership from rental payments made by tenants of the Project (excluding security deposits until forfeited), and all other revenues of the Partnership (other than Capital Contributions, the proceeds of any loans to the Partnership and investment earnings on funds on deposit in the Replacement Reserve and other such reserve or escrow funds or accounts) for a particular period of time, is exceeded by the sum of all operating and maintenance expenses, the funding of the Replacement Reserve or any other reserve required by this Agreement or any Project Document, all Must-pay Debt Service, any fees to the Lender and/or any
applicable mortgage insurance premium payments and all other Partnership obligations or expenditures (but excluding payments for fees and other expenses and obligations of the Partnership to be paid solely from Net Cash Flow or from the Capital Contributions of the Investor Limited Partner to the Partnership), during the same period of time.

“Operating Deficit Loan(s)” is defined in Section 8.08(a).

“Operating Expenses” is defined within the definition of Net Operating Income.

“Operating Reserve” means the account established to fund Operating Deficits in accordance with Section 8.12.

“Operating Reserve Minimum” is defined in Section 8.12.

“Ordinary Income Amount” is defined in Section 7.10(d).

“Original Certificate” means the initial Certificate filed in connection with the formation of the Partnership.

“Other Operating Income” is defined within the definition of Net Operating Income.

“Partner” means any General Partner and any Limited Partner.

“Partner Loan” means any loan made by any Partner to the Partnership pursuant to Section 8.10 or Section 11.04.

“Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations.

“Partnership” means Conroy Partners LP, a Texas limited partnership.

“Payment Date” means the later of the date which is 90 days after the end of the Partnership’s fiscal year with respect to the preceding fiscal year or the date on which the General Partner has delivered to all Partners the financial statements and information required to be delivered under Sections 14.01 and 14.02.

“Percentage Interest” means the percentage Interest of each Partner as set forth in Section 5.01.

“Permanent Financing” means:

The first priority mortgage non-recourse permanent loan (“First Permanent Loan”) to the Partnership made by Texas Department of Housing and Community Affairs from the proceeds of Multifamily Housing Mortgage Revenue Bonds in the approximate outstanding principal amount of $10,623,918 with a variable interest rate set at the Weekly Variable Rate (SIFMA) plus 40 basis points, with a term of at least 33 years requiring variable debt service payments with the balance due at maturity.

“Permanent Lenders” means Texas Department of Housing and Community Affairs, in its capacity as the maker of the First Permanent Loan, or its successors and assigns in such capacity, acting through any authorized representative.
“Permitted Temporary Investments” means bank accounts held at a bank or trust company that (i) has deposits insured by the Federal Deposit Insurance Corporation, (ii) has paid in capital surplus and undivided profits aggregating at least $500 million, and (iii) is otherwise acceptable to the Investor Limited Partner.

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.

“Prime Rate” means the rate published from time to time in The Wall Street Journal as the prime rate. The Prime Rate shall change as such rate changes.

“Profit” is defined in Section 7.01(b).

“Project” means the land and any improvements thereon currently owned by the Partnership located in Harris County, Texas, and the 192-unit multifamily rental housing development and other improvements owned and operated thereon by the Partnership, and known as Atascocita Pines and any other tangible property owned by the Partnership and used in connection with the Project. 192 units shall be leased to tenants with 60% or less than the area median income. A description of the Land on which the Project will be located is provided in Exhibit A, attached hereto.

“Project Documents” means and includes any permits and licenses which are required for the operation and use of the Project, municipal or government agency development agreements, the Radon Report, agreements with architects, engineers, environmental abatement consultants and contractors and other third-party contractors disclosed in writing to the Investor Limited Partner, any purchase option agreement executed in connection herewith, any agreement for the provision of services to the Project, the Loan Documents, the Regulatory Agreement, the Extended Use Agreement, the Management Agreement, the Unconditional Guaranty, the Certification and Agreement, all agreements attached hereto and all other instruments delivered to (or required by), any Lender or the Agency and all other documents relating to the Project or executed in connection with any of the aforesaid documents and by which the Partnership is bound, as amended or supplemented from time to time.

“Projected Distributions” means the amounts set forth in the Financial Projections for each fiscal year that is expected to be available for distribution to the Partners under Section 7.03(f).

“Projected Return” means the projected rate of return to the Investor Limited Partner set forth in the Financial Projections.

“Public Use Test” means the requirement whereby the units in the Project must be available for use by the general public.

“Purchase Price” is defined in Section 8.14(a).

“Qualified Tenants” means tenants under executed leases of at least 9 months who at the time of their initial occupancy of the Project (i) are charged rents that satisfy the Rent Restriction Test and (ii) have incomes at or below the income limits under the Minimum Set-Aside Test.

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Partnership

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2 Add documents as appropriate (e.g. Reciprocal Easement Agreement, condominium documents, PILOT Agreement, etc.).
and the Lender or any applicable Authority setting forth certain terms and conditions under which the Project is to be operated.

“Rent” is defined within the definition of Net Operating Income.

“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Project cannot exceed 30% of the imputed income limitation of the applicable units.

“Replacement Reserve” means the cash funded reserve for replacements required by the Lender in connection with the Permanent Financing and by the Investor Limited Partner as required pursuant to Section 8.11.

“Reserve Minimum Payment” is defined in Section 8.11.

“Special Limited Partner” means any Person admitted to the Partnership as a Special Limited Partner in accordance with this Agreement, in its capacity as a Special Limited Partner. There is currently no Special Limited Partner.

“State” means the State of Texas.

“Substitute Limited Partner” means any Person admitted to the Partnership as a Limited Partner pursuant to Section 10.03.

“Tax Credit” means the Housing Tax Credit.

“Tax Credit Allocation” means, with respect to the Project, the allocation by the Agency of Housing Tax Credit, as evidenced by the receipt by the Partnership of a carryover allocation of Housing Tax Credit meeting the requirements of Sections 42(h)(1)(E) and (F) of the Code and applicable Treasury Regulations.

“Tax Credit Recapture Event” means (a) the filing of a tax return or an amended return by the Partnership evidencing a reduction in the qualified basis of the Project or an event described in Section 42(j) of the Code causing a recapture of Housing Tax Credit previously allocated to an Investor Limited Partner, (b) an administrative adjustment by the IRS, evidencing a reduction or recapture of Tax Credit previously allocated to the Investor Limited Partner, unless the Partnership shall timely file a petition with respect to such adjustment with the United States Tax Court or any other court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other court of competent jurisdiction upholding the assessment of such administrative adjustment against the Partnership with respect to any Tax Credit previously claimed in connection with the Project, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (d) the decision of a court of competent jurisdiction affirming such decision or (e) any other event which would cause a recapture of a Tax Credit under applicable law.

“Tax Matters Partner” is defined in Section 13.06.

“Treasury Regulation” means the regulations of the Department of the Treasury contained in Title 26 of the Code of Federal Regulations, as amended from time to time, or any corresponding provision or provisions of succeeding law.
“20-50 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 20% of the units in the Project must be occupied by individuals with aggregate incomes of 50% or less of area median income, as adjusted for family size.


“Unconditional Guaranty” means the guaranty executed by the Guarantor, as set forth in Exhibit B, pursuant to which the Guarantor has guaranteed obligations of the General Partner.

ARTICLE III

PURPOSE AND BUSINESS OF THE PARTNERSHIP

3.01 Purpose of the Partnership. The principal purpose of the Partnership is the preservation and provision of housing for low- and moderate-income persons. The business of the Partnership is to own, maintain, operate and sell or otherwise dispose of the Project, in order to obtain for the Partners long-term appreciation, cash income, and tax benefits consisting of Tax Credit and tax losses over the term hereof. However, the Partners acknowledge and agree that, in furtherance of its purpose to preserve and provide housing for low- and moderate-income persons, the Partnership may take certain actions that preclude the maximization of economic returns to the Partners, including without limitation (i) not taking action to reduce or eliminate the effect of restrictions on tenant income and rents, and (ii) preferring to sell the Project to buyers that will continue the use of the Project as housing for low- and moderate-income persons.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership, including but not limited to the following:

(a) own the Land and the Project;

(b) operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement and the Regulatory Agreement so long as the Extended Use Agreement and the Regulatory Agreement, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership;

(e) borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by mortgage, pledge, or other lien except as limited by Section 8.02(b);

(f) maintain and operate the Project and enter into any agreement for the management of the Project during its rent-up and after its rent-up period;
subject to the approval of the Agency and/or the Lender, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any Loan on the property of the Partnership;

(h) enter into the Project Documents, including those documents providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to the Housing Tax Credit and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Partners, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Partnership’s business.

ARTICLE IV

WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER

4.01 Representations, Warranties and Covenants. Each General Partner hereby represents, warrants and covenants to the Partnership and to the Partners that:

(a) the Partnership is and will continue to be a valid limited partnership, duly organized, validly existing, and in good standing under the laws of the State, and shall have and shall continue to have full power and authority to own the Land and to own, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partners and to enable the Partnership to engage in its business;

(b) the execution and delivery of this Agreement by it and the performance by it of the transactions contemplated hereby have been duly authorized by all requisite actions or proceedings; it is duly organized, validly existing and in good standing under the laws of the State with power to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) it is a single purpose entity and shall satisfy the following requirements:

(i) it shall not engage, has not engaged and does not engage, in any business other than acting as a general partner of the Partnership;

(ii) it shall not enter into and has not entered into any contract or agreement with any Affiliate of the General Partner, any constituent party of the General Partner, or any Affiliate of any constituent party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arm’s length basis with third parties other than any such party;
(iii) it has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the General Partner;

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

(v) it has and shall continue to maintain separate annual financial statements prepared in accordance with GAAP, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the General Partner are consolidated with the financial statements of any other entity, the General Partner has and shall continue to cause to be included in such consolidated financial statements: (A) a narrative description of the separate assets, liabilities, business functions, operations and existence of the General Partner to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (B) a statement that the General Partner’s assets and credit are not available to satisfy the debts of such other entity or any other person;

(vi) it has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law;

(vii) it has and shall continue to (A) hold itself out as an entity separate and distinct from any other Person; (B) not identify itself or any of its Affiliates as a division or part of the other; (C) correct any known misunderstanding regarding its separate status; and (D) use separate stationery, invoices, checks, and the like bearing its own name;

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

(ix) it has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(x) it has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate;

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

(xii) it has not and shall not (A) assume or guarantee the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Partnership or, (B) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of
the Partnership (whether by operation of law or otherwise), or (C) otherwise pledge, encumber, transfer or hypothecate the assets of the Partnership for the benefit of another Person or permit the same to occur, or (D) hold the Partnership’s credit as being available to satisfy the obligations of any other Person;

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

(xiv) it is not a “tax-exempt entity” within the meaning of Section 168(h) of the Code or a “tax-exempt controlled entity” that would be treated as such a tax-exempt entity.

(d) it shall cause the insurance coverages set forth in the Insurance Guidelines, a copy of which is attached hereto as Exhibit C, insuring the Partnership and covering the Land and the Project, to be established and maintained in full force and effect during the term of the Partnership;

(e) based upon its actual knowledge and the Environmental Reports, the Land (along with any other real property owned by the Partnership) does not contain and is not affected by any Hazardous Material (as hereinafter defined); neither the General Partner, the Partnership, nor the Land or any portion thereof is in violation of any applicable Environmental Laws (as hereinafter defined); neither such General Partner nor the Partnership has received notice of any violations of any Environmental Laws relating to or affecting the Land; and no actions, suits or proceedings have been commenced, or are pending, or to the best knowledge of such General Partner, are threatened with respect to any Environmental Laws and which relate to the Land or the Project or any of the Partnership’s other properties or assets. It has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Materials at, upon, under or within the Land or any contiguous real estate. Neither such General Partner nor, to the best of its knowledge, any other party, is or will be involved in operations at or, pursuant to such General Partner’s best knowledge, near the Land, which operations would lead to (A) a determination of liability under the Environmental Laws as to the Partnership, or (B) the creation of a lien on the Land under the Environmental Laws. It covenants and agrees that it shall not take any action or fail to take any action, or permit any other person or entity within the General Partner’s control to take any action or fail to take any action and it will use its best efforts not to permit any tenant or occupant of the Project to engage in any activity, which would result in the Project or the Land containing or being affected by any Hazardous Materials in violation of any Environmental Laws, or would result in any Hazardous Materials being released from the Project in violation of any Environmental Laws. It shall comply strictly and in all respects with all requirements of the Environmental Laws. It further covenants and agrees that it will promptly notify the Investor Limited Partner if the General Partner gains knowledge of any of the following: (i) the presence or possible presence of any Hazardous Material on, in, affecting, or released from the Project or the Land; (ii) the violation of any Environmental Laws with respect to the Partnership, the Land or the Project; and (iii) any notice of violation of or requesting action pursuant to any Environmental Laws or the commencement of any actions, suits, or proceedings relating to Environmental Laws and relating to or affecting the Project or the Land. It shall promptly deliver to the Investor Limited Partner a copy of any notice of violation of any Environmental Laws and any court documents or correspondence relating to any action, suit or proceeding in connection with Environmental Laws. For purposes of this Section, “Hazardous Material” or “Hazardous Materials” means and includes petroleum products, flammable explosive, radioactive materials, lead-based paint, methane gas, urea formaldehyde insulation, asbestos or any material containing asbestos, polychlorinated biphenyls, radon, underground storage tanks and/or any hazardous, toxic or dangerous waste, substance or material now or hereafter defined as such or any similar term, by or in the Environmental Laws but not including construction products, household cleaners and office
materials of the type and quantity ordinarily used in the normal construction, operation and maintenance of properties similar to the Project so as not to be defined as Hazardous Materials by or in the Environmental Laws. For purposes of this Section, “Environmental Law” or “Environmental Laws” means and includes any federal, state, and local laws, statutes, rules, regulations and ordinances pertaining to the protection of the environment and otherwise pertaining to public health or employee health and safety, including, but not limited to, the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Comprehensive Environmental Response, Compensation and Liability Act; the Clean Air Act; the Clean Water Act; the Toxic Substance Control Act; the Safe Drinking Water Control Act; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; the Hazardous Water Management System, the Emergency Planning and Community Right to Know Act and the Occupational Safety and Health Act of 1970;

(f) there is no default under any agreement, contract, lease or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or, to the knowledge of the General Partner, threatened against the General Partner, the Project or the Partnership, or related to the business or assets of the Partnership or of the Project, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Partnership or of the Project;

(g) neither such General Partner nor any of its Affiliates nor the Partnership, has entered, or shall enter, into any agreement or contract for the payment of any Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guaranty of payment of any such interest charges or financing fees relating to a Loan; in no event will the General Partner or the Partnership enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of the Partners to personal liability as to the principal of or interest on the Permanent Financing (except for customary non-recourse carve-out provisions which have been Consented to by the Investor Limited Partner);

(h) the execution and delivery of this Agreement and the performance of such General Partner’s obligations hereunder have been duly authorized by all necessary corporate or other action and this Agreement constitutes the legal, valid and binding obligations of such General Partner in accordance with its terms;

(i) the execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Partnership or such General Partner or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Partnership or such General Partner is a party or by which the Partnership or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project;

(j) the facts and underlying assumptions with respect to the operation of the Project, the General Partner, Guarantor and their Affiliates provided to the Partners set forth in the Financial Projections attached as Exhibit D are accurate and reasonable, and nothing has come to the attention of the General Partner that would cause the General Partner to believe that such facts and assumptions are incorrect in any material respect;

(k) no Person affiliated with it, any of the Approved Principals, or any Decision Maker has been debarred or otherwise denied, in whole or in part, the ability or opportunity to participate
in any government sponsored or financed program (including, but not limited to HUD programs) or has been convicted of a felony criminal offense;

(l) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is on the list of Specially Designated Nationals and Blocked Persons promulgated by the Department of the Treasury or on the Annex to United States Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism;

(m) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is a Person with whom dealings are prohibited under the OFAC regulations;

(n) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is in violation of any anti-money laundering laws and none of the foregoing is a Person designated under anti-money laundering laws as a Person with whom other U.S. Persons are prohibited from transacting business;

(o) to the extent applicable, the Partnership is in full compliance with the Financial Crimes Enforcement Network of the Department of Treasury regulations;

(p) the financial statements and other written information provided to the Investor Limited Partner with respect to the financial condition of such General Partner and affiliated Guarantors by such parties are true and accurate as of their respective dates and do not omit any material fact and any such material provided by third parties with respect to the financial condition of such General Partner and Guarantors is true and accurate to the best of knowledge of the General Partner;

(q) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements and Anti-Corruption Laws);

(r) there is no litigation or other proceeding pending or, to the best of the General Partner’s knowledge, threatened against or affecting he Partnership, the General Partner, any of the Approved Principals, any Decision Maker, or any of their principals or any of their Affiliates relating to any Anti-Corruption Laws.

(s) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements);

(t) the Partnership will continue to use the accrual method of accounting;
(u) no Permanent Financing is or will be guaranteed or held by any Partner or any person who is a related person to such Partner within the meaning of Section 752 of the Code and the Treasury Regulations promulgated thereunder;

(v) the Project shall be managed so that the rental of all Low-Income Units in the Project comply with the tenant income limitations and other restrictions under the Rent Restriction Test and all units in the Project otherwise meet the applicable requirements of the Project Documents, including without limitation, the Extended Use Agreement and any Regulatory Agreement. More specifically, the General Partner shall operate the Project such that the Low-Income Units are set aside and leased as follows: 192 units of the Project will be rented to tenants with incomes of 60% or less of the area median income, as adjusted for family size;

(w) any sign erected at the Project setting forth the development partners and/or lenders who participated in the development of the Project must be approved by the Investor Limited Partner, whose approval will not be unreasonably withheld, conditioned or delayed;

(x) in accordance with Section 168 of the Code, the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years, respectively, using the applicable depreciation methods defined in Section 168 of the Code; provided also that, without the Consent of the Investor Limited Partner, the General Partner shall not allow the Partnership to file a tax return reflecting an allocation of cost to a class of property other than residential rental property that varies from the cost set forth in the Financial Projections and the General Partner shall not elect to forego bonus depreciation of any type (such as that available under Section 168(k)) unless directed to do so by the Investor Limited Partner;

(y) no person shall be employed by the Partnership;

(z) it has reviewed the Financial Projections attached hereto as Exhibit D and represents and warrants that the Financial Projections are accurate and reasonable;

(aa) in the event that one or more of the buildings or other structures comprising the Project is damaged or destroyed, the General Partner shall, subject to the terms of the Loan Documents, make proof of loss, pursue, adjust and compromise claims under policies of insurance providing coverage for the Project and shall cause the Partnership to restore such buildings or structures completely within a reasonable period as determined by the IRS so as to avoid loss and/or recapture of Housing Tax Credits, but in no event later than the date that is 18 months after such damage or destruction occurred; and

All of the representations, warranties and covenants contained herein shall survive the execution of this Agreement until dissolution of the Partnership. The General Partner shall indemnify and hold harmless the Investor Limited Partner against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys’ fees and costs and expenses of litigation and collection.

4.02 Duties and Obligations. The General Partner shall have the following duties and obligations with respect to the Project and the Partnership:

(a) it shall ensure that all requirements shall be met with respect to any Land Use Restrictions;
(b) it shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, the Public Use Test and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for Tax Credits, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) all governmental approvals required to permit occupancy of all of the residential units in the Project, (iii) compliance with all material provisions of the Project Documents;

(c) the General Partner shall take all actions, or refrain from taking any action, to assure that the Partnership at all times during its existence is treated as a partnership for federal income tax purposes and while conducting the business of the Partnership, the General Partner shall not act in any manner without the Consent of the Investor Limited Partner, which it knows or should have known after due inquiry will cause the termination of the Partnership for federal income tax purposes;

(d) the General Partner shall exercise good faith in all activities relating to the conduct of the business of the Partnership, including the operation and maintenance of the Project, and the General Partner shall take no 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;

(e) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for any Mortgage, and any additional security agreements executed in connection therewith;

(f) the General Partner shall, during and after the period in which it is 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;

(g) it shall comply and cause the Partnership to comply with the provisions of all applicable governmental and contractual obligations;

(h) it shall be responsible for the payment of any fines or penalties imposed by the Agency or Lender pursuant to the Project Documents and any documents executed in connection with obtaining Tax Credits (other than with respect to payments of principal or interest under the Permanent Financing) attributable to any negligence of it or its Affiliates or failure to take action despite the same being within the reasonable control of the General Partner or its Affiliate;

(i) it shall immediately notify the Investor Limited Partner of any written or oral notice of (i) any default or failure of compliance with respect to any Project Document, the Permanent Financing or any other financial, contractual or governmental obligation of the Partnership or the General Partner, or (ii) any IRS proceeding regarding the Project or the Partnership;

(j) other than items for which liability is being contested with the Consent of the Investor Limited Partner, it will cause the Partnership to pay on or before the date when the same would become delinquent, any and all real estate and ad valorem taxes, personal property taxes, assessments, water rates, sewer rents, fines, impositions and any other charges now or hereafter levied against the Project, whether foreseen or unforeseen, ordinary or extraordinary; and also any and all license fees or similar charges which may be imposed by any Authority with respect to the Project for the use and occupancy of the Project, use of walks, chutes, areas and other space beyond the lot line of the Project and on or abutting the public sidewalks and/or highways in front or adjoining the Project or pursuant to any applicable law for the use of any furnaces, compactors, incinerators, parking areas or for other matters.
covered by any such laws; and also any and all corporate, franchise, withholding, income, profits and gross receipts, and other taxes due by the Partnership; in each case together with any penalties and interest on any of the foregoing, and in default thereof;

(k) other than items for which liability is being contested with the Consent of the Investor Limited Partner, it will cause the Partnership to pay promptly, when and as due, all charges for utilities, whether public or private, and will not suffer or permit any construction or mechanics, laborers, material statutory or other liens to be created or to remain outstanding upon any part of the Project, and if any such lien is created, will cause the Partnership to discharge the same of record by payment or bond against such lien within 45 days after the filing thereof;

(l) it shall not cause the Partnership to commit or permit waste, nor cause or permit any building or improvement upon the Land to be removed, demolished or altered in whole or in material part (including structural alterations) except as approved by the Investor Limited Partner, and except for alterations to update the buildings systems or to comply with any law;

(m) the General Partner shall maintain books, files and records, including tenant leasing files in compliance with the Code and the Treasury Regulations promulgated thereunder, that will adequately document the timing, amount and availability of the Tax Credit. The General Partner shall cause any files which document the initial qualification of residential units for Tax Credit to be copied and stored off-site at the General Partner’s principal place of business or at another location over which the General Partner has control for a period of not less than 21 years. With 3 days’ Notice from any Investor Limited Partner, the General Partner shall afford that Investor Limited Partner and its agents access to all such files, including files stored off-site during ordinary business hours. All such files are property of the Partnership and not of the General Partner or any other Person;

(n) upon reasonable Notice of not less than 1 business day given by the Investor Limited Partner, the General Partner shall permit the Investor Limited Partner or its designee (including any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner) (1) access to the Project for a physical inspection to take place during normal business hours, (2) the opportunity to inspect, examine and, if requested, make copies of all agreements and Tax Credit compliance data. The General Partner shall cooperate fully with all reasonable requests of the Investor Limited Partner regarding any such inspection and shall, if requested, accompany the Investor Limited Partner on any site inspection conducted for the purpose of marketing the Project to any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner;

(o) it shall not issue, sell, assign, encumber or transfer any direct or indirect ownership interest in the General Partner or member, partner, or shareholder of the General Partner, whether voluntary or involuntary, by operation of law or otherwise, without the Consent of the Investor Limited Partner as described in Section 9.01;

(p) the General Partner shall ensure that the Project shall at all times comply with the applicable requirements of all Access Laws. Notwithstanding any provisions set forth herein or in any other document, the General Partner shall not alter or permit any tenant or other person to alter the Project in any manner which would increase the General Partner’s responsibilities for compliance with the Access Laws without the Consent of the Investor Limited Partner. In connection with any such Consent, the Investor Limited Partner may require a certificate of compliance with the Access Laws from a qualified architect. The Project will be operated in a manner that fully complies with applicable accessibility and barrier-free regulations such that if an enforcement action is brought against the Partnership, the General Partner will use any and all of its own resources to promptly correct recorded deficiencies;
(q) the General Partner shall cause all leases of dwelling units in the Project to contain a provision obligating tenants to notify the Management Agent immediately of any suspected water leaks, moisture problems or mold in dwelling units or common areas of the Project;

ARTICLE V

PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP

5.01 Partners, Capital Contributions and Interests.

(a) The General Partner, its principal office and place of business, its initial Capital Contribution and its Percentage Interest are as follows:

ZP Atascocita Pines Housing, LLC
1730 E. Republic Road, Suite F
Springfield, Missouri 65804

$00.01 00.01%

(b) The Investor Limited Partner, its principal office and place of business, its Capital Contribution and Percentage Interest are as follows:

Raymond James Preservation Opportunities Fund I L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

$99.99 99.99%

5.02 Additional Capital Contributions.

The Partners shall make additional Capital Contributions in such amounts, and at such times, as they shall mutually agree.

ARTICLE VI

CAPITAL ACCOUNTS

6.01 Capital Accounts. A separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Treasury Regulation Section 1.704-1(b)(2)(iv).

6.02 Current Balances. The Partners agree that the current balances of the General Partner and the Investor Limited Partner, in total, are equal to the balances of the assignors of the partnership interests in the Partnership acquired by the General Partner and the Investor Limited Partner, as adjusted, divided among the Partners in accordance with their Percentage Interests.

ARTICLE VII

ALLOCATIONS AND DISTRIBUTIONS

7.01 Allocation of Profit and Loss and Tax Credits.
(a) Profit and Loss shall be allocated to the Partners in accordance with their Percentage Interests.

(b) "Profit" and "Loss" each mean, for each fiscal year of the Partnership or other period, the Partnership's taxable income or loss for such fiscal year or other period, 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), adjusted as follows: (1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss hereunder shall be added to such taxable income or loss; (2) 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 Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; (3) any expenses of the Partnership not deductible for federal income tax purposes and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; and (4) items of income, gain, loss or deduction allocated pursuant to Sections 7.02, 7.04, 7.06 or 7.07 hereof shall be disregarded in determining Profit and Loss. After taking into account the foregoing adjustments to taxable income or loss, if the result is an excess of income and gains over expenses and deductions, the Partnership shall be treated as having "Profit," and if the result is an excess of expenses and deductions over income and gains, the Partnership shall be treated as having "Loss."

(c) Tax Credit shall be allocated to the Partners in accordance with their Percentage Interests.

(d) In the event there is a recapture of Tax Credit previously allocated to the Partners, the responsibility for the recapture of such Tax Credit shall be allocated in accordance with the requirements of the Code and the Treasury Regulations.

7.02 Special Allocations.

(a) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Partner, or any loan between Partner and the Partnership, any income or deduction of the Partnership attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Partner.

(b) In the event that any Operating Deficit Loan is made pursuant to Section 8.08(a), any deductions or losses of the Partnership attributable to the use of those funds shall be specially allocated to the General Partner and any income generated by any principal repayment or by the forgiveness or cancellation of any such loans shall be specially allocated to the General Partner.

(c) In any year in which the General Partner receives an incentive management fee pursuant to Section 7.03, such fee shall be treated as a guaranteed payment. If and to the extent that such fee, for any reason, cannot be treated as a guaranteed payment, then the General Partner shall be allocated an amount of gross income of the Partnership in an amount equal to the incentive management fee.

(d) Depreciation deductions shall be allocated to the Partners in accordance with their Percentage Interests.

(e) Nonrecourse Deductions shall be allocated to the Partners in accordance with their Percentage Interests. Partner Nonrecourse Deductions shall be allocated to the Partners who bear the
economic risk of loss with respect to the liability to which such deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i)(1).

7.03 **Distributions of Net Cash Flow.** Subject to the approval of the Lender, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(a) First, an amount equal to the payment due and owing under Section 8.08(b) shall be distributed to the Investor Limited Partner in satisfaction of such obligation;

(b) next, any other amounts due and owing to the Investor Limited Partner pursuant to this Agreement;

(c) next, repayment of any Partner Loan made by the Investor Limited Partner;

(d) next, an amount equal to the payment necessary to maintain the Operating Reserve Minimum in accordance with Section 8.12;

(e) next, to the payment of amounts due with respect to any Operating Deficit Loan(s) or Partners Loan made by a General Partner until such Loan(s) is repaid;

(f) next, to the Partners in accordance with their respective Percentage Interests until the distributions made under this clause (f) for such fiscal year are equal to the Projected Distributions for such year set forth in the Financial Projections;

(g) finally, 80% to the Investor Limited Partner and 20% to the General Partner as an incentive management fee; provided, however, that the aggregate amount payable to the General Partner for any fiscal year pursuant to this clause (g) cannot be greater than 10% of the aggregate amount distributed for such period pursuant to clauses (f) and (g), and distributions pursuant to this clause (g) shall be reduced accordingly.

Unless otherwise Consented to by the Investor Limited Partner, no Net Cash Flow shall be paid to the General Partner as a return of equity contributed to the Partnership.

The Partnership shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Lender, distribute Net Cash Flow quarterly beginning January 1, 2017, in the manner provided in this Section 7.03; within 30 days of the end of each calendar quarter. For purposes of this Section 7.03, distribution shall be deemed to be made with respect to such quarter even though made after the quarter has ended.

7.04 **Allocation of Gains and Losses.** Gains and losses recognized by the Partnership upon a Capital Transaction, including the sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated in the following manner:

(a) Gains shall be allocated (i) first, to the Partners with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Partners’ respective negative Capital Accounts in the Partnership; provided, that no gain shall be allocated under this Section 7.04(a)(i) to a Partner once such Partner's Capital Account is brought to zero; and (ii) second, gain in excess of the amount allocated under (i) shall be allocated to the Partners in the amount and to the extent necessary to
increase the Partners’ respective Capital Accounts so that the proceeds distributed under Section 7.05(d) will be distributed in accordance with the Partners’ respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Partners’ Capital Accounts; and (ii) second, any remaining loss to the Partners in accordance with the manner in which they bear the economic risk of loss associated with such loss under Section 752 of the Code and the Treasury Regulations promulgated thereunder, or, if none, to the Partners in accordance with their Percentage Interests.

7.05 Distribution of Proceeds from Capital Transactions. Except as may be required under Section 12.03(b), the proceeds resulting from the liquidation of the Partnership assets pursuant to Section 12.03, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to any Loan and all expenses of the Partnership incident to any such sale or refinancing), excluding (1) debts and liabilities of the Partnership to Partners or any Affiliates, and (2) all unpaid fees owing to the General Partner under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the General Partner if the distribution is not pursuant to the liquidation of the Partnership) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates by the Partnership for Partnership obligations, provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Limited Partner or its Affiliates, an amount equal to any amounts owed under this Agreement including, without limitation any amounts owed to the Investor Limited Partner as a result of any Partner Loan made under Section 11.04 and amounts owed under Section 8.08(b)(iii); (ii) amounts due with respect to Operating Deficit Loans; and (iii) any other such debts and liabilities, including, without limitation, any Partner Loan made under Section 8.10;

(d) to the Members in accordance with their Percentage Interests until the Actual Return to the Investor Limited Partner is equal to the Projected Return; and

(e) the balance of such remaining sum, 20% thereof in the aggregate to the General Partner and 80% thereof in the aggregate to the Investor Limited Partner.

7.06 Variation of Allocations to Preserve and Protect Partners’ Intent.

(a) It is the intent of the Partners that each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article VII, the General Partner hereby is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article VII to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article VII would cause the determinations and allocations of each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 7.06 shall be deemed to be a
complete substitute for any allocation otherwise provided for in this Article VII and no amendment of this Agreement or approval of any Partner shall be required.

(b) In making any allocation (the “new allocation”) under Section 7.06(a), the General Partner is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations promulgated thereunder, (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Article VII necessary in order to assure that, either in the then current year or in any preceding year, each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(c) If the General Partner is required by Section 7.06(a) to make any new allocation in a manner less favorable to the Investor Limited Partner than is otherwise provided for in this Article VII, then the General Partner is authorized to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Limited Partner as nearly as possible to the allocations thereof otherwise contemplated by this Article VII.

(d) New allocations made by the General Partner under Section 7.06(a) and Section 7.06(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the General Partner to the Partnership and the Investor Limited Partner, and no such allocation shall give rise to any claim or cause of action by the Investor Limited Partner.

7.07 Regulatory Allocations.

(a) Notwithstanding any other provision of this Agreement, no allocation of loss or deduction (or item thereof) shall be made by the Partnership to a Partner if such allocation would cause or increase a negative Capital Account balance of the Partner otherwise receiving such allocation (excluding the portion of such deficit balances that must be restored to the Partnership upon liquidation by such Partner, if any, and the amount that such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1)(ii) and 1.704-2(i)(5)).

(b) If there is a net decrease in partnership minimum gain (as defined in Treasury Regulation Section 1.704-2(b)(2)) during a Partnership taxable year, each Partner will be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner's share of such decrease, determined under Section 1.704-2(g) of the Treasury Regulations. A Partner shall not be subject to this mandatory allocation of income or gain to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(f)(2)-(5) applies. All allocations pursuant to this Section 7.07(b) shall be in accordance with Treasury Regulation Section 1.704-2(f). This provision is a “minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(f) and shall be construed as such.

(c) If there is a net decrease in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)) during a Partnership taxable year, each Partner shall be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner’s share of such net decrease, determined under Section 1.704-2(i)(4) of the Treasury Regulations. However, in accordance with Section 1.704-2(i)(4) of the Treasury Regulations, the preceding sentence shall not apply to the extent that any of the exceptions provided therein are applicable. All allocations pursuant to this Section 7.07(c) shall be in accordance with Treasury Regulation Section 1.704-2(i)(4).
This provision is a “partner nonrecourse debt minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(i)(4) and shall be construed as such.

(d) In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code) the deficit balance in each such Partner's Capital Account as quickly as possible, provided that an allocation pursuant to this Section 7.07(d) shall be made if and only to the extent that such Partner would have a deficit Capital Account after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.07(d) were not in the Agreement. This provision is a “qualified income offset” within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be construed as such.

(e) 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 to the Partnership upon liquidation, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1)(ii) 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 7.07(e) 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 VII have been tentatively made as if this Section 7.07(e) and Section 7.07(d) were not in the Agreement.

(f) The allocations made pursuant to this Article VII shall be made in accordance with the requirements of Treasury Regulations Sections 1.704-1 and 1.704-2, including the ordering rules of Section 1.704-2(j).

(g) In the event that income, loss or items thereof are allocated to one or more Partners pursuant to this Section 7.07, subsequent income, loss or items thereof shall be allocated (subject to the provisions of this Section 7.07) to the Partners so that, to the extent possible in the judgment of the General Partner, the net amount of allocations to each Partner under this Article VII over the term of the Partnership shall be equal to the amount that would have been allocated had Section 7.07 not been applied.

7.08 Deficit Restoration Obligation. Notwithstanding anything to the contrary contained in this Agreement, the Investor Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Limited Partner’s delivery of a Notice of election to the General Partner no later than the due date of the tax return (determined without regard for extension) for the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that such Investor Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of such Investor Limited Partner’s Interest. This deficit restoration election shall be optional to the Investor Limited Partner and shall not be enforceable by any party.

7.09 Allocations Among General Partners. In the event that there is more than one General Partner, allocations of income, gain, loss, deduction, credit and distribution shall be divided among them in accordance with their Percentage Interests or as they may otherwise agree, but in all events consistent with the requirements of the Code and the regulations thereunder and in a manner that does not affect the allocations to the Investor Limited Partner.
7.10 Accounting and Tax Rules; Tax Effect of Allocations.

(a) All items of income, gain, loss, deduction and credit for all purposes of this Agreement shall be determined in accordance with the accrual accounting method.

(b) In any year in which a Partner sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute partner, the share of all items of income, gain, loss, deduction and credit, all Net Cash Flow, and all cash proceeds distributable under Section 7.05 which are attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee based on the “interim closing of the books” method.

(c) The allocation of all items of income, gain, loss and deduction and credit to any Partner under this Article VII shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such items, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under Section 751 of the Code.

(d) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Ordinary Income Amount") shall be allocated on a dollar for dollar basis to those Partners to whom the items of Partnership deduction or loss giving rise to the Ordinary Income Amount had been previously allocated.

(e) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall be allocated, solely for tax purposes, 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 fair market value. If any Partnership property has been revalued on the books of the Partnership and the Capital Accounts of the Partners adjusted as provided in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, subsequent allocations of income, gain, loss, and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its adjusted book value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Partnership for its allocations actually made or to be made by the Partnership, under Section 704(c) of the Code and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the General Partner, with the Consent of the Investor Limited Partner, in a manner that reasonably reflects the purpose and intention of this Agreement.

(f) If any Partner's Interest in the Partnership is reduced but not eliminated because of the admission of new Partners or otherwise, or if any Partner is treated as receiving any items of property described in Section 751(a) of the Code, the Partner's Interest in such items of Section 751(a) property that was property of the Partnership while such Person was a Partner shall not be reduced, but shall be retained by the Partner so long as the Partner has an Interest in the Partnership and so long as the Partnership has an Interest in such property.

(g) For purposes of determining the Partners' respective shares of "excess nonrecourse liabilities" of the Partnership, within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Partners' interest in profits shall be equal to their Percentage Interests.
The Partners are aware of the income tax consequences of the allocations made pursuant to this Article VII and hereby agree to be bound by the provisions of this Article VII in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

**ARTICLE VIII**

**RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER**

8.01 Management of the Partnership.

(a) Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use best efforts to carry out the purpose of the Partnership. In so doing, the General Partner shall take all actions necessary or appropriate to protect the interests of the Investor Limited Partner and of the Partnership. The General Partner shall devote such time as is necessary to the affairs of the Partnership.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Lender and/or Agency rules and regulations and the provisions of the Project Documents, the General Partner (acting for and on behalf of the Partnership), in extension and not in limitation of the rights and powers given 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 business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Partnership. In furtherance and not in limitation of the foregoing provisions, except as otherwise set forth in this Agreement, the General Partner is specifically authorized and empowered to execute and deliver, on behalf of the Partnership, the Regulatory Agreement, the Extended Use Agreement, the Loan Documents, the Mortgage, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto, as shall be required in connection with the Permanent Financing, including, but not limited to, executing any mortgage, note, 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. Except as otherwise set forth in this Agreement, all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. No person dealing with the General Partner shall be required to determine its authority to make any undertaking on behalf of the Partnership, nor to determine any facts or circumstances bearing upon the existence of such authority.

(c) In the event that there is more than one General Partner, the obligations of the General Partner hereunder shall be the joint and several obligations of each General Partner and the rights and powers of the General Partner hereunder shall be exercised by a majority of them (by number and without regard to their relative interests in the Partnership). In the event that there is an even number of General Partners and there is a deadlock regarding a potential action, any General Partner may call a meeting of the Partners pursuant to Section 16.03 and put the proposed action to a vote of the Partners. Any General Partner shall have the authority to carry out an action approved by a vote of the Partners.

8.02 Limitations Upon the Authority of the General Partner.

(a) The General Partner shall not have any authority to:
(i) perform any act to its knowledge in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, this Agreement or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by the Investor Limited Partner under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) elect, on behalf of the Partnership, the 20-50 Set-Aside Test as the Minimum Set-Aside Test;

(v) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(vi) borrow from the Partnership or commingle Partnership funds with funds of any other Person;

(vii) change the nature of the business or purpose of the Partnership;

(viii) perform any act that would subject a Limited Partner to liability as a General Partner; or

(ix) do any act which would make it impossible to carry on the ordinary business of the Partnership.

(b) The General Partner shall not, without the Consent of the Investor Limited Partner, (which Consent shall not be unreasonably withheld, conditioned or delayed, except for those matters described in (i), (iii), (iv), (v), (vi), (vii), (viii), (ix), (xiii) and (xvii) below for which Consent may be given or withheld in the sole and absolute discretion of the Investor Limited Partner) have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Partnership or any portion of the Land upon which the Project is built or grant easement or dedicate a portion of the Land;

(ii) develop any currently undeveloped portion of the Land upon which the Project is built;

(iii) (A) amend, modify or renew the terms of any material document executed in connection with the Permanent Financing, (B) obtain, or enter into any commitment for, a loan other than the Permanent Financing, or a Partner Loan allowed pursuant to the terms of this Agreement, (C) increase or decrease the amount of any Loan (or make application(s) for such an increase or decrease), or (D) refinance any Loan;

(iv) incur any liability or obligation on behalf of the Partnership other than in the ordinary course of business or borrow in excess of $10,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except borrowings under
Section 8.10 or Section 11.04, and except as and to the extent provided for in an approved budget pursuant to Section 14.04;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) execute or deliver any assignment for the benefit of creditors, file or consent to the filing of a petition in Bankruptcy with respect to the Partnership or file or consent to any plan of reorganization in Bankruptcy or consent to any lifting of the automatic stay;

(vii) replace the Management Agent or substantially modify the terms of the Management Agreement;

(viii) replace the Accountants or change any accounting method or practice of the Partnership;

(ix) construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or make any modification to the capital budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget except (a) repairs, replacements and remodeling under emergency conditions, or (b) reconstruction paid for from insurance proceeds; provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed so long as adequate funds are available from draws from the Replacement Reserve that do not require Investor Limited Partner Consent;

(x) make any modification to the operating budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget; provided, that expenditures for line items of up to 110% of the budgeted amount shall not be deemed to be inconsistent with the budget and, further provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed if the proposed operating expense is reasonably required for the operation of the Project;

(xi) consent to the settlement of any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than the proceedings such as tenant evictions and rent collections in the ordinary course of business);

(xii) initiate any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than tenant eviction or similar tenant proceedings in the ordinary course of business) or confess a judgment against the Partnership in an amount in excess of $10,000;

(xiii) settle any audit with the IRS concerning the adjustment or readjustment of any partnership tax item, extend any statute of limitations, or initiate or settle any judicial review or action concerning the amount or character of any partnership tax item;

(xiv) amend, modify, terminate or renew in any material manner any Project Document;
(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the Project;

(xvi) pledge its Interest or the Partnership’s right to receive Capital Contributions, or otherwise encumber Partnership assets except as may be consented to by the Investor Limited Partner;

(xvii) make, amend, revoke or refrain from making any tax election required of or permitted to be made by the Partnership under the Code;

(xviii) loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other person;

(xix) pay, directly or indirectly, any salary, fees or other compensation to a General Partner or its Affiliates;

(xx) invest assets of the Partnership or cause the Partnership to invest its assets, other than in the Project or in Permitted Temporary Investments; or

(xxi) invest assets of the Partnership, or cause the Partnership to invest its assets, in (i) a security, (ii) a derivative, (iii) a contract of sale of a commodity for future delivery, or (iv) an option on any of the items described in (i), (ii) or (iii) above.

8.03 Management Purposes. In conducting the business of the Partnership, the General Partner shall be bound by the Partnership’s purposes set forth in Article III.

8.04 Delegation of Authority. The General Partner may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve.

8.05 General Partner or Affiliates Dealing with Partnership.

(a) The General Partner or any Affiliate may act as Management Agent on such terms and conditions permitted by any applicable Lender and/or Agency requirements, and may receive compensation at the highest rates approved and permitted by the Lender and Investor Limited Partner at any time not exceeding amounts set forth under Section 8.09(a).

(b) The General Partner or any Affiliates thereof 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 herein, if (i) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Partnership, (ii) the goods or services to be furnished shall be reasonable for and necessary to the Partnership, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Partnership as would be obtainable in an arm’s-length transaction, (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the General Partner or any Affiliate shall be compensated by the Partnership for its services and (v) such contracts and dealings are fully and specifically disclosed to the Investor Limited Partner in writing.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on 30 days’ notice. Any payment made to the General Partner or any Affiliate for such
goods or services shall be fully disclosed to the Investor Limited Partner in the reports required under Section 14.03. Neither the General Partner nor any Affiliate shall, by the making of lump-sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05(c).

8.06 Other Activities. The General Partner’s Affiliates may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions. Neither the General Partner nor any of its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the General Partner pursuant to this Section 8.07 shall not apply in the case of the breach of any express obligation of the General Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as General Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any General Partner or any of its Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by the General Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the General Partner or any breach of fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any personal liability to the General Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the General Partner or Affiliate(s) thereof or on account of the payment thereof).

8.08 General Partner Guaranties and Indemnities.

(a) Operating Deficit Guaranty.

(i) In the event that, at any time, an Operating Deficit shall exist which cannot be funded from the Operating Reserve, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit. Any such funds provided shall be in the form of a loan to the Partnership (the “Operating Deficit Loan(s)”). An Operating Deficit Loan shall be made in accordance with the provisions of Section 8.10; provided, however, that an Operating Deficit Loan shall bear no interest.

(ii) The General Partner shall not be required to advance any amounts as Operating Deficit Loans under this Section 8.08(a) if and to the extent that such advance would cause the balance outstanding as Operating Deficit Loans to exceed $100,000.

(b) Tax Credit Guaranty. If, for any reason, there is a Tax Credit Recapture Event that is due to an event occurring after November 30, 2016:
(i) If the Partnership or the Investor Member has a tax liability in respect thereof in respect of such an event, then the General Partner shall make a Capital Contribution sufficient to pay such tax liability, including any interest and/or penalties thereon, and such contribution shall be used, as applicable, (i) to pay the tax obligation of the Partnership, or (ii) to be distributed to the Investor Limited Partner as a reimbursement of its tax obligation.

(ii) If there is an indemnity obligation to the former partners of the Partnership, the General Partner shall be responsible for such obligation. The General Partner shall pay such reimbursement obligation or shall be responsible for any reimbursement obligation to the provider of an insurance policy or bond obtained by the General Partner.

(c) Environmental Indemnification. The General Partner shall at all times indemnify and hold harmless the Investor Limited Partner against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investor Limited Partner with respect to any remediation costs incurred by the Partnership, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder or on account of any violation of the General Partner’s representations, warranties, covenants or obligations as set forth in Section 4.01(e).

(d) Securities Indemnification. The General Partner will indemnify and hold the Partnership, the Investor, the Investor Limited Partner and the partners, members, or shareholders thereof, and their respective Affiliates and agents, free and harmless from any injury, loss or damage (including, but not by way of limitation, reasonable attorneys’ fees, court costs, and amounts paid in settlement of any claims, which settlement has been mutually agreed to by it and the party against whom such claim has been made) resulting from the claims of any Person with respect to any liability arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 or the laws or regulations of any state or other jurisdiction, which claims are based upon alleged fraud, deceit, or untrue statement or alleged untrue statement of a material fact, or the omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading, with respect to or based upon information furnished or statements made by the General Partner to the Investor Limited Partner, the Investor, their Affiliates or agent(s), in connection with the acquisition by the Investor Limited Partner of its Interest in the Partnership or the offer or sale of interests in the Partnership or in the Investor Limited Partner.

(e) Indemnification for General Partner Actions or Inaction. The General Partner shall defend, indemnify and hold harmless the Partnership and the Investor Limited Partner from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner’s or any designated Affiliate’s gross negligence, intentional misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation, any breach by the General Partner or any designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 4.01 or 4.02 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of the General Partner.
8.09 Management Agent.

(a) Selection of Management Agent. The Partnership, with the approval of the Agency and/or the Lender, if required, shall engage Management Agent or such other person, firm or company as the General Partner may select, and as the Investor Limited Partner may approve, which approval shall not be unreasonably withheld, conditioned or delayed (hereinafter referred to as “Management Agent”) to manage the operation of the Project. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State or through a reputable property management educational organization (such as an Accredited Management Organization designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Lender, if required, but in no event will the annual management fee be greater than 6% of the annual Gross Effective Income. The Management Agent shall be required to prepare monthly accrual-basis operating statements with respect to the Project which statements shall be provided to the General Partner no later than 10 days following the end of each month and which statement shall disclose any event or occurrence with respect to the Project which is asserted by an Authority to be in violation of any federal, state or local statute or regulation. The contract between the Partnership and the Management Agent and the management plan for the Project shall be in a form acceptable to the Agency and/or the Lender, if required, and reasonably acceptable to the Investor Limited Partner; such contract shall have an initial term of 1 year and shall be renewable annually thereafter unless notice of nonrenewal is given by either party not more than 30 days prior to the expiration of the then current term and shall provide, among other things, (i) for termination by the General Partner with no more than 30 days’ notice; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that if the Management Agent is an Affiliate of the General Partner, the Management Agent will accrue 50% of the management fee to the extent necessary at any time to prevent a default under the Permanent Financing or an Operating Deficit; and (iv) other commercially reasonable terms including the provision of a fidelity bond and insurance coverage consistent with the specifications set forth in the Insurance Guidelines. Management Agent is approved by the parties hereto as the initial Management Agent.

(b) Removal of the Management Agent. The General Partner (i) may, upon receiving the Consent of the Investor Limited Partner, not to be unreasonably withheld, conditioned or delayed, and receiving any required approval of any Lender, dismiss or not renew the Management Agent as the entity responsible for the Project under the terms of the contract between the Partnership and the Management Agent, and (ii) shall not renew the contract of the Management Agent if the Investor Limited Partner makes a reasonable request to not renew such contract, and (iii) at the request of the Investor Limited Partner, shall immediately remove the Management Agent in the event that: (1) the Investor Limited Partner has determined to remove the General Partner pursuant to Section 9.04 or has determined that grounds for removal under Section 9.04 exist, or (2) the Management Agent is declared Bankrupt, is dissolved, is insolvent, or makes an assignment for the benefit of its creditors, or (3) for three consecutive months, the actual rental revenue collected in each month is less than 85% of the potential monthly rental revenue (which is defined as posted project monthly rents multiplied by the number of units in the Project), or (4) for three consecutive months, the Partnership is not Current (measured in each case as of the last day of each month), or (5) there has been a default in a Permanent Loan or the occurrence of a Tax Credit Recapture Event, if either event was the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (6) there has been a material default under the Management Agreement that has not been cured within a reasonable time, or (7) the Partnership has been issued a citation or given a similar notice by a government agency of a building code violation that has not been cured in a reasonable time, or (8) the Agency has filed an IRS
Form 8823 with respect to the Project and any noncompliance alleged therein has not been cured in a reasonable time and is the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (9) the Management Agent or any Affiliate thereof has been convicted or plead guilty to a felony, or (10) there is any intentional misconduct by the Management Agent or any negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Partnership and/or any material provision of the Regulatory Agreement and/or the Extended Use Agreement applicable to the Project, or the approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would, in the opinion of counsel to the Investor Limited Partner, be likely to give rise to a Tax Credit Recapture Event.

(c) Replacement of the Management Agent. Upon the termination of the contract with the Management Agent or the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which, if the removed Management Agent was an Affiliate of the General Partner, is not an Affiliate of the General Partner, shall be named by the General Partner, subject to the approval of the Agency and the Lender, if required, and the Consent of the Investor Limited Partner. Notwithstanding anything to the contrary contained herein, in the event there exists a conflict between the terms of this Agreement and that of the Management Agreement, the terms of this Agreement shall control.

8.10 Loans to the Partnership by General Partner or Others. With the prior written Consent of the Investor Limited Partner first obtained (which may be granted or withheld in its sole discretion) in the event that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Partnership may borrow such funds as are needed from any General Partner or other Person or organization, as the General Partner, the Investor Limited Partner and the Lender, if so required, may agree. Unless the Investor Limited Partner and the Lender, if so required, agree otherwise, such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not have a fixed maturity date that is prior to the end of the Compliance Period, (iii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iv) shall be payable solely from the assets of the Partnership (including the proceeds of any claim against the General Partner under this Agreement, including without limitation claims for capital contributions, payments under the Operating Deficit Guaranty and indemnifications) but not from the assets of any Partner, and (v) shall be repaid prior to final maturity as a Partner Loan as provided in Section 7.05, but any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Section 7.05 or 12.01 shall be repaid as provided in Section 7.05.

8.11 Replacement Reserve. A replacement reserve account (the “Replacement Reserve”) with a lending institution acceptable to the Investor Limited Partner has been established and has a current balance of $197,781. The Partnership shall be obligated to make a pro rata payment to the Partnership’s Replacement Reserve each month equal to (on an annualized basis) the greater of (i) the amount required by the Lender and (ii) $350 per unit (the “Reserve Minimum Payment”).
Any interest earned on the Replacement Reserve shall become a part thereof.

Unless otherwise approved by the Investor Limited Partner (and the Lenders if necessary), draws from the Replacement Reserve shall only be used to pay costs with respect to the Project that are capital in nature and result in the production of depreciable assets with a useful life exceeding 2 years. By way of example and not limitation, amounts from the Replacement Reserve may fund replacement of assets such as window treatments, carpeting and appliances but should not be used for interior painting and similar maintenance expenses. The Investor Limited Partner shall receive a copy of any draw from the Replacement Reserve. Except for emergency expenditures necessary for protection of person or property or expenditures that would not cause aggregate draws in any one fiscal year to exceed $10,000, the Investor Limited Partner shall receive such draw in proposed form in advance and the withdrawal from the Replacement Reserve shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

Repairs, replacements or improvements funded from the Replacement Reserve shall be constructed, installed and completed in a workmanlike manner, free and clear from all liens. Evidence of such completion shall be provided to the Investor Limited Partner upon request.

8.12 Operating Reserve

The General Partner shall establish an Operating Reserve (the “Operating Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Operating Reserve shall be funded as of the date hereof in an amount equal to $25,000 from a Capital Contribution of the Investor Limited Partner. Such Operating Reserve shall be maintained for the duration of the term of the Partnership and shall be used to provide working capital and to pay for Operating Deficits incurred by the Partnership; provided however, that all withdrawals from the Operating Reserve that would cause aggregate draws in any one fiscal year to exceed $10,000 shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary contained herein, should the balance in the Operating Reserve fall below $25,000 (the “Operating Reserve Minimum”), distributions shall be made from Net Cash Flow as provided in Section 7.03 on each Payment Date to maintain a minimum balance equal to the Operating Reserve Minimum.

8.13 Capital Expenditure Reserve

The General Partner shall establish a Capital Expenditure Reserve (the “Capital Expenditure Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Capital Expenditure Reserve shall be funded as of the date hereof in an amount equal to $250,000 from a Capital Contribution of the Investor Limited Partner. Such Capital Expenditure Reserve shall be used, along with Replacement Reserves, to make Capital Expenditures with respect to the Project with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

8.14 Options to Purchase/Order Sale

(a) During the period commencing on the end of the Compliance Period for the Project and ending one year later, the General Partner shall have the option to cause an Affiliated Company (defined below) that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a price (the “Purchase Price”) equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which
appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(i) An Affiliated Company shall mean a limited partnership or limited liability company controlled by an Affiliate of the General Partner that will apply for the Housing Tax Credits under Section 42 of the Code or similar subsidy for low- or moderate-income housing; provided, however, that an Affiliate of Raymond James Tax Credit Funds, Inc. is given a right of first refusal to provide equity funding to such entity.

(ii) The Partnership will cooperate with such Affiliated Company to apply for subsidies for low- or moderate-income housing, including without limitation, providing necessary evidence of site control and the Partners agree and understand that such an application may be made prior to the period during which the option can be exercised.

(iii) The option granted under this clause (a) shall terminate in the event of a removal of the General Partner.

(b) If the General Partner has not exercised the option within the one year period described in Section 8.14(a) above, the Investor Limited Partner shall have an option to cause an Affiliate of Raymond James Tax Credit Funds, Inc. that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a Purchase Price equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(c) Notwithstanding the foregoing, at any time after the earlier of (i) the second unsuccessful application for Housing Tax Credits with respect to the Project made after the date hereof, or (ii) the 17th anniversary of the first day of the first taxable year of the applicable Compliance Period, if the General Partner has not exercised the option under (a) above or the Investor Limited Partner has not exercised its right under (b) above, then the Investor Limited Partner may request that the Partnership sell the Project subject to the Extended Use Agreement (a “Continued Compliance Sale”).

(d) After receipt of a request for a Continued Compliance Sale, the General Partner shall use its best efforts to find a third-party purchaser for the Project and to cause the Partnership to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Limited Partner, which terms shall include a purchase price at least equal to the minimum price established in accordance with Section 42(i)(7) of the Code plus any outstanding amounts owed to the Investor Limited Partner pursuant to this Agreement. If a third-party purchaser makes an offer that the Investor Limited Partner is willing to accept, the General Partner shall have the option to acquire the Project on the same terms and conditions offered by the third-party purchaser. If such efforts are not successful on terms reasonably satisfactory to the Investor Limited Partner within 6 months, the Investor Limited Partner shall have the right thereafter to locate a purchaser for the Project. If the Investor Limited Partner locates such a purchaser, then the General Partner shall be obligated to consent to the sale
of the Project subject to the Extended Use Agreement to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Partnership as the best offer, if any, located by the General Partner; provided that the General Partner shall not be required to incur any third-party, out-of-pocket expenses to effectuate such sale.

ARTICLE IX

WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER

9.01 Withdrawal of the General Partner.

(a) A General Partner may not withdraw from the Partnership or sell, transfer or assign or permit the sale, transfer or assignment of its Interest, in whole or in part, nor shall any holder of an interest in a General Partner (directly or indirectly) sell, transfer or otherwise dispose of such interest except with the prior Consent of the Investor Limited Partner, and of the Agency and the Lender, if required. Transfers of interests in the General Partner may not be made without the Consent of the Investor Limited Partner which may be given or withheld in the exercise of its sole discretion, except that Consent shall not be unreasonably withheld if (i) such transfer, when aggregated with all prior transfers made as of the date hereof, represents the transfer of less than 50% of the voting power in the General Partner, and (ii) immediately after such transfer, the Approved Principals, in the aggregate, continue to own more than 50% of the voting power in the General Partner.

(b) In the event that a General Partner withdraws from the Partnership or sells, transfers or assigns its entire Interest in accordance with the provisions of Section 9.01(a), he or it shall be and shall remain liable for all obligations and liabilities incurred by him or it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

9.02 Admission of a Successor or Additional General Partner. A Person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the General Partner or its successor (except pursuant to Sections 9.03 and/or 9.04) and the Investor Limited Partner, and consented to by the Agency, and the Lender, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Project Documents, by executing counterparts thereof, if requested by the Lender or the appropriate party thereto and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and an amended Certificate and, if required, an amendment to this Agreement evidencing the admission of such Person as a General Partner shall have been filed and all other actions required in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, partnership, limited liability company, trust or other entity, it shall have provided the Partnership with evidence satisfactory to Counsel for the Partnership of its authority to become a General Partner, to do business in the State and to be bound by the terms and provisions of this Agreement; and
(d) Counsel for the Partnership shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes.

9.03 Events of Withdrawal of a General Partner.

(a) In the event of the Bankruptcy of a General Partner or the withdrawal, death or dissolution of a General Partner or an adjudication that a General Partner is incompetent (which term shall include, but not be limited to, insanity) the business of the Partnership shall be continued by the other General Partner(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent General Partner is then the sole General Partner, or if such General Partner withdraws from the Partnership in contravention of the provisions of Section 9.01(a), then the Partnership shall be dissolved if and to the extent required by law, unless within 90 days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence, a Majority in Interest of the other Partners elects to designate a successor General Partner and continue the Partnership upon the admission of such successor General Partner to the Partnership.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner and its Interest shall without further action be converted to that of a Class B Limited Partner; provided, however, that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner, such General Partner shall cease to be a General Partner only upon the earlier of (i) the removal of such General Partner and the designation of a successor General Partner in accordance with this Agreement, or (ii) Notice to the Investor Limited Partner of the Bankruptcy of, death, dissolution or declaration of incompetence of such General Partner. Except as set forth above, such conversion of a General Partner Interest to a Class B Limited Partner Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the General Partner’s obligations under Section 8.08 herein) of the Bankrupt, deceased, dissolved or incompetent General Partner existing prior to the Bankruptcy, death, dissolution or incompetence of such person as a General Partner (whether or not such rights, obligations or liabilities were known or had matured). A Class B Limited Partner shall have the economic rights of the General Partner but no management, control, agency or voting rights.

(c) If, at the time of the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, the Bankrupt, deceased, dissolved or incompetent General Partner was not the sole General Partner of the Partnership, the remaining General Partner or General Partners shall immediately (i) give Notice to the Investor Limited Partner of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved or incompetent General Partner and its having ceased to be a General Partner. Such action or actions by the remaining General Partner or General Partners shall, in the event that permission of a bankruptcy court is necessary, be deemed to have been taken subject to Section 9.03(d) below. The remaining General Partner or General Partners are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Partners and the Partnership and to file such documents as may be required to effectuate the provisions of this Section 9.03.

(d) The Partners, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree that in the event a General Partner should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (for purposes of this Section 9.03, the “Bankruptcy Code”), or in the event that any involuntary petition is
filed against a General Partner, then, in such event, any other Partners shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Partner pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent a General Partner from filing for protection under the Bankruptcy Code.

(e) The Partners acknowledge and agree that this Agreement is a contract under which an Investor Limited Partner is excused from accepting performance from a General Partner, its assignee, representative or trustee, in the event that such General Partner makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such General Partner and not dismissed within 90 days. The effect of this paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(c)(2)(A) of the Bankruptcy Code and that the Investor Limited Partner, by its refusal to consent to an assumption or assignment of this Agreement by a General Partner, shall be able to prevent such assumption or assignment.

(f) In the event that a General Partner makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said General Partner, then, in such event, any other Partner may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Partnership has its principal place of business, and the General Partner hereby agrees not to oppose or object to such application or motion in any way.


(a) The Investor Limited Partner, so long as it is a Partner, shall have the right to remove a General Partner (or a Class B Limited Partner whose interest has been converted from that of a General Partner) (i) for any intentional misconduct or failure to exercise reasonable care by such General Partner with respect to any material matter in the discharge of its duties and obligations as General Partner (provided that such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership), or (ii) upon the occurrence of any of the following:

(i) such General Partner shall have violated any material provisions of the Project Documents or other document required in connection with any Loan or any material requirements of the Lender, and/or Agency applicable to the Project (including without limitation, misapplication of any funds drawn under a loan), which violation has not been explicitly waived in writing by the Lender, or the Agency, as applicable, or cured within any applicable cure period;

(ii) such General Partner shall have violated any of its guaranty or indemnity obligations pursuant to Section 8.08, or violated any material provision of applicable law;

(iii) such General Partner shall have violated any material provision of this Agreement (other than its guaranty or indemnity obligations pursuant to Section 8.08) which violation has not been explicitly waived by the Investor Limited Partner, or cured within 10 days (for a monetary default) or 30 days (for a nonmonetary default) after Notice thereof, and such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership;
(iv) a default shall have occurred or with the passage of time is likely to occur or is not likely to be cured under the Permanent Financing, which default is not cured within any applicable cure period;

(v) such 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 Investor Limited Partner to:

(A) cause the termination of the Partnership for federal income tax purposes; or

(B) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation;

(vi) an event of Bankruptcy has occurred with respect to such General Partner and/or a Guarantor thereof;

(vii) such General Partner or Guarantor thereof (or any Decision Maker of either) has been convicted by a court of competent jurisdiction of a felony criminal offense or such General Partner or Guarantor thereof has pleaded guilty to such an offense;

(viii) such General Partner or an Affiliate thereof has committed fraud or engaged in willful misconduct with respect to the Partnership or an Affiliate of the Partnership; or

(ix) such General Partner has misappropriated Partnership funds, has misapplied the proceeds of loan or capital draws for its benefit or that of an Affiliate, has taken unauthorized advances of Partnership funds or has made unauthorized use of tenant security deposits.

Notwithstanding anything to the contrary set forth in this Section 9.04, if the right of the Investor Limited Partner to remove a General Partner is solely due to a Decision Maker’s conviction or guilty plea under Section 9.04(a)(viii) above, the Investor Limited Partner shall not have such removal right if, within 3 days of the conviction or guilty plea by the Decision Maker, the General Partner or Guarantor causes such Person to be removed from his or her position as a Decision Maker of such entity.

(b) The Investor Limited Partner shall give Notice to all Partners of its determination that a General Partner shall be removed. If the Investor Limited Partner has determined to remove a General Partner, such General Partner shall have 10 days after receipt of such Notice to cure any monetary default and 20 days to cure any nonmonetary default or other reason for such removal, in which event it shall remain as General Partner. In the case of a nonmonetary default that cannot reasonably be cured within 20 days, the time for cure shall be extended for a maximum of 40 additional days so long as the effort to cure is begun within such initial 20 day period and pursued diligently thereafter and such default does not place the Project or the Partnership in immediate jeopardy. If, at the end of the applicable cure period, the General Partner has not cured any default or other reason for such removal, it shall cease to be a General Partner and the powers and authorities conferred on it as General Partner under this Agreement shall cease and the Interest of such General Partner shall be transferred to a designee of the Investor Limited Partner which, without further action, shall become a General Partner; in such event, upon becoming a General Partner, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents. Notwithstanding the foregoing, if the event giving rise to
the determination that a General Partner be removed is as set forth in Sections 9.04(a)(vii)-(x) above or if foreclosure action against the Project has begun, then there shall be no opportunity to cure any such default and removal may be effective on the date of Notice. In the event that the Investor Limited Partner has determined to cause itself or its designee to be admitted as General Partner, such admission shall occur on such date as is determined by the Investor Limited Partner, which may be on the date of the Notice to the General Partner (if required) or at any time thereafter.

(c) In the event of removal of a General Partner,

(i) on and after the date of removal, such General Partner shall have no authority to exercise the power of the General Partner under this Agreement or of a manager under the Act and, except as described below, shall not be responsible for the ongoing obligations of the General Partner hereunder, such as the obligations to manage the business of the Partnership, including without limitation the obligations to prepare budgets and reports;

(ii) such General Partner shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner, including but not limited to the obligations and liabilities of the General Partner set forth in Article VII and Sections 8.08 (including amounts owing under Section 8.08 and attributable to the period after removal); provided however, that (A) if amounts otherwise payable to the General Partner (or their respective Affiliates) as fees are applied to meet the obligations of the General Partner as stated in Section 8.08 of this Agreement, such application shall serve to reduce any such liabilities of the General Partner or any successor, (B) the General Partner shall not be liable for any loss or damage to the Partnership or the Investor Limited Partner caused solely by an event occurring after removal of the General Partner;

(iii) the Partnership shall not be obligated to repay any Operating Deficit Loans or Partners Loans made by such General Partner to the Partnership or to pay any accrued but unpaid fees payable to such General Partner or any Affiliate thereof;

(iv) the Partnership may apply any other fee payments owed to such General Partner or its Affiliates to compensate the Partnership and the Investor Limited Partner for damages incurred by the Partnership and the Investor Limited Partner as result of or relating to the events which gave rise to removal of such General Partner and for the reasonable costs and expenses incurred in connection with such removal;

(v) the remaining or successor General Partner shall cause the Partnership to redeem the removed General Partner’s Interest for $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;

(vi) the General Partner shall indemnify the Investor Limited Partner and the Partnership for any and all costs, damages and legal fees incurred by them (individually or collectively) in connection with the removal of such General Partner under Section 9.04 hereof; and

(vii) the Guarantors shall continue to remain liable under the Unconditional Guaranty, except to the extent specifically provided therein.
ARTICLE X

INVESTOR LIMITED PARTNER TRANSFERS

10.01 Transfer of Investor Limited Partner’s Interest.

(a) The Investor Limited Partner may at any time and without the Consent of any other Partner transfer, sell, assign or pledge its Interest to any Affiliate or third party. The Investor Limited Partner or its assignee shall give Notice of such transfer, sale or assignment to the General Partner prior to or within a reasonable time after such transfer, sale or assignment (but no such Notice shall be required in the case of a pledge or collateral assignment by the Investor Limited Partner of its Interest).

(b) The General Partner shall promptly cooperate with any reasonable request by the Investor Limited Partner in connection with the transfer, sale, assignment or pledge of its Interest, including the payment of any transfer taxes due in connection with such a transfer (in all cases but the first transfer of the Interest that results in a transfer tax liability, from funds provided by the Investor Limited Partner or its assignee), and by entering into any amendments to this Agreement or the exhibits hereto that such transferee, purchaser, assignee or pledgee may reasonably request provided that the same do not increase the obligations or restrict the authority of the General Partner, or otherwise materially adversely affect the essential economic or other interests of the Partners hereunder.

(c) The Investor Limited Partner whose Interest is being transferred shall pay such third party, out-of-pocket, reasonable expenses, including legal fees and costs and accounting costs (as the latter relates to any termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code), as may be incurred by the Partnership and the General Partner in connection with such transfer.

(d) Nothing in this Agreement shall limit the authority of an Investor Limited Partner which is an entity to cause or permit the sale, transfer and/or assignment of equity interests within itself, in the sole discretion of that Investor Limited Partner, and no such sale, transfer or assignment shall be deemed to constitute a transfer of the Interest of such Investor Limited Partner for any purpose hereof; provided, however that the Investor Limited Partner shall be obligated to pay reasonable accounting costs incurred by the Partnership in the event of a termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code as a result of such sale, transfer or assignment.

10.02 Rights of Assignee of Interest.

(a) Except as otherwise provided in Section 10.03, an assignment of an Investor Limited Partner’s Interest or a portion thereof shall not entitle the assignee to become a partner of the Partnership, and the assignee shall only be entitled to receive, in accordance with any agreement that it may have with the Investor Limited Partner, all or a portion of the Profits, Losses, items of income, gain, expense, loss or credit, and distributions of the Partnership otherwise allocable to the Investor Limited Partner in respect of such Interest or portion thereof, and the assignee shall not have any other rights of a Partner of the Partnership, under this Agreement or otherwise. For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Partnership, an assignment of the Investor Limited Partner’s Interest shall be effective as of the effective date set forth in the instrument of assignment; provided, however, that neither the Partnership nor the General Partner shall have any liability for any distribution made to the assignor after the effective date of the assignment but prior to receipt by the General Partner of a fully executed copy of the instrument of assignment.
(b) Except as provided in this Article and as required by operation of law, the Partnership shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Limited Partner of its Interest until the Partnership has received actual Notice thereof.

(c) Any Person who is the assignee of all or any portion of an Investor Limited Partner’s Interest, but does not become a Substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article X to the same extent and in the same manner as any Investor Limited Partner desiring to make an assignment of its Interest.

10.03 Admission of Substitute Investor Limited Partner.

(a) Subject to the other provisions of this Article X, an assignee of the Interest of an Investor Limited Partner (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) any Consent of the General Partner required pursuant to this Section 10.03 and any Consent of the Lender and/or the Agency that is required pursuant to the Loan Documents or applicable law shall have been given; any required Consent of the General Partner may be evidenced by the execution by the General Partner of an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner pursuant to the requirements of the Act;

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing an acceptance of assignment, a counterpart of this Agreement or an appropriate amendment hereto, and such other documents or instruments as the General Partner may reasonably require in order to effect the admission of such Person as an Investor Limited Partner;

(iii) an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner shall have been filed for recording pursuant to the requirements to the Act, if required for admission; and

(iv) if the assignee is not a natural person and the General Partner so requests, the assignee shall have provided the General Partner with evidence satisfactory to Counsel for the Partnership of its authority to become an Investor Limited Partner under the terms and provisions of this Agreement.

(b) No assignee of the Interest of the Investor Limited Partner shall be admitted as a Substitute Limited Partner unless either (i) the assignee is an Affiliate of the Investor Limited Partner, or (ii) the General Partner, in its reasonable discretion, shall have Consented thereto, and the Lender, if required, also shall have consented thereto.

(c) The Investor Limited Partner may at any time and without the Consent of any other Partners (but subject, if applicable, to obtaining any required Consent of the Lender) authorize its assignee to be admitted to the Partnership as the Substitute Limited Partner in its place and stead.

(d) The General Partner shall cooperate with the Person seeking to become a Substitute Limited Partner by preparing the documentation required by this Section and making all official filings and publications. The Partnership shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate evidencing the admission of any Person as an Investor Limited Partner.
Investor Limited Partner, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Limited Partner of the conditions contained in this Article X to the admission of such Person as an Investor Limited Partner of the Partnership. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Limited Partner.

10.04 Withdrawal of the Investor Limited Partner. The Investor Limited Partner shall have the right, exercised by giving Notice to the Partnership at any time following the end of the Compliance Period, to withdraw from the Partnership, whereupon the Investor Limited Partner shall cease to be a Partner, shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners and shall forfeit any balance in its Capital Account.

ARTICLE XI

RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER

11.01 Management of the Partnership. No Investor Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Investor Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Investor Limited Partner shall have any power or authority with respect to the Partnership except insofar as the Consent of any Investor Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to limit any right, power or authority of the Investor Limited Partner set forth herein.

11.02 Limitation on Liability of Investor Limited Partner. The liability of each Investor Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Investor Limited Partner be personally liable for any obligations of the Partnership, except as and to the extent provided in the Act. No Investor Limited Partner shall be obligated to make loans to the Partnership.

11.03 Other Activities. Any Investor Limited Partner and any Affiliate thereof may engage in or possess interests in other business ventures of every kind and description for its own account, including without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

11.04 Loans to the Partnership by Investor Limited Partner. In the event that the Investor Limited Partner reasonably determines that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Investor Limited Partner may loan the Partnership such funds as are needed, subject to the approval of any Lender, if so required. Such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iii) shall be payable solely from the assets of the Partnership, including without limitation, the proceeds of any claim against the General Partner under this Agreement such as claims for capital contributions, payments under the Operating Deficit Guaranty and
indemnifications (but shall not be recourse to any Partner and shall not increase the amount of any liability of any Partner to the Partnership or the Investor Limited Partner hereunder), and (iv) shall be repaid prior to its stated maturity date as a Partner Loan to the extent funds are available as set forth in Section 7.03, or with respect to any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01, as provided in Section 7.05. The Investor Limited Partner shall not have a right to make loans pursuant to this Section 11.04 if the funds required by the Partnership are actually provided by the Permanent Financing, or amounts paid under the Operating Deficit Guaranty; however, the right of the Investor Limited Partner to make Partner Loans shall be superior to the right of the General Partner to make or obtain loans under Section 8.10.

11.05 Liability for Acts and Omissions. Neither the Investor Limited Partner nor its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the Investor Limited Partner pursuant to this Section 11.05 shall not apply in the case of the breach of any express obligation of the Investor Limited Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as Investor Limited Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Investor Limited Partner or any of their respective Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by an Investor Limited Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the Investor Limited Partner or any breach of fiduciary duty as Investor Limited Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but no Partner shall have any personal liability to the Investor Limited Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Investor Limited Partner or Affiliate(s) thereof or on account of the payment thereof).

ARTICLE XII

SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the earlier of the expiration of the term of the Partnership, or upon:

(a) the sale or other disposition of all or substantially all of the assets of the Partnership;

(b) the election by the General Partner, with the consent of a Majority in Interest of the other Partners; or

(c) any other event causing the dissolution of the Partnership under the laws of the State unless a Majority in Interest of the Partners (or such greater number as is required by law) elects to continue the Partnership within the period allowed by law.

12.02 Reconstitution of the Partnership. Upon the dissolution of the Partnership pursuant to Section 12.01(c), the parties hereby agree that the Partnership may be reconstituted if a Majority in Interest of the Partners elects to do so and such reconstitution is not prohibited by law. In that
event, the business of the Partnership shall not be wound up, but the assets and liabilities of the Partnership shall, to the extent possible, be transferred to a new partnership formed by a general partner designated by a Majority in Interest of the Partners and governed by this Agreement, with such modifications as the general partner may propose with the approval of a Majority in Interest of the Partners.

12.03 Winding Up and Distribution.

(a) Upon the dissolution of the Partnership pursuant to Section 12.01 (except as provided in Section 12.02), (i) a certificate of cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Partnership business shall be wound up and its assets liquidated as provided in this Section 12.03 and the net proceeds of such liquidation, except as provided in Section 12.03(b) below, shall be distributed in accordance with Section 7.05.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with Section 7.05, and the Partners believe that distributions in accordance with positive Capital Account balances, after allocations of gains and losses pursuant to Section 7.04, will generally effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Partners’ respective Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in Section 7.05, the Liquidator shall, notwithstanding the provisions of Sections 7.02 and 7.04, allocate the Partnership’s gains, profits and losses in a manner that will cause, as nearly as possible in accordance with applicable requirements of the Code and the Treasury Regulations, the Capital Account balances of the Partners to be in the ratios that would allow the distribution of liquidation proceeds to the Partners to be in accordance with Section 7.05. Nevertheless, in all events, distributions in liquidation (after taking into account all pre-liquidation distributions made pursuant to Section 7.03 or 7.05) shall be made in accordance with positive Capital Account balances no later than the end of the taxable year of such liquidation or, if later, within 90 days of such liquidation.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership’s property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

12.04 Obligation of Partners to Restore Deficit. In the event that the Partnership is liquidated within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), if the General Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the General Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). Similarly, in the event the Partnership is so liquidated, if a Class B Limited Partner whose Interest was converted from that of a
General Partner has a deficit balance (after giving effect to all contributions, distributions and allocations), then such Class B Limited Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). In the case where the Investor Limited Partner has made an election under Section 7.08 to be obligated to restore a limited deficit balance, then, in the event that the Partnership is so liquidated, if the Investor Limited Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Investor Limited Partner shall make Capital Contributions in the amount equal to the lesser of (i) such deficit, or (ii) the limited amount the Investor Limited Partner is obligated to restore pursuant to the Notice given under Section 7.08. In all other cases, no Limited Partner shall have any obligation to restore any deficit balance in its Capital Account. The foregoing provisions of this Section 12.04 are intended to satisfy the requirements of Treasury Regulation Section 1.704-1(b)(3) and shall be interpreted consistently therewith.

ARTICLE XIII

BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Partnership, including tenant files and information relating to the status of the Project and information with respect to the sale by the General Partner or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or its duly authorized representative, at any and all reasonable times. Any Partner, or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Partners.

13.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with GAAP, a balance sheet, a profit and loss statement, and a cash flow statement. A full detailed statement shall be furnished to all Partners, showing such assets, properties, and net worth and the profits and losses of the Partnership for the preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership. Notwithstanding anything to the contrary contained herein, the Investor Limited Partner shall have the discretion to dismiss the Accountants for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in this Agreement.

13.04 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or a Limited Partner, the Partnership shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Partnership property if, in the sole opinion of the Investor Limited Partner, such election would be most advantageous to the Investor Limited Partner. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.
13.05 **Fiscal Year and Accounting Method.** The fiscal year of the Partnership shall be the calendar year. All Partnership accounts shall be determined on the accrual basis.

13.06 **Tax Matters Partner.**

(a) The General Partner hereby is designated as the tax matters partner within Section 6231(a)(7) of the Code (the “Tax Matters Partner”) of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in Treasury Regulations promulgated under Section 6231 of the Code, provided that, from and after the date of any event or occurrence described in Section 9.04(a), the Investor Limited Partner shall ipso facto have the authority to act as the Tax Matters Partner of the Partnership unless the Investor Limited Partner shall at any time give Notice to the General Partner that notwithstanding such event or occurrence the Investor Limited Partner directs the General Partner to continue to act as the Tax Matters Partner. Each Partner, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within 5 calendar days after the receipt of any correspondence or communication relating to the Partnership or 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 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.

(c) The Tax Matters Partner shall not without the Consent of the Investor Limited Partner, not to be unreasonably withheld or delayed:

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

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(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) (within the meaning of Section 6231(a)(3) of the Code);

(v) Intervene in any action brought by any other Partners for judicial review of a final adjustment; or
Take any other action not expressly permitted by this Section 13.06 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) 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 Investor 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 Investor 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).

(e) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the General Partner. To the extent that the Partnership does not have sufficient funds to pay such expenses, the General Partner shall have the obligation to provide funds for such purpose. Notwithstanding the foregoing, the provisions on liability and indemnification of the General Partner set forth in Section 8.07 shall be fully applicable to the Tax Matters Partner in its capacity as such.

(f) The Partners acknowledge the amendment of the Code affecting the federal income tax audits of entities, such as the Partnership, that are treated as partnerships for federal income tax purposes, made by the Bipartisan Budget Act of 2015, PL 114-74 (the “2015 Budget Act”), effective January 1, 2018, and agree as follows:

(i) The Partners intend that the General Partner designate itself as the “partnership representative” under Section 6223 of the Code as in effect beginning January 1, 2018, and that the General Partner take any and all action required under the Code or the tax regulations adopted pursuant to Section 7805 of the Code, as in effect from time to time, to designate the “partnership representative.”

(ii) The General Partner, in its capacity as “partnership representative,” shall be bound by the obligations and restrictions imposed on the Tax Matters Partner pursuant to this Section 13.06. By way of example and not limitation, the General Partner shall, within 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 as described in Section 13.06(b)(ii) above, shall not take any of the actions described in Section 13.06(c) above without consent of the Investor Limited Partner, and shall consult with the Investor Limited Partner as to the matters described in Section 13.06(d) above.

(iii) The General Partner, in its capacity as “partnership representative,” shall be entitled to indemnification and reimbursement in the manner, and to the extent, that the Tax Matters Partner would be entitled to indemnification and reimbursement as described in Section 13.06(e) above.

(iv) Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the 2015 Budget Act), the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility
and authority described in this Section 13.06, while conforming with the applicable provisions of the revised partnership audit procedures. The General Partner and the Investor Limited Partner agree to work together in good faith to amend this Agreement if the parties determine that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the “partnership representative.”

(v) The General Partner shall make or not make, or cause the Partnership to make or not make, the following elections applicable under the amendments made by the 2015 Budget Act at the direction of the Investor Limited Partner: (1) the election under Section 6226 to avoid an imputed underpayment by passing through adjustments to the Partners, (2) the election to apply an earlier effective date of the amendments made by the 2015 Budget Act, or (3) the election out of the provisions of Subchapter C of Chapter 63 of the Code, being Sections 6221 et. seq.

ARTICLE XIV
REPORTS

14.01 Tax Returns and Related Reports - Due February 15.

The Partnership's federal income tax returns shall be prepared by the Accountants. No later than February 15 of each year, the General Partner shall furnish the Limited Partners with copies of the completed federal income tax return, including a copy of each Limited Partner's Form K-1, the qualifying occupancy summary, and such supporting schedules as may be reasonably requested by the Limited Partner. The General Partner shall not file any such tax returns until the Investor Limited Partner has advised it that it has reviewed the returns and does not object to the filing of the returns, which review the Investor Limited Partner shall complete not less than 10 days before the due date of the returns. The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in tax returns notwithstanding any review of said tax returns by the Investor Limited Partner.

14.02 Annual Financial Statements - Due March 1.

On or before March 1 of each year, the General Partner shall send to the Investor Limited Partner all of the following with respect to the preceding calendar year, in a form reasonably acceptable to the Investor Limited Partner:

(a) A balance sheet as of the end of the Partnership's fiscal year and statements of operations, Partner's capital (showing separately the capital of the General Partner and each Limited Partner, and showing as separate line items the Partnership's assets that are depreciable over 3, 5, 7, 15, 27.5 and 40 years), and a statement of cash flows and a statement of cash from operations, all for the year then ended, all of which shall be audited and prepared according to GAAP and accompanied by the Accountants' report thereon. Notwithstanding depreciation methods used for tax purposes, the financial statements of the Partnership shall reflect, and the Accountants' report shall state, that the Project is being depreciated for book purposes over a 40 year useful life with respect to real property and over the longest useful life that is consistent with GAAP with respect to personal property, unless otherwise requested by the Investor Limited Partner. The financial statements of the Partnership shall also reflect that, in accordance with Section 7.02(c), amounts paid to the General Partner as incentive management fees shall be treated as deductible to the Partnership or gross income allocable to the General Partner.

(b) The Accountants, or a third-party compliance auditor approved by the Investor Limited Partner, shall provide a separate report on agreed upon procedures for the purposes of verifying that the Project meets IRS compliance rules regarding income certification. The report shall state that
they have chosen at random 20% of the project’s tenant files and performed all of the following agreed upon procedures:

(i) Reviewed the terms of the lease and confirm it is in compliance with Section 42 of the Code and the Treasury Regulations promulgated thereunder;

(ii) Confirm income and asset verification forms are in the tenant file;

(iii) Confirm correct calculation of move-in income and confirm documentation supporting the calculation is in the file;

(iv) Where required, confirm proper annual re-certification of income documentation is in the file;

(v) Confirm proper documentation of student status; and

(vi) Confirm that the rents charged do not exceed limits applicable under Section 42 of the Code and the Treasury Regulations promulgated thereunder.

c) Copies of the Partnership's insurance certificates with endorsements naming the Investor Limited Partner as a person to be given notice of cancellation or premium due.


On or before each January 31 of each year, the General Partner shall prepare and deliver to the Investor Limited Partner a report, in a form provided by the Investor Limited Partner on or about December 1 of the preceding year and in substance reasonably satisfactory to the Investor Limited Partner, addressing such aspects of the business of the Partnership that may reasonably be considered of a material nature. Such reports shall include, but not necessarily be limited to:

(a) Copies of any reports relating to the Project submitted by the Agency to the IRS, the Partnership or the General Partner within the previous twelve months;

(b) The occupancy levels of the Project during the preceding fiscal year;

(c) Maintenance performed or required to be performed and the sources of funds therefore;

(d) If there are any Operating Deficits or anticipated Operating Deficits, the manner in which such deficits will be funded and the actions being taken or proposed by the General Partner to correct any operating difficulties being experienced by the Partnership; and,

(e) A certification from the General Partner that the General Partner and the Partnership are each qualified as a corporation, limited liability company, or limited partnership (as applicable) in the jurisdiction in which each was formed (and is duly qualified in the jurisdiction where the Project is located if not formed in such jurisdiction) and that, as of the date of such certification, each has filed all required annual reports, paid all fees, and paid all franchise taxes due on or prior to the date hereof in such jurisdictions. Evidence of the good standing of the Partnership and the General Partner in such jurisdiction(s) shall be attached thereto.
14.04 **Annual Budgets.**

On or before November 1 of each year, the General Partner shall provide the Investor Limited Partner with (i) an operating budget in form and substance acceptable to the Investor Limited Partner comparing the budgeted income/costs for the following calendar year to the actual income/costs and the budgeted income/costs for the current year, and (ii) a capital expenditures budget in form and substance acceptable to the Investor Limited Partner setting forth the planned capital expenditures to be made in the following calendar year and the source of such expenditures (e.g., operating revenues or draws from the Replacement Reserve). In the event the Investor Limited Partner does not accept any proposed budget submitted hereunder, (i) the Partnership shall continue to operate under the existing approved operating budget and (ii) capital expenditures shall be subject to Investor Limited Partner approval on a case-by-case basis until a new budget is approved by the Investor Limited Partner.

14.05 **Insurance Reports – Annually.**

Upon expiration or cancellation of any insurance policy required to be maintained pursuant to the Insurance Guidelines found in Exhibit C to this Agreement, the General Partner shall provide the Investor Limited Partner with evidence of renewal or replacement of such policy together with copies of endorsements naming the Investor Limited Partner as a person to be given not less than 30 days’ notice of premium due, lapse, expiration, cancellation or non-renewal.

14.06 **Quarterly Financial Statements.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall send to the Investor Limited Partner the following, neither of which need to be audited, but both of which shall be in a form acceptable to the Investor Limited Partner:

(a) An accrual basis balance sheet of the Partnership as of the end of the quarter showing assets and liabilities including working capital and reserve balances; and

(b) A statement of operations of the Partnership on an accrual basis and acceptable to the Investor Limited Partner for the quarter just ended, including without limitation schedules showing aging of accounts payable and accounts receivable.

14.07 **Rent Roll and General Partner Certificate.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall provide the Investor Limited Partner with a rent roll and a certificate in the form attached as Exhibit F hereto. The rent roll should include the following information for all tenants:

Building Number, Unit Number, Number of Bedrooms, Tenant Name or Vacant, Move In Date, Move Out Date (if applicable), Tenant Rent, Gross Rent

If the General Partner is unable to make all of the statements set forth in Exhibit F, he or it shall attach a schedule to the certificate stating which of the statements they are unable to make and describing the actions that are currently being taken to remedy the situation.

14.08 **Monthly Reports.**

The General Partner shall provide, within 30 days after the end of each month, accrual-basis unaudited financial statements that display each month individually and a year to date total.
14.09 **Event Reports.**

As soon as practicable, but no later than 15 days after any one of the following events shall have occurred, the General Partner shall send the Investor Limited Partner a detailed report of such event:

- (a) there is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;

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

- (c) the General Partner has received any notice of a material fact which may substantially affect future Net Cash Flow, including, without limitation, a material casualty loss;

- (d) there occurs an investigated criminal incident at the Project;

- (e) any failure of the Partnership to comply with applicable laws or regulations or the receipt of any written allegation of such a failure from any government agency;

- (f) receipt of an IRS Form 8823 or any notice of any IRS audit of the Partnership; or

- (g) any claim or suit filed against the Partnership or the Project, other than claims or suits involving disputes related to eviction and nonpayment of rent;

- (h) the General Partner has received any notice of any investigation by a governmental authority (including news accounts or other publicity regarding potential investigations), prosecution, conviction or guilty plea of any kind of the General Partner, a Guarantor, or the Management Agent or any Affiliate of any of the foregoing; or

- (i) the General Partner becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation.

14.10 **Other Reports.**

If requested by the Investor Limited Partner, the General Partner will provide the Investor Limited Partner with copies of any other periodic reports provided by the Partnership to the Lenders and such other reports and information relating to the Partnership, the General Partner or the Guarantors as may reasonably be requested by the Investor Limited Partner.

In particular, in the event that the Project is experiencing operating difficulties (for example, Net Operating Income for any three month period is at less than 115% of the Partnership’s annualized Must-pay Debt Service, including without limitation, any Permanent Financing), the Investor Limited Partner shall be entitled to receive monthly information regarding the Project, including without limitation accrual operating and financial statements and rent rolls.

14.11 **Costs of Preparation; Penalties for Late Reports.**

The preparation of all Partnership books, records, accounts and reports will be at the expense of the Partnership.
To the extent that any item described in this Article XIV above is not provided within 10 days after Notice from the Investor Limited Partner that it is overdue, a per day penalty of $100 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to $200 per day thereafter. All penalties shall be paid by the General Partner from their own funds and not funds of the Partnership.

To the extent that the reporting requirements set forth in any of the provisions of this Article XIV are not met, the Investor Limited Partner, in its reasonable discretion, may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the Consent of the Investor Limited Partner; provided, however, that if the General Partner and the Investor Limited Partner cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Limited Partner in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Partnership.

ARTICLE XV
AMENDMENTS

15.01 Amendment by All Partners.

This Agreement may be amended by written agreement of the General Partner and the Investor Limited Partner (and any Special Limited Partner if and to the extent that the rights or obligations of the Special Limited Partner hereunder are affected by such amendment).

15.02 Amendment by Investor Limited Partner Only.

This Agreement may also be amended in a writing executed by all Investor Limited Partners (without the Consent or signature of any General Partner or Special Limited Partner) if (i) such amendment is specifically authorized by the terms of this Agreement (for example, pursuant to Section 7.08), or (ii) the proposed amendment does not affect any obligation or right of the General Partner or Special Limited Partner hereunder and does not reduce any obligation of any Investor Limited Partner (for example, any amendment to allocate voting rights or allocations among two or more Investor Limited Partners). The other Partners shall immediately be provided a copy of any amendment adopted pursuant to this Section 15.02.

ARTICLE XVI
VOTING AND MEETINGS

16.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Partners and received by the General Partner or the Person entitled to receive such Consent at or prior to the doing of the act or thing for which the Consent is solicited.

16.02 Submissions to Investor Limited Partner. The General Partner shall give the Investor Limited Partner Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and Consent of the Investor Limited Partner. Such Notice shall include any information required by the relevant provision or by law.

16.03 Meetings; Submission of Matter for Voting. Subject to the provisions of Section 11.01, the Investor Limited Partner shall have the authority to convene meetings of the Partnership and to submit matters to a vote of the Partners to the extent authority for such matter is not
expressly delegated to the General Partner in this Agreement. The vote of each Partner shall be weighted in accordance with its Percentage Interest and a vote of a Majority in Interest of the Partners shall be binding on the Partnership and the General Partner.

ARTICLE XVII

GENERAL PROVISIONS

17.01 Burden and Benefit. The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

17.02 Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Agreement, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply.

17.03 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.

17.04 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this 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 which are valid.

17.05 Entire Agreement. This Agreement, including the exhibits hereto, sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the governance of the Partnership and the conduct of its Partnership business, and there are no representations, promises, agreements or understandings, oral or written, express or implied, with respect to such governance or business among them other than as set forth or incorporated herein.

17.06 Liability of the Investor Limited Partner. Notwithstanding anything to contrary contained herein, neither the Investor Limited Partner nor any of its members nor any of its partners, general or limited, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Limited Partner under this Agreement and the recourse of the Partnership and the General Partner shall be strictly limited to the Interest of the Investor Limited Partner. In the event that the Investor Limited Partner shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Limited Partner, shall be against the Interest of the Investor Limited Partner and there shall be no recourse liability to the Investor Limited Partner or any of its members or partners for any deficiency.

17.07 Notices. Notices shall be sent to the following addresses or to such new address as may be specified for a Partner pursuant to a Notice given by such Partner to all other Partners:
To the Investor Limited Partner:

Raymond James Preservation Opportunities Fund I L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Email Address: Steve.Kropf@RaymondJames.com
Attention: Steven J. Kropf, President

With copies to:

Brad M. Tomtishen
Nuyen, Tomtishen and Aoun, P.C.
2001 Commonwealth Blvd.
Suite 300
Ann Arbor, Michigan 48105
Email Address: bmt@ntalaw.com

To the General Partner:

ZP Atascocita Pines Housing, LLC
1730 E. Republic Road, Suite F
Springfield, Missouri 65804
Attention: Vaughn C. Zimmerman
Email Address: vzzimmerman@wilhoitproperties.com

With copies to:

Cynthia Bast
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Email Address: cbast@lockelord.com

17.08 Power of Attorney. The Investor Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Partners and the Partnership as shall be legally necessary and sufficient to effect all of the provisions of Section 9.04: provided, however, that the Investor Limited Partner shall not exercise such power of attorney unless the documents necessary to effect such provisions of Section 9.04 has been submitted to the General Partner prior to exercise. The General Partner shall not grant any other power of attorney without the Consent of the Investor Limited Partner.

17.09 Remedies Cumulative; No Waiver. Remedies hereunder shall be cumulative, forbearance in enforcing remedies shall not constitute a waiver of such remedies and waiver by any party for any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

17.10 Interpretation. This Agreement has been negotiated at arms’ 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.

NO FURTHER TEXT ON THIS PAGE
IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Agreement of Limited Partnership of Conroy Partners LP as of the date first written above.

GENERAL PARTNERS:

ZP Atascocita Pines Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member

[Signatures continue on following page]
INVESTOR LIMITED PARTNER:

Raymond James Preservation Opportunities Fund I L.L.C.,
a Florida limited liability company

By: RJPOF I L.L.C.
a Florida limited liability company
Its: Managing Member

By: Raymond James Tax Credit Funds, Inc.
a Florida corporation
Its: Sole Member/Manager

By: [Signature]

Principal Business Address:
880 Carillon Parkway
St. Petersburg, Florida 33716
EXHIBITS

EXHIBIT A. Legal Description of Property
EXHIBIT B. Unconditional Guaranty
EXHIBIT C. Insurance Guidelines
EXHIBIT D. Financial Projections
EXHIBIT E. General Partner Pledge and Security Agreement
EXHIBIT F. Quarterly General Partner Certificate
EXHIBIT G. Affidavit of Non-Foreign Status
EXHIBIT A

DESCRIPTION OF PROPERTY
EXHIBIT B

UNCONDITIONAL GUARANTY
UNCONDITIONAL GUARANTY

This UNCONDITIONAL GUARANTY AGREEMENT (“Guaranty”), dated as of November 30, 2016, is given by ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company (each a “Guarantor”, and collectively the “Guarantors”), for the benefit of Conroy Partners LP, a Texas limited partnership (the “Partnership”) and Raymond James Preservation Opportunities Fund I L.L.C., a Florida limited liability company (the “Investor Limited Partner”), with reference to the following facts:

A. The Partnership has been formed to own and operate that certain Project, as defined in ARTICLE II of the Amended and Restated Agreement of Limited Partnership (the “Partnership Agreement”) dated as of even date herewith. (Capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings specified in the Partnership Agreement.)

B. The Project is intended to constitute a “qualified Low-Income housing project” (as defined in Section 42(g)(1) of the Internal Revenue Code).

C. ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, is the General Partner in the Partnership.

D. Vaughn C. Zimmerman are each direct or indirect members or shareholders of the General Partner and will materially benefit from the transactions described in the Partnership Agreement.

E. The Investor Limited Partner is the sole investor limited partner in the Partnership.

F. As a material inducement to the Investor Limited Partner in entering into the Partnership Agreement, the Guarantors have executed this Guaranty effective concurrently with the Investor Limited Partner’s execution of the Partnership Agreement, which Guarantors expressly acknowledge the Investor Limited Partner would not have executed in the absence of this Guaranty.

NOW, THEREFORE, as a condition precedent to the Investor Limited Partner becoming a limited partner in the Partnership, the undersigned Guarantors hereby agree as follows:

1. Guaranty. Each Guarantor jointly and severally guarantees to the Partnership and the Investor Limited Partner the full and timely performance and payment of all of the obligations of the General Partner under the Partnership Agreement.

2. Payments Due. Any payment pursuant to Section 1 of this Guaranty (“Guaranty Payments”) is due within 10 days of written demand therefor made by the General Partner or the Investor Limited Partner, each of which (acting alone) shall have the authority to make such demand.


3.1 The Partnership and the Investor Limited Partner are the intended beneficiaries of all of the Guarantors’ obligations under this Guaranty and, in the event the Guarantors fail to fulfill any of their obligations hereunder, the Partnership and the Investor Limited Partner shall have direct recourse against any or all of the Guarantors to the extent of such unfulfilled obligations. Either the Partnership or the Investor Limited Partner, acting alone, shall have the right to bring and prosecute a separate action or
actions against any one or more of the Guarantors regardless of whether an action is brought against another Guarantor or whether another Guarantor is joined in any such action(s). Each Guarantor hereby acknowledges and agrees that it shall not be a condition precedent to the enforcement of this Guaranty by the Partnership or the Investor Limited Partner against any Guarantor that recourse first be sought against any other Guarantor, any principal, or pursue any other remedy available to the Partnership or the Investor Limited Partner.

3.2 The respective liability of each of the Guarantors hereunder is absolute and unconditional, and is independent of and not in consideration of or contingent upon the obligations of any other person or entity, whether under this Guaranty or otherwise. No defense of any nature available to the General Partner to any obligation guaranteed by the terms of this Guaranty (other than payment and performance in full) shall excuse any Guarantor from its obligations under this Guaranty; and each Guarantor shall be fully liable hereunder for each of the obligations hereunder even if any obligation of the General Partner under the Partnership Agreement is or becomes unenforceable against the General Partner for any reason, including (without limitation) the bankruptcy of the General Partner.

3.3 Each Guarantor waives the benefit of any statute of limitations affecting such Guarantor’s liability hereunder or the enforcement thereof to the fullest extent permitted by law.

3.4 The obligations of each Guarantor under this Guaranty shall not be impaired by any act or omission to act, with or without notice to the Guarantors or any of them, by the Partnership or the Investor Limited Partner, or by reason of any other circumstance which might otherwise constitute a discharge or defense of a guarantor. Without limiting the foregoing, either the Partnership or the Investor Limited Partner may, from time to time, at its sole discretion and without notice to the Guarantors or any of them, take any or all of the following actions without discharging or in any way impairing any of the obligations of the Guarantors hereunder: (a) retain, obtain, or release a security interest in any property to secure any obligation of the General Partner guaranteed hereunder, any Guaranty Payment hereunder, or any other obligation hereunder; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to the Guarantors, with respect to any Guaranty Payment; or (c) resort to any Guarantor(s) for payment of any Guaranty Payment. The obligations of each Guarantor hereunder shall also be unaffected by: (i) any amendment to or modification of the Partnership Agreement or other Project Documents; (ii) any extensions of time for performance required thereby; (iii) any exculpatory provision in any of Project Documents; or (iv) the release of any party from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Project Documents, whether by agreement of the Partnership or the Investor Limited Partner, error, operation of law, or otherwise.

3.5 No set-off, counterclaim or any defense of any kind or nature which any Guarantor has or may have against the Partnership or the Investor Limited Partner shall limit or in any way affect the obligations of that or any other Guarantor hereunder, except only (a) payment in fact, or (b) the fraud, gross negligence or intentional misconduct of the Investor Limited Partner.

3.6 No delay on the part of the Partnership or the Investor Limited Partner in exercising any right under this Guaranty shall operate as a waiver of such right or any other right of the Partnership or the Investor Limited Partner hereunder; nor shall any delay, omission or waiver on any one occasion be deemed a bar to a waiver of the same or any other right on any future occasion.

3.7 Except where specifically stated herein that funds advanced by a Guarantor shall constitute a loan to the Partnership, all funds made available by any Guarantor to the Partnership pursuant to this Guaranty shall not be reimbursable, shall not be credited to the Capital Account of any Partner, and shall not otherwise change the Interest of any Partner.
3.8 In the event of the removal of a General Partner pursuant to Section 9.04 of the Partnership Agreement, the Guarantors shall remain liable for all obligations of ZP Atascocita Pines Housing, LLC (whether or not removed), but shall not be liable with respect to the obligations of any successor General Partner.

4. **Waivers.** Each of the Guarantors waives notice of the acceptance of this Guaranty, presentment, demand, protest, notice of protest, and notice of dishonor with respect to this Guaranty (but not notice of demand under this Guaranty).

5. **Representations.** Each Guarantor hereby represents and warrants as of the date hereof that:

5.1 Nothing exists to impair the effectiveness of such Guarantor’s liability and obligations hereunder, nor the immediate taking effect of this Guaranty as to such Guarantor.

5.2 This Guaranty is a valid, legal and binding obligation of such Guarantor, subject only to the application of bankruptcy and insolvency laws and general principles of equity.

5.3 It is an entity of the type specified, which is duly formed, validly existing and in good standing under the laws of the State; it is duly qualified to transact business in the State; it has the power to enter into and perform all agreements on its part herein contained; it has been authorized to enter into this Guaranty by all necessary and proper corporate, partnership or other applicable action; the execution and delivery by it of this Guaranty does not, and its performance of the undertakings by it herein contained will not, contravene or constitute a material default under any agreement, indenture, commitment, provision of its applicable organizational documents or other requirements of law to which it is a party or by which it is or may be bound or governed.

5.4 There is no litigation or other proceeding pending or, to the best of the respective Guarantor’s knowledge, threatened against or affecting such Guarantor or any of its properties which, if adversely determined, would have a materially adverse effect on the Guarantor or its financial condition, properties, business, or operations, or which would prevent or interfere with the Guarantor’s entering into this Guaranty or performing its obligations hereunder.

5.5 It is not in default with respect to any order, writ, injunction, decree or other directive of any court or other governmental or regulatory authority having jurisdiction over such Guarantor.

5.6 The financial statements for such Guarantor which have been presented to the Investor Limited Partner in connection with the transactions contemplated herein are true and correct and fairly present the financial condition of such Guarantor for the period covered thereby; there have been no materially adverse changes in such Guarantor’s financial condition since the date(s) thereof; and such Guarantor has not entered into any commitments or contracts which are not reflected therein which may have a materially adverse effect upon that Guarantor’s financial condition, business or operations.

6. **Financial Statements.** Each Guarantor agrees that it will provide to the Investor Limited Partner, within 30 days after the request of the Investor Limited Partner, updated unaudited financial statements, including a balance sheet, an income statement, a statement of changes in financial position, and such other statements as the Investor Limited Partner may reasonably request, prepared in accordance with GAAP, consistently applied, and certified as true and complete, without qualification, by the appropriate financial officer of such Guarantor or, if required by the Investor Limited Partner, by an independent certified public accountant acceptable to the Investor Limited Partner, together with such supporting documentation as the Investor Limited Partner may reasonably request. If audited financial statements are
prepared for any Guarantor for any period, the Guarantor shall furnish a copy of the same to the Investor Limited Partner.

7. **Events of Default.** Each of the following events, after the expiration of any grace period specified with respect thereto without the same having been cured, shall constitute an “Event of Default” hereunder, whatever the reason for the same, and whether it shall be voluntary, involuntary, be effected by operation of law, or be pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

7.1 Failure of the Guarantors, collectively, to make any Guaranty Payment required under Section 2 within 10 days of written demand therefor.

7.2 Default by any Guarantor in the performance or observance of any non-monetary agreement or covenant contained in this Guaranty (other than a covenant or agreement or default in the performance or observance which is elsewhere in this Section 7 specifically addressed) and the continuance of such default for a period of 30 days following written notice from the Partnership or the Investor Limited Partner.

7.3 Any representation or warranty made by any Guarantor under this Guaranty or in any other agreement, report, certificate, financial statement or other instrument referred to herein and furnished to the Partnership or the Investor Limited Partner in connection herewith shall prove incorrect or misleading in any material respect when made or when deemed to have been made or remade.

7.4 The filing by any Guarantor of a petition for the appointment of a trustee with respect to itself or any of its property; or the commencement by any Guarantor of a voluntary case in bankruptcy or insolvency or seeking compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; or the making by any Guarantor of an assignment for the benefit of creditors.

7.5 The failure of any Guarantor to obtain the dismissal, within 90 days after service upon it of any case commenced against such Guarantor (a) for the appointment of a trustee for such entity or person, or any of its property, or (b) in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

7.6 The making, or an attempt to make, by any Guarantor of a fraudulent conveyance within the meaning of the Uniform Fraudulent Conveyances Act.

8. **Remedies.** If an Event of Default shall have occurred and be continuing, either the Partnership or the Investor Limited Partner may proceed hereunder against any Guarantor, with or without exhausting any other remedies either may have, and with or without resorting to any security held by the Partnership or the Investor Limited Partner. This is a guaranty of payment and performance, and not of collection.

9. **Subordination.** So long as any Guarantor has any outstanding or undischarged obligations under this Guaranty, that Guarantor agrees that any and all claims it may have against the General Partner or any other third party with respect to the Partnership is and shall remain subordinated to all claims of the Partnership and the Investor Limited Partner hereunder. Any amounts received by such Guarantor with respect to any such subordinated claims shall be held by the Guarantor as trustee for the Partnership and the Investor Limited Partner on account of the obligations of the Guarantor hereunder and, upon demand, shall be paid over to the Partnership or the Investor Limited Partner, as the Guarantor may be directed.
10. **Attorneys’ Fees.** Following an Event of Default, if it becomes necessary for the Partnership or the Investor Limited Partner to exercise its rights hereunder, whether suit be brought or not, the Guarantors shall be jointly and severally liable for all costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner, including costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner in any bankruptcy proceedings, and in any appellate or post-judgment proceedings. In the further event that the Partnership or the Investor Limited Partner obtains a final judgment against the Guarantors upon this Guaranty, the judgment shall bear interest at the highest rate permitted under applicable law.

11. **Invalidity.** If any of the provisions of this Guaranty, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every other provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

12. **Successors and Assigns.** This Guaranty shall be binding upon any successors of each of the Guarantors, and shall run to the benefit of the Partnership, the Investor Limited Partner, and their respective successors and assigns. Notwithstanding the foregoing, the Guarantors shall not have the right to assign their obligations hereunder without the written consent of the Investor Limited Partner, which consent may be withheld in the sole and absolute discretion of the Investor Limited Partner.

13. **Notices.** All notices, consents, demands, requests, or other communications which may or are required to be given hereunder shall be in writing and shall be sent by overnight courier, or United States mail, registered or certified, return receipt requested, postage and fees fully prepaid, to the Partnership at the address of the Partnership’s principal office, to Investor Limited Partner c/o 880 Carillon Parkway, St. Petersburg, Florida 33716, Attention: Steven J. Kropf, President or at such other address as the Investor Limited Partner may designate by notice to the Guarantors, and to each Guarantor at the address specified next to such Guarantor’s signature hereon with a copy to Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: cbast@lockelord.com). Any party may change its address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the other parties of its new address for such purpose. Actual receipt of any written notice shall constitute notice in all events.

14. **Applicable Law.** This Guaranty shall be construed and enforced in accordance with the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Guaranty, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply. Each Guarantor hereby irrevocably submits and consents to the jurisdiction of the courts of the State of Texas and of the Federal District Court for the Southern District of Texas in connection with any action, suit or other proceeding arising out of or relating to this Guaranty or any action taken or omitted hereunder, and waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to such person at such person’s address for purposes of notices hereunder. Should any party so served fail to appear or answer within the time prescribed by law, that party shall be deemed in default and judgment may be entered against that party for the amount or other relief as demanded in any summons, complaint or other process so served in any such action, suit or proceeding hereunder.

15. **Headings.** Captions and paragraph headings contained herein are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Guaranty.
16. **Entire Agreement.** This Guaranty and the other documents specifically referred to herein contains the entire agreement between the parties hereto with respect to the subject matter hereof, superseding all prior oral and written agreements or understandings with respect thereto and may not be changed, modified, discharged or terminated other than by an agreement in writing signed by the parties hereto.

17. **Jury Trial Waiver.** Each Guarantor, to the extent permitted by law, waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise, between the Partnership, the Investor Limited Partner and the Guarantors, or any of them, arising out of, in connection with, related to, or incidental to the relationship established among the parties in connection with this Guaranty, the Partnership Agreement, or any other agreement or document executed or delivered in connection herewith or the transactions related hereto.

18. **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which together constitute one and the same instrument.

19. **Advice of Counsel.** Each Guarantor represents and acknowledges that it has consulted with legal counsel of its choice regarding the terms, conditions and waivers set forth in this Guaranty, and that its counsel has advised such Guarantor of the true legal consequences of each provision of this Guaranty, including the rights the Guarantor would have in the absence of the waivers contained herein.

[signature page follows]
IN WITNESS WHEREOF, each of the Guarantors has executed and the Partnership and the Investor Limited Partner have acknowledged this Guaranty as of the date first written above.

"Guarantors"

ZP Atascocita Pines Housing, LLC
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC
a Missouri limited liability company
Its: Sole Member

By: [Signature]
Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
Its: Managing Member
Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804
Attention: Vaughn C. Zimmerman
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI )
COUNTY OF Gнасап ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Atascocita Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28 day of November, 2016.

My commission expires: 11/22/2017

[signatures continue on following pages]
STATE OF MISSOURI   
)    ss.
COUNTY OF Greene   
)

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

DIANE HULL
Notary Public
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11.13.2017

By:
Vaughn C. Zimmerman
Address: 1730 East Republic Road, Suite F
Springfield, Missouri 65804
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI   
)    ss.
COUNTY OF Greene   
)

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Justin Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

DIANE HULL
Notary Public
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11.13.2017

[signatures continue on following pages]
STATE OF MISSOURI  
COUNTY OF Greene  

By
Leah Zimmerman
Address:  1730 East Republic Road, Suite F
          Springfield, Missouri 65804
Telephone:  417-883-1632
Email Address:  jzimmerman@wilhoitproperties.com

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared
Leah Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the
foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

DIANE HULL
Notary Public - Notary Seal
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11/23/2019

[signatures continue on following pages]
Zimmerman Properties, LLC
a Missouri limited liability company

By: Zimmerman Investments, L.L.C.
a Missouri limited liability company

Its: Managing Member

By: ____________________________
Vaughn C. Zimmerman, Trustee of the
Vaughn C. Zimmerman Revocable Trust
Under Trust Agreement dated May 5,
1995, as restated

Its: Managing Member

Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804

Telephone: 417-883-1632

Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI           )
                            ) ss.
COUNTY OF Greene          )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C., a Missouri limited liability company, which is the Managing Member of Zimmerman Properties, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28th day of November, 2016.

Notary Public

My commission expires: 11/22/2017

[signatures continue on following page]
STATE OF MISSOURI  
COUNTY OF  

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, as Trustee of Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28th day of November, 2016.

[signatures continue on following pages]

My commission expires: 11/30/2017
Zimmerman Investments, L.L.C.  
a Missouri limited liability company

By:  

Vaughn C. Zimmerman, Trustee of the 
Vaughn C. Zimmerman Revocable Trust 
Under Trust Agreement dated May 5, 
1995, as restated

Its: Managing Member
Address: 1730 E. Republic Road, Suite F 
Springfield, Missouri 65804
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI  
COUNTY OF Greene  

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared  
Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement 
dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C. a 
Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing 
instrument. Witness my hand and notarial seal this 28th day of November, 2016.

Diane Hull
Notary Public

My commission expires: November 22, 2021
EXHIBIT C

INSURANCE GUIDELINES

REQUIREMENTS FOR ALL POLICIES

*Conroy Partners LP* must be the sole named insured.  (Umbrella Liability Policy may include multiple entities as the named insured)

*Raymond James Preservation Opportunities Fund I L.L.C.* and its successors and assigns must be named as an additional insured.

*Raymond James Preservation Opportunities Fund I L.L.C.* must be named as a certificate holder. All evidences of insurance, certificates of insurance, binders, and Notices shall be addressed and forwarded to:

Raymond James Tax Credit Funds, Inc.
Attention: Insurance Liaison
880 Carillon Parkway
St. Petersburg, Florida 33716

The insurer writing the policy must have a general policy rating of at least “A-” and a financial performance index rating of at least VII or better from Best’s Key Rating Guide. Policies for Management Agent Liability and Workmen’s Compensation Insurance may have a performance index rating of at least VI or better from Best’s Key Rating Guide.

Evidence of Insurance must be issued on ACORD Form 25, 27 or 28.

The current policy term must not expire until a minimum of 30 days post closing.

Raymond James Tax Credit Funds, Inc. must receive 30-day notice of cancellation of the policy. Additionally, the words “endeavor to” and “but failure to” are to be deleted from the language regarding notice of cancellation.
PARTNERSHIP RELATED COVERAGE

For All Properties

LIABILITY RELATED COVERAGE

Coverage required:

Partnership Commercial General Liability insurance in an amount no less than $1,000,000 per occurrence and $2,000,000 in aggregate, with an additional Umbrella/Excess form of liability coverage in the amount of $5,000,000. Maximum deductible of $10,000.

The policy shall have a waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism.”

PERMANENT PROPERTY INSURANCE

Permanent Property Insurance shall be provided for all existing improvements.

Coverage required:

“All Risks” form of blanket property insurance including windstorm coverage (including hurricane and hail) covering all real and personal property. Such insurance shall be written on a Replacement Cost Basis and shall include an Agreed Amount Clause or Waiver of Coinsurance. The amount of insurance shall be the full insurable replacement cost of the property with the Declared Building Value shown on the certificate in the amount equal to or greater than the replacement costs of all improvements. Ordinance and Building Laws Endorsement shall be included for all Projects. Policy should include the A, B, & C coverages with B & C at a coverage amount no less than 10% of replacement cost. Deductible not to exceed 1) $5,000 for properties less than 81 units, 2) $10,000 for properties 81 units or more. Boiler and Machinery Coverage – only if applicable to the property. Waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism”. All Property Insurance shall permit waiver of subrogation by the Insured prior to loss.

RENTAL LOSS INSURANCE

Rental Loss Insurance shall be provided for all properties.

Blanket coverage in the amount of at least twelve (12) months rental income at full occupancy.

FLOOD INSURANCE

If the Project is in Flood Zone A, V or D, flood insurance coverage must be provided for all improvements within the flood zone.

Coverage of 100% of full replacement costs with a maximum deductible of 2% of Total Insured Value per building.
SEISMIC / EARTHQUAKE INSURANCE

If the property is located in seismic zone 3 or above per the designation by the 1997 Uniform Building Code Map, it is required that a qualified engineer perform a Probable Maximum Loss Study (PML). Assuming a 475-year cycle for a 90% Total Loss factor. PML ratings of less than 19.99% do not require insurance. PML ratings between 20.00% and 29.99% require insurance. PML ratings above 29.99% may not be acceptable investments and must be discussed with the Raymond James Tax Credit Funds, Inc. representative.

Seismic/Earthquake Insurance shall be provided for all improvements on properties if required as noted above. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

SINKHOLE / MINE SUBSIDENCE INSURANCE

Required if the property is in an area prone to sinkholes or mines as determined by the Geotechnical engineer or local municipality.

Sinkhole / Mine Subsidence Insurance shall be provided for all improvements. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

MANAGEMENT AGENT

Management Company Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under management.

Coverage required:

Except as provided below, the Management Agent shall maintain and provide evidence of insurance for:

1. Commercial General Liability including Umbrella/Excess form of liability coverage in an amount no less than $1,000,000.

2. Fidelity Bond in an amount no less than an amount equal to two-months gross rental income written with a company reasonably acceptable to the Partnership, provided the purchase of the Fidelity Bond in the required amount is commercially reasonable.

3. Automobile Liability Insurance covering owned, hired and non-owned autos for limits no less than $1,000,000 per occurrence for bodily injury, property damage and physical damage (collision and comprehensive), naming the Partnership and the Fund as additional insured’s under such policy for vehicles used exclusively for the Property.

4. Workers’ Compensation Insurance, to the extent of the statutory limits required by applicable law, and Employer’s Liability Insurance in the minimum amount of $500,000.

Management Agent shall cause all contractors, sub-contractors and suppliers performing work or providing supplies to maintain insurance coverage at such parties’ expense in the following amounts, as statutorily required, or as listed below whichever is greater:
• Worker’s Compensation – Statutory Amount;

• Employer’s Liability (if required) - $1,000,000 minimum;

• Comprehensive General Liability including contractual liability in the following minimum amounts:
  1. $500,000 bodily injury per person $2,000,000 per occurrence; and
  2. $1,000,000 combined single limit;

• Business Auto Liability - $1,000,000 bodily injury and property damage combined single limit, per accident, to cover all owned, leased, hired or non-owned vehicles.
ADDITIONAL PARTNERSHIP RELATED COVERAGES
During any Period of Renovation

The following coverages are for all properties undergoing renovation and are in addition to coverages applicable to all properties.

**BUILDER’S RISK**

Builder’s Risk Insurance shall be provided for all properties with construction activity. Insurance can be waived if permanent property insurance coverage includes construction activities.

Coverage required shall be:

- "Risks of direct physical loss"
- Agreed Amount.
- Non-Reporting, completed value form.
- 100% of the replacement value of the completed project.
- Cover all buildings machinery, equipment, supplies, temporary structures and all other property of any nature which is to be used in fabrication, erection, installation and completion of the project until it is completed and accepted by the Owner.
- Cover “resulting” loss or damage, the expense for debris removal and provide permission by the insurer for occupancy and use of the premises.
- Maximum deductible up to $10,000.

If in Flood Zone A, V or D, flood coverage must be provided either with Builder’s Risk policy or separate flood insurance.

**GENERAL CONTRACTOR**

General Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

The General Contractor shall provide Commercial General Liability insurance covering claims arising out of Contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, and “XCU” property when appropriate. The amount of liability insurance shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage. Automobile liability coverage (including coverage for liability assumed under any contract in the minimum amount of $1,000,000), and Workers’ Compensation and Employers’ Liability coverage (per statutory requirements by applicable law with a minimum floor of $500,000).
PRIME CONTRACTORS

Prime Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

1. Each prime contractor (other than the General Contractor) having a direct contract with the lower tier Partnership shall maintain Commercial General Liability insurance covering claims for bodily injury and property damage arising out of (i) contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, “xcu” property damage if hazard exists.

   The amount of liability insurance including Umbrella Liability shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage.

2. Automobile Liability (including coverage for liability assumed under contract with a minimum coverage of $1,000,000).

3. Workers’ Compensation and Employers’ Liability (per statutory requirements by applicable law with a minimum floor of $500,000).

ARCHITECT

Architects and Engineers Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $300,000.

ENVIRONMENTAL CONSULTANT

Environmental Consultant’s Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $2,000,000.
EXHIBIT D
FINANCIAL PROJECTIONS

Attached are the Financial Projections dated November 30, 2016 that are hereby approved by the General Partner and the Investor Limited Partner and are comprised of the following schedules: 3

3 RJTCF to provide in Excel format, tables to be copied into Word so they can be edited and blacklined.
I.
EXHIBIT E

GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT
GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT

This GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT (this “Agreement”), made as of November 30, 2016, by ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas (“Pledgor”), having an office at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804, for the benefit of Raymond James Preservation Opportunities Fund I L.L.C., a Florida limited liability company (the “Investor Limited Partner”) its successors and/or assigns, (“Pledgee”), having an office at 880 Carillon Parkway, St. Petersburg, Florida 33716.

Recitals

WHEREAS, Pledgor is the General Partner in Conroy Partners LP, a Texas limited partnership (the “Partnership”), and the Partnership is governed by its Amended and Restated Agreement of Limited Partnership dated as of even date herewith (the “Partnership Agreement”) (capitalized terms not otherwise defined herein shall have the definitions given them in the Partnership Agreement).

WHEREAS, Pledgee is a limited partner of the Partnership; and

WHEREAS, in order to secure the full payment and performance by Pledgor of all of Pledgor’s obligations, duties, expenses and liabilities under or in connection with the Partnership Agreement as such Partnership Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities under and in connection with the Partnership Agreement and all other sums of any kind which may or shall become due thereunder are collectively referred to herein as the “Obligations”), Pledgor is entering into this Agreement for the benefit of Pledgee.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Definitions.

(a) “Collateral” shall mean:

(i) All of Pledgor’s right, title and interest in the Partnership, whether now owned or hereafter acquired, including, without limitation, its partnership interest in the Partnership and its right to receive distributions, allocations and payments under the Partnership Agreement, as such Partnership Agreement may be modified from time to time with the consent of the Pledgee;

(ii) All fees and charges to be paid by the Partnership to the Pledgor, whether now owned or hereafter acquired, whether arising under the Partnership Agreement or otherwise;

(iii) All indebtedness of the Partnership to Pledgor of any kind or description, including without limitation, Pledgor’s right to receive payment of Partners Loans or other loans to the Partnership;

(iv) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.
2. **Pledge of Collateral and Grant of Security Interest.** Pledgor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Pledgee, its successors and assigns, as security for Pledgor’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Missouri in the Collateral. Pledgor hereby further grants to the Pledgee all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State of Missouri\(^4\) (being the principal place of business of Pledgor and the location of Pledgor’s chief executive office) and, concurrently herewith, shall deliver to Pledgee UCC-1 Financing Statements suitable for filing in the State of Missouri with respect to the Collateral and agrees, upon request, to deliver any other documents which Pledgee may reasonably request with respect thereto.

3. **Delivery to Pledgee.**

   (a) Pledgor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effect the conveyance, transfer, and grant to Pledgee of each and all of Pledgor’s right, title and interest in and to the Collateral as security for the Obligations.

   (b) If required by Pledgee, Pledgor agrees and covenants to execute an amendment to the Partnership Agreement in such form as Pledgee may require to reflect the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership. Pledgor further agrees to execute and to cause the other partners of the Partnership (other than the Pledgee) to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Pledgee of all of Pledgor’s right, title and interest in and to the Collateral and to evidence the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership.

4. **Proceeds and Products of the Collateral.**

   (a) Unless and until there occurs an Event of Default, Pledgee agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Pledger shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Pledgor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Pledgor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

   (b) Pledgor acknowledges and agrees with the Pledgee, that, unless Pledgee otherwise consents, in Pledgee’s sole discretion, Pledgor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time after (i) the occurrence of an Event of Default, and (ii) delivery of Notice from the Pledgee instructing Pledgor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Pledgor shall exercise any such right it may have under the Partnership Agreement with respect to the business affairs of the Partnership as is reasonably necessary to protect and preserve the Collateral.

   (c) Upon or at any time after the occurrence of an Event of Default, Pledgee, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this

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\(^4\) Use caution that the state designated here is the state of formation of the Pledgor.
Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Pledgee. Upon the giving of any such Notice, the security constituted by this Agreement shall become immediately enforceable by the Pledgee, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Pledgor. Pledgor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of Notice from Pledgee of an Event of Default by Pledgor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Pledgee, at such address as Pledgee may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Pledgor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such Notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Pledgee and shall have no liability to Pledgor for any loss or damage Pledgor may incur by reason of said reliance.

5. **No Assumption.** Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Pledgee elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Pledgee of any of Pledgor’s right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Pledgor from any obligor of the Collateral, nor Pledgee’s foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Pledgee to assume any of Pledgor’s obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the “Pledgor’s Liabilities”), unless Pledgee otherwise agrees to assume any or all of Pledgor’s Liabilities in writing. In the event of foreclosure by Pledgee of its security interest in the Collateral, Pledgor shall remain bound and obligated to perform its Pledgor’s Liabilities and Pledgee shall not be deemed to have assumed any of Pledgor’s Liabilities, except as provided in the preceding sentence. In the event the entity or person acquiring the Collateral at a foreclosure sale elects to assume Pledgor’s Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. **Indemnification.** Pledgor hereby agrees to indemnify, defend and hold Pledgee, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that Pledgee or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Pledgor’s right, title and interest in and to any or all of the Collateral.

7. **Representations; Warranties and Covenants.** In addition to the representations made by Pledgor in the Partnership Agreement, Pledgor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Pledgee, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Pledgor owns the Collateral free and clear of any claim, lien or encumbrance.

(b) Pledgor has delivered to Pledgee true and complete copies of the Partnership Agreement, and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Pledgee in writing.
(c) Pledgor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Pledgor shall not, without the prior written consent of Pledgee, which consent may be granted or denied in Pledgee’s sole reasonable discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Pledgor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Pledgee and persons claiming through Pledgee), and (ii) maintain and preserve the Collateral and such security interests.

(d) Pledgor ZP Atascocita Pines Housing, LLC’s Employer Identification Number is 81-2840404, and its principal place of business is located at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

(e) Pledgor agrees that it shall not, without at least 30 days’ prior Notice to Pledgee, move or otherwise change its principal place of business.

(f) Pledgor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Pledgor to violate or contravene, any provision of this Agreement.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:

(a) An Event of Default that is grounds for removal under Section 9.04 of the Partnership Agreement, and such default shall not have been cured within any applicable cure period provided therein; or

(b) Any warranty, representation or statement of the Pledgor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within 15 days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein shall have occurred, which is not cured within 10 days after Notice has been given to Pledgor by Pledgee.

Any Event of Default under this Agreement shall be an Event of Default by Pledgor under the Partnership Agreement.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Pledgee may by giving Notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and
(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to the Pledgor; and

(iii) Either personally, or by means of a court-appointed receiver, take possession of all or any of the Collateral and exclude therefrom Pledgor and all others claiming under Pledgor, and thereafter exercise all rights and powers of Pledgor with respect to the Collateral or any part thereof. In the event Pledgee demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Pledgor promises and agrees to promptly turn over and deliver complete possession thereof to Pledgee; and

(iv) Without Notice to or demand upon Pledgor, make such payments and do such acts as Pledgee may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Pledgor to take all reasonable actions necessary to deliver such Collateral to Pledgee, or an agent or representative designated by it. Pledgee, and its agents and representatives, shall have the right to enter upon any or all of Pledgor’s premises and property to exercise Pledgee’s rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Pledgee by the Partnership Agreement, or in any other document executed by Pledgor in connection with the Obligations secured hereby, either concurrently or in such order as Pledgee may determine; and sell or cause to be sold in such order as Pledgee may determine, as a whole or in such parcels as Pledgee may determine, the Collateral, without affecting in any way the rights or remedies to which Pledgee may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Pledgee may determine. Pledgee may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the State of Missouri or any other applicable law; and

(ix) Exercise any remedies available to Pledgee under the Partnership Agreement, including, but not limited to, the removal of the Pledgor as a General Partner of the Partnership and exercise of any rights of offset in favor of the Pledgee as a General Partner of the Partnership; and

(x) Notwithstanding anything to the contrary contained in this Agreement at any time after an Event of Default, the Pledgee may, by delivering Notice to the Partnership and to the Pledgor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to Partnership matters) as a General Partner of the Partnership in respect of the Collateral. The Pledgor hereby irrevocably authorizes and directs the Partnership on receipt of any such Notice (a) to deem and treat the Pledgee or such nominee or designee in all respects as a General Partner (and not merely an assignee of a General Partner) of the Partnership, entitled to
exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Partnership matters pursuant to the Partnership Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Pledgor would have been entitled had the Collateral not been transferred to the Pledgee or such nominee or designee), and (b) to file an amended certificate of limited partnership, if required, admitting the Pledgee or such nominee or designee as General Partner of the Partnership in place of Pledgor; and

(xi) The rights granted to the Pledgee under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach not otherwise cured by Pledgor of any of Pledgor’s covenants, agreements or obligations under this Agreement will cause the Pledgee irreparable injury and damage. In the event of any such breach, the Pledgee shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Pledgor. The Pledgee is absolutely and irrevocably authorized and empowered by Pledgor to demand specific performance of each of the covenants and agreements of Pledgor in this Agreement. Pledgor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Pledgor as a bar to the remedy of specific performance in any action brought by the Pledgee against Pledgor to enforce any of the covenants or agreements of Pledgor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Pledgee shall give Pledgor at least 10 days’ prior Notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such Notice shall be conclusively deemed to have been delivered to Pledgor at the address set forth in paragraph 7(d) of this Agreement, unless Pledgor shall notify Pledgee in writing of its change of its principal place of business and provide Pledgee with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(vi) and (vii) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Pledgor in a lump sum, without recourse to Pledgee, or as a court or competent jurisdiction may direct.

(d) Pledgee shall have the right to enforce one or more remedies hereunder under this Agreement and under the Partnership Agreement, successively or concurrently, and such action shall not operate to estop or prevent Pledgee from pursuing any further remedy which it may have, and any
repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Pledgor until full payment of any deficiency has been made in cash.

(e) PLEDGOR ACKNOWLEDGES THAT PLEDGEE MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RE SALE THEREOF. PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIAL MANNER AND THAT PLEDGEE HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. PLEDGOR AGREES THAT PLEDGEE SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS PLEDGEE DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIAL MANNER. IN ADDITION, PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS PLEDGEE MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF PLEDGOR SET FORTH IN THIS PARAGRAPH.

10. **Attorneys Fees.** Pledgor agrees to pay to Pledgee, without demand, reasonable and actual attorneys’ fees and all costs and other expenses which Pledgee expends or incurs in collecting any amounts payable by Pledgor hereunder or in enforcing this Agreement against Pledgor whether or not suit is filed.

11. **Further Documentation.** Pledgor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Pledgee.

12. **Waiver and Estoppel.** Pledgor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Pledgor or the failure to file or enforce a claim against Pledgor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Pledgee which destroys or otherwise impairs any or all of the Collateral; (d) the right of Pledgor to proceed against Pledgee or any other person, for reimbursement; and (e) all duty or obligation of the Pledgee to perfect, protect, retain or enforce any security for the payment of amounts payable by Pledgor hereunder.

**TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.**
No delay or failure on the part of Pledgee in the exercise of any right or remedy against Pledgor or any other party against whom Pledgee may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Pledgee of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Partnership Agreement. No waiver of the rights of Pledgee hereunder or in connection herewith and no release of Pledgor shall be effective unless in writing executed by Pledgee. No actions of Pledgee permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. **Independent Obligations.** The obligations of Pledgor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Pledgee against Pledgor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Pledgee is involved in any proceedings and whether or not the Pledgee or the Pledgor or other person is joined in any action or proceedings.

14. **No Offset Rights of Pledgor.** No lawful act of commission or omission of any kind or at any time upon the part of Pledgor shall in any way affect or impair the rights of the Pledgee to enforce any right, power or benefit under this Agreement, and no set-off recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Pledgor has or may have against Pledgee or against any other party shall be available against Pledgee in any suit or action brought by Pledgee to enforce any right, power or benefit under this Agreement.

15. **Power of Attorney.** Pledgor hereby appoints Pledgee as its attorney-in-fact to execute and file, effective upon the occurrence of an Event of Default, on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Pledgee of its rights under this Paragraph 15 will not be deemed a satisfaction of any amounts owed Pledgee unless Pledgee so elects.

16. **GOVERNING LAW.** THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY, AND ALL CLAIMS RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR THE BREACH THEREOF, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, SHALL LIKewise BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY. SUCH PARTIES FURTHER AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURT REGARDLESS OF THEIR RESIDENCE OR WHERE THIS AGREEMENT MAY BE EXECUTED.

17. **Successors and Assigns.** All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.
18. **Notices.** Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by email to the parties at the addresses shown throughout this Agreement (with confirmation of receipt) or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Pledgee, a copy of such notice shall also be given to Pledgee’s counsel, Nuyen, Tomtishen and Aoun, P.C., 2001 Commonwealth Blvd, Suite 300, Ann Arbor, Michigan 48105, Attention: Brad M. Tomtishen, bmt@ntalaw.com. If notice is sent to Pledgor, a copy of such notice shall also be given to Pledgor’s counsel, Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: clbast@lockelord.com).

Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; Notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

19. **Consent of Pledgor.** Pledgor consents to the exercise by Pledgee of any rights of Pledgor in accordance with the provisions of this Agreement.

20. **Severability.** Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, and the Collateral shall be released from any lien hereunder, upon the earlier to occur of the performance in full of the Obligations of the Pledgor or upon the mutual written consent of Pledgor and the Pledgee. Pledgor and Pledgee shall cooperate in the preparation and filing of all required documents to terminate all UCC-1s that have been filed with respect to the security interest under this Agreement.

23. **Expenses.** Pledgor shall pay all reasonable out-of-pocket fees and charges incurred by Pledgee in connection with this Agreement and the transaction contemplated by this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys’ fees incurred by Pledgee.

[signature page follows]
IN WITNESS WHEREOF, the undersigned Pledgor has executed this General Partner Pledge and Security Agreement as of the date first above written.

PLEDGOR

ZP Atascocita Pines Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
   a Missouri limited liability company
   Its: Sole Member

By: Zimmerman Investments, LLC
   a Missouri limited liability company
   Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
   Its: Managing Member

Email: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI )
COUNTY OF Greene ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Atascocita Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28 day of November, 2016.

Notary Public

My commission expires: 11/22/2017
EXHIBIT F
QUARTERLY GENERAL PARTNER CERTIFICATE

Partnership Name: Conroy Partners LP

City/State: Harris County, Texas

For the Projects listed on the attached schedule,

_____ Yes - All of the statements listed below are true and correct.

_____ No - One or more of the statements listed below are not true and correct

If I have checked "No," I have attached a schedule stating which Project and which statement is not true and correct and describing the action the General Partner is taking, or has taken, to remedy the situation.

1. There are no significant conditions that threaten the continued successful operation of the Project – e.g., operational, physical or financial issues, casualty loss, Form 8823’s or other notices of non-compliance, delinquent real estate or other taxes, policies of insurance not being in full force and effect, receipt of notice of cancellation or non-renewal of any Project insurance policy, etc.

2. The Project is in material compliance with the provisions of the Extended Use Agreement, any Regulatory Agreement, Section 42 requirements, and tenant set asides for specific groups.

3. The Partnership is not in default under any loan, loan agreement, or any other material agreement, including any agreement with any Authority.

4. No material legal action has been instituted or threatened against either the Partnership, or a General Partner.

5. There has been no change in the financial condition of a General Partner that would adversely affect its ability to fulfill its obligations to the Partnership.

6. Neither the Partnership, a General Partner, nor any Affiliate of a General Partner has received notice that he or it is the subject of an investigation by any federal or state agency having jurisdiction over the Project.

7. The Partnership does not own, and has not owned, any financial asset other than Permitted Temporary Investments.

ZP Atascocita Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC, a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC, a Missouri limited liability company
Its: Sole Member

By: __________________________
Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
Its: Managing Member

Dated: __________________________
EXHIBIT G

AFFIDAVIT OF NON-FOREIGN STATUS
(Entity General Partner/Investor Limited Partner)
AFFIDAVIT OF NON-FOREIGN STATUS  
(Entitize General Partner/Investor Limited Partner)

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon the disposition of a U.S. real property interest by Conroy Partners LP, a Texas limited partnership, the undersigned hereby certifies the following on behalf of ZP Atascocita Pines Housing, LLC (the “Company”):

1. He is the Trustee of the Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of the Company.

2. The Company 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).

3. The Company’s U.S. employer identification number is 81-2840404.

4. The Company’s office address is: 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

5. The address or description of the property is: See Exhibit “A” attached hereto and made a part hereof.

The undersigned 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 the Company.

[signature on following page]
ZP Atascocita Pines Housing, LLC  
a Missouri limited liability company authorized to 
transact business in Texas

By: Zimmerman Properties, LLC  
a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC  
a Missouri limited liability company
Its: Sole Member

By: ___________________________  
Vaughn C. Zimmerman, Trustee of Vaughn  
C. Zimmerman Revocable Trust dated May  
5, 1995, as restated
Its: Managing Member

Dated: 11/28/16

STATE OF MISSOURI  ss.
COUNTY OF Cass

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Atascocita Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28 day of November, 2016.

Notary Public

My commission expires: 11/23/2017
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet
Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(ii)

2019 Uniform Multifamily Application #19100

Existing Development Name Atascocita Pines

ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program)

Describe and attach the request made by the Applicant or Affiliate to the Third Party asking for consent:

______________________________________________________________________________

ATTACH PDF OF THE REQUEST FROM THE APPLICANT OR AFFILIATE TO THE THIRD PARTY BEHIND THIS PAGE.
February 14, 2019

Elisa Trendleman
Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716

RE: Section 811

Ms. Trendleman,

VCZ Development, LLC will be submitting the following applications to the Texas Department of Housing and Community Affairs (TDHCA) for consideration for Low Income Housing Tax Credits:

- ZP Redwood Apartments, LP located in Dumas, TX.
- Amber Ridge Apartments, LP located in Angleton, TX.
- Pinewood Crossing Apartments, LP located in San Antonio, TX.
- Carver Ridge Apartments, LP located in Midland, TX.

In order to score maximum points, TDHCA requires the applicant to set aside units in the Section 811 PRA program. Raymond James is the investor the following developments listed on TDHCA’s list of Qualified Existing Developments:

- Riverstone Trails
- Atascocita Pines
- Chisholm Trails
- Montgomery Pines

If any of the above developments are awarded, VCZ Development, LLC requests Raymond James approval to set aside units in the existing developments.

Thank you,

[Signature]
Vaughn Zimmerman
Managing Member
iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party that they are denying an Existing Development from participation).

Describe and attach the response from the Third Party that was received by the Applicant or Owner that reflects their decision not to provide the requested consent: The limited partner investor met and discussed the Section 811 request, and then sent the attached resolution stating they were declining adding additional Section 811 units to Atascocita Pines.

ATTACH PDF OF THE RESPONSE FROM THE THIRD PARTY THAT REFLECTS THEIR DECISION TO DENY THE REQUESTED CONSENT BEHIND THIS PAGE.
CERTIFICATION OF ALL THE PARTNERS OF CONROY PARTNERS, LP

The undersigned, being all the partners of Conroy Partners, LP, a Texas limited partnership, (the “Partnership”) do hereby certify to Texas Department of Housing and Community Affairs (“TDHCA”) the following:

Conroy Partners, LP does hereby certify that we have received a request from TDHCA to set aside additional units in the Section 811 PRA Program in Atascocita Pines Apartments.

Conroy Partners, LP does hereby certify that we have reviewed the Section 811 PRA Program Guidelines required by TDHCA.

Conroy Partners, LP does hereby certify that we do not consent to additional Section 811 units in Atascocita Pines Apartments.

IN WITNESS WHEREOF, each of the undersigned partners have set their hands effective as of this ___ day of February, 2019.

General Partner:

ZP Atascocita Pines Housing, LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its Sole Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its Sole Member

By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust U/A dated May 5, 1995, as restated, its Managing Member

Investor Limited Partner:

Raymond James Preservation Opportunities Fund I L.L.C., a Florida limited liability company
By: RJPOF I L.L.C., a Florida limited liability company, its Managing Member
By: Raymond James Tax Credit Funds, Inc., a Florida corporation, its Sole Member/Manager

By: Steven J. Krupf, President
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Introduction

The purpose of this Packet is to formalize the process by which an Applicant establishes its lack of legal authority to commit Section 811 PRA Program Units in a Development as described pursuant to 10 TAC §11.9(c)(6)(A) of the Qualified Allocation Plan ("QAP").

This Packet is required only if all of the following conditions are true:

1) An Applicant is selecting points under Tenant Populations with Special Housing Needs pursuant to 10 TAC §11.9(c)(6) AND

2) An Applicant is seeking to establish its lack of legal authority where an Applicant or Affiliate Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of the QAP.

One Packet must be submitted for each Existing Development for which the Applicant or Affiliate is seeking a determination that the needed legal authority is lacking and that the Development can be excluded from consideration.

Instructions: Complete the Questionnaire on page 2 of this packet, then complete the fields on each of the subsequent form cover pages, and attach the denoted documentation for each item behind each included cover pages. Submit each Packet, including Attachments in PDF format and include bookmarks for each item. The Packet must be saved and uploaded as one standalone file to the Serv-U folder associated with each 2019 Multifamily Application.

This Packet and all supporting documentation must be uploaded to the Department’s Serv-U system at the same time as, but as a separate document from, the Application. Refer to the Multifamily Programs Procedures Manual posted at http://www.tdhca.state.tx.us/multifamily/apply forfunds.htm for an explanation of the process to set-up a Serv-U Account if needed.

Questions about this Packet may be submitted to Spencer Duran: spencer.duran@tdhca.state.tx.us
Section 811 Project Rental Assistance (“PRA”) Program Supplement Packet Questionnaire

2019 Uniform Multifamily Application #19100

1) Selecting Points under 10 TAC §11.9(c)(6)?
   ☐ No – STOP. PACKET SUBMISSION NOT NEEDED
   ✗ Yes – CONTINUE TO QUESTION 2

2) To obtain Points under 10 TAC §11.9(c)(6), Applicants must first attempt to meet the requirements in §11.9(c)(6)(B).

   Does the Applicant Own or Control and Existing Development that appears on the List of Qualified Existing Developments?
   ☐ No – STOP. PACKET SUBMISSION NOT NEEDED
   ✗ Yes – CONTINUE TO QUESTION 3

3) Is the Applicant seeking to establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that appears on the List of Qualified Existing Developments?
   ☐ No - STOP. PACKET SUBMISSION NOT NEEDED
   ✗ Yes – CONTINUE TO QUESTION 4

4) Can the Applicant provide all three of the following items listed under §11.9(c)(6)(A)(i)-(iii)?
   ☐ No - STOP. PACKET SUBMISSION NOT NEEDED
   ✗ Yes – CONTINUE TO COVER PAGES

   (i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement);

   (ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program); AND

   (iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party identified in (ii) that they are denying an Existing Development from participation).
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Legal Right to Withhold Cover Page §11.9(c)(6)(A)(i)

2019 Uniform Multifamily Application #19100

Existing Development Name Chisholm Trail

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement)

Describe the specific legally enforceable agreement being attached: Limited Partnership Agreement

Provide the name of the Third Party: Raymond James - Investor Limited Partner

List the specific citation in the agreement that clearly denotes the Third Party has a legal right to withhold consent:

(b) The General Partner shall not, within the Consent of the Investor Limited Parnter.....

(xiv) amend, modify, terminate or renew in any material manner any Project document;

(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the project;

List the page number in the agreement that clearly denotes the Third Party has a legal right to withhold consent: Page 31-33

ATTACH PDF OF THE LEGALLY ENFORCEABLE AGREEMENT BEHIND THIS PAGE.
AMENDED AND RESTATE AGREEMENT OF LIMITED PARTNERSHIP

As of November 30, 2016

THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AMENDED AND
RESTATED AGREEMENT OF LIMITED PARTNERSHIP (THE “AGREEMENT”) HAVE NOT
BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER
THE SECURITIES ACT OF 1933 OR PURSUANT TO APPLICABLE STATE SECURITIES
LAWS. ACCORDINGLY, THE LIMITED PARTNERSHIP INTERESTS CANNOT BE RESOLD
OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE
SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE
APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION
REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN
COMPLIANCE THERewith. IN ADDITION, THE SALE OR TRANSFER OF SUCH
LIMITED PARTNERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET
FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE
RESTRICTIONS SET FORTH IN ARTICLE X HEREOF.
# TABLE OF CONTENTS

## ARTICLE I CONTINUATION OF PARTNERSHIP ................................................................. 1

1.01 Continuation ............................................................................................................ 1
1.02 Name ....................................................................................................................... 1
1.03 Principal Executive Offices; Agent for Service of Process ................................. 2
1.04 Term ........................................................................................................................ 2
1.05 Admission of General Partner ............................................................................. 2
1.06 Admission of Investor Limited Partner ................................................................. 2
1.07 No Other Partners ................................................................................................... 2
1.08 Recording of Certificate.......................................................................................... 2

## ARTICLE II DEFINED TERMS AND RULES OF INTERPRETATION .............................. 3

## ARTICLE III PURPOSE AND BUSINESS OF THE PARTNERSHIP ...................................... 14

3.01 Purpose of the Partnership .................................................................................... 14
3.02 Authority of the Partnership .................................................................................. 14

## ARTICLE IV WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER ....................................................... 15

4.01 Representations, Warranties and Covenants ......................................................... 15
4.02 Duties and Obligations .......................................................................................... 20

## ARTICLE V PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP ........................................................................................... 23

5.01 Partners, Capital Contributions and Interests ...................................................... 23
5.02 Additional Capital Contributions .......................................................................... 23

## ARTICLE VI CAPITAL ACCOUNTS ........................................................................................ 23

6.01 Capital Accounts ................................................................................................... 23
6.02 Current Balances ................................................................................................... 23

## ARTICLE VII ALLOCATIONS AND DISTRIBUTIONS ......................................................... 23

7.01 Allocation of Profit and Loss and Tax Credits ....................................................... 23
7.02 Special Allocations ............................................................................................... 24
7.03 Distributions of Net Cash Flow ............................................................................ 25
7.04 Allocation of Gains and Losses ............................................................................ 25
7.05 Distribution of Proceeds from Capital Transactions ............................................. 26
7.06 Variation of Allocations to Preserve and Protect Partners’ Intent ......................... 26
7.07 Regulatory Allocations ......................................................................................... 27
7.08 Deficit Restoration Obligation .............................................................................. 28
7.09 Allocations Among General Partners ................................................................... 28
7.10 Accounting and Tax Rules; Tax Effect of Allocations ........................................... 29
ARTICLE VIII RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER ............................................................................................................ 30

8.01 Management of the Partnership ................................................................. 30
8.02 Limitations Upon the Authority of the General Partner ................................. 30
8.03 Management Purposes .................................................................................. 33
8.04 Delegation of Authority ............................................................................... 33
8.05 General Partner or Affiliates Dealing with Partnership ................................. 33
8.06 Other Activities .............................................................................................. 34
8.07 Liability for Acts and Omissions .................................................................. 34
8.08 General Partner Guaranties and Indemnities ............................................... 34
8.09 Management Agent ....................................................................................... 36
8.10 Loans to the Partnership by General Partner or Others ..................................... 37
8.11 Replacement Reserve .................................................................................... 37
8.12 Operating Reserve ......................................................................................... 38
8.13 Capital Expenditure Reserve ......................................................................... 38
8.14 Options to Purchase/Order Sale ..................................................................... 38

ARTICLE IX WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER ............................................................................................................ 40

9.01 Withdrawal of the General Partner ............................................................... 40
9.02 Admission of a Successor or Additional General Partner ............................... 40
9.03 Events of Withdrawal of a General Partner ................................................... 41
9.04 Removal of the General Partner ...................................................................... 42

ARTICLE X INVESTOR LIMITED PARTNER TRANSFERS ................................................. 45

10.01 Transfer of Investor Limited Partner’s Interest .............................................. 45
10.02 Rights of Assignee of Interest ...................................................................... 45
10.03 Admission of Substitute Investor Limited Partner ........................................ 46
10.04 Withdrawal of the Investor Limited Partner ............................................... 47

ARTICLE XI RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER ............................................................................................................ 47

11.01 Management of the Partnership ................................................................. 47
11.02 Limitation on Liability of Investor Limited Partner ........................................ 47
11.03 Other Activities .............................................................................................. 47
11.04 Loans to the Partnership by Investor Limited Partner ..................................... 47
11.05 Liability for Acts and Omissions .................................................................. 48

ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION ................................................... 48

12.01 Dissolution of the Partnership ..................................................................... 48
12.02 Reconstitution of the Partnership .................................................................. 48
12.03 Winding Up and Distribution ...................................................................... 49
12.04 Obligation of Partners to Restore Deficit ...................................................... 49
ARTICLE XIII BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC. .......... 50

13.01 Books and Records ............................................................................................... 50
13.02 Bank Accounts ...................................................................................................... 50
13.03 Accountants........................................................................................................... 50
13.04 Section 754 Elections ............................................................................................ 50
13.05 Fiscal Year and Accounting Method .................................................................... 51
13.06 Tax Matters Partner ............................................................................................ 51

ARTICLE XIV REPORTS ........................................................................................................... 53

14.01 Tax Returns and Related Reports - Due February 15 .......................................... 53
14.02 Annual Financial Statements - Due March 1 ....................................................... 53
14.03 Annual Business Report Due January 31 ............................................................. 54
14.04 Annual Budgets .................................................................................................... 55
14.05 Insurance Reports – Annually ............................................................................ 55
14.06 Quarterly Financial Statements ............................................................................ 55
14.07 Rent Roll and General Partner Certificate ........................................................... 55
14.08 Monthly Reports .................................................................................................. 55
14.09 Event Reports ....................................................................................................... 56
14.10 Other Reports ....................................................................................................... 56
14.11 Costs of Preparation; Penalties for Late Reports ................................................... 56

ARTICLE XV AMENDMENTS .................................................................................................. 57

15.01 Amendment by All Partners ................................................................................ 57
15.02 Amendment by Investor Limited Partner Only .................................................... 57

ARTICLE XVI VOTING AND MEETINGS .............................................................................. 57

16.01 Method of Giving Consent ................................................................................... 57
16.02 Submissions to Investor Limited Partner ............................................................. 57
16.03 Meetings; Submission of Matter for Voting ......................................................... 57

ARTICLE XVII GENERAL PROVISIONS ................................................................................ 58

17.01 Burden and Benefit ............................................................................................... 58
17.02 Applicable Law ..................................................................................................... 58
17.03 Counterparts ......................................................................................................... 58
17.04 Separability of Provisions .................................................................................... 58
17.05 Entire Agreement .................................................................................................. 58
17.06 Liability of the Investor Limited Partner .............................................................. 58
17.07 Notices .................................................................................................................. 58
17.08 Power of Attorney ................................................................................................ 59
17.09 Remedies Cumulative; No Waiver ....................................................................... 59
17.10 Interpretation .......................................................................................................... 59
# TABLE OF EXHIBITS

<table>
<thead>
<tr>
<th>EXHIBIT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Legal Description of Property</td>
</tr>
<tr>
<td>B</td>
<td>Unconditional Guaranty</td>
</tr>
<tr>
<td>C</td>
<td>Insurance Guidelines</td>
</tr>
<tr>
<td>D</td>
<td>Financial Projections</td>
</tr>
<tr>
<td>E</td>
<td>General Partner Pledge and Security Agreement</td>
</tr>
<tr>
<td>F</td>
<td>Quarterly General Partner Certificate</td>
</tr>
<tr>
<td>G</td>
<td>Affidavit of Non-Foreign Status</td>
</tr>
</tbody>
</table>
AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP

This Amended and Restated Agreement of Limited Partnership is made and entered into effective as of November 30, 2016, by and among ZP Chisholm Trail Housing, LLC, a Missouri limited liability company, as the general partner (the “General Partner”) and Raymond James Preservation Opportunities Fund II L.L.C., a Florida limited liability company, as limited partner (the “Investor Limited Partner”).

WHEREAS, Rankin Housing Partners LP, a Texas limited partnership (the “Partnership”) was formed pursuant to the terms of the State of Texas (Revised) Uniform Limited Partnership Act by the filing of a Certificate of Limited Partnership with the Texas Secretary of State on August 14, 2003, which Certificate was amended on [Partnership Certificate Amendment Date](as so amended, the “Original Certificate”); and

WHEREAS, the Partnership is currently governed by an Amended and Restated Agreement of Limited Partnership dated March 24, 2004, as it may have been amended, (as so amended, the “Current Agreement”); and

WHEREAS, on the date hereof, the General Partner has acquired a portion of the general partnership interest in the Partnership and the Investor Limited Partner has acquired the remainder of the general partnership interest in the Partnership and all the limited partnership interest in the Partnership; and

WHEREAS, the Partners desire to continue the Partnership pursuant to the Act and the provisions of this Agreement; and

WHEREAS, the Partners wish to evidence (i) the admission of the General Partner as the general partner of the Partnership, (ii) the admission of the Investor Limited Partner as the limited partner of the Partnership, (iii) the conversion of the portion of the general partnership interest acquired by the Investor Limited Partner into a limited partnership interest, and (iv) the restatement of the relative rights and responsibilities of the General Partner and the Investor Limited Partner in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Partnership pursuant to the Act, and agree that all agreements of limited partnership of the Partnership, entered into prior to the date hereof are hereby amended and restated in their entirety, as follows:

ARTICLE I

CONTINUATION OF PARTNERSHIP

1.01 Continuation. The undersigned hereby continue the Partnership as a limited partnership under the Act.

1.02 Name. The name of the Partnership is Rankin Housing Partners LP, a Texas limited partnership.
1.03 **Principal Executive Offices; Agent for Service of Process.**

(a) The principal executive office of the Partnership shall be 1730 E. Republic Road, Suite F, Springfield, Missouri 65804. The Partnership may change the location of its principal executive office to such other place or places as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the principal executive office. The Partnership may maintain such other offices at such other place or places as the General Partner may from time to time deem advisable.

(b) The name and address of the agent for service of process in Missouri is CSC-Lawyers Incorporating Service Company, 221 Bolivar Street, Jefferson City, Missouri 65101. The name and address of the agent for service of process in Texas is Corporation Services Company, 211 East 7th Street, Suite 620, Austin, Texas 78701. The Partnership may change the agent for service of process to such other agent as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the agent for service of process.

1.04 **Term.** The term of the Partnership commenced as of the date of the filing of the Original Certificate with the Secretary of State of the State, and shall continue until 2066 unless the Partnership is sooner dissolved by law or in accordance with the provisions of this Agreement.

1.05 **Admission of General Partner.** ZP Chisholm Trail Housing, LLC is hereby admitted as the General Partner of the Partnership, with its Percentage Interest re-allocated, as set forth in Section 5.01(a), and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth.

1.06 **Admission of Investor Limited Partner.** The Investor Limited Partner is hereby admitted as the sole Investor Limited Partner of the Partnership, and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth. The Investor Limited Partner is not, and has never been, a general partner of the Partnership, has taken its interest acquired from the previous general partner solely as an assignee thereof and that interest is hereby subsumed into its Interest as an Investor Limited Partner as described in this Agreement, with its Percentage Interest re-allocated, as set forth in Section 5.01(b).

1.07 **No Other Partners.** The General Partner and the Investor Limited Partner are the only partners in the Partnership, as they have acquired all partnership interests held by the former partners and those former partners have no further interest in the Partnership.

1.08 **Recording of Certificate.** Upon the execution of this Amended and Restated Agreement of Limited Partnership by the parties hereto, the General Partner shall take all actions necessary to assure the prompt recording of an amendment to the Original Certificate if required by the Act, including filing with the Secretary of State of the State. All fees for filing shall be paid out of the Partnership’s assets. The General Partner shall take all other necessary action required by law to perfect and maintain the Partnership as a limited partnership under the laws of the State, and shall register the Partnership under any assumed or fictitious name statute or similar law in force and effect in the State. Notwithstanding the foregoing, this Agreement (and any exhibits attached hereto) shall not be filed with the Secretary of State of the State or published or recorded in any public forum without the Consent of the Investor Limited Partner.
ARTICLE II

DEFINED TERMS AND RULES OF INTERPRETATION

In addition to the abbreviations of the parties set forth in the preamble to this Agreement, defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified below. References in this Agreement to Sections, unless otherwise specified, are to Sections of this Agreement. Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter and vice versa, as the context requires. Words such as "herein," "hereinafter," "hereof," "hereby," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires. Unless otherwise indicated, the word "including" is not limiting.

“Access Laws” means Section 504 of the Uniform Federal Accessibility Standards, where applicable and as amended, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act of 1988, as amended, the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto.

“Accountants” means the firm or firms of independent certified public accountants engaged by the General Partner, with the Consent of the Investor Limited Partner, to prepare (i) the Partnership filings with respect to Section 42, (ii) the Partnership’s annual income tax returns, and (iii) the Partnership’s audited financial statements.

“Act” means the Uniform Limited Partnership Act of the State, as may be amended from time to time during the term of the Partnership.

“Actual Return” means the actual rate of return to the Investor Limited Partner throughout the term of the Partnership prepared taking into account the Deemed Equity Investment and using the same methodology and assumptions as the Financial Projections, but updated to show the actual dates and amounts of Capital Contributions and cash distributions and tax benefits or detriments; provided, however, that for any year in which tax losses were projected in the Financial Projections, Actual Return will be determined using the lower of the projected tax loss and the actual tax loss for such year.

“Affidavit of Non-Foreign Status” means the Affidavit of Non-Foreign Status, in the form attached as Exhibit G.

“Affiliate” means, when used with reference to a specified Person, (i) any Person that directly or indirectly controls, is controlled by or is under common control with, the specified Person, (ii) any Person that is an officer, director, trustee, managing member, manager or general partner of the specified Person, and (iii) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of the outstanding voting interests or general partner interests of the specified Person. Any entity that is directly or indirectly controlled by Raymond James Tax Credit Funds, Inc. is an Affiliate of the Investor Limited Partner.

“Agency” means the Texas Department of Housing and Community Affairs, in its capacity as the designated agency of the State to allocate Housing Tax Credit, acting through any authorized representative.
“Agreement” means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Anti-Corruption Laws” means 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.

“Approved Principals” means Vaughn C. Zimmerman.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means:

(a) 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 its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(b) 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 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;

(c) 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 or discharged within 90 consecutive days;

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

(e) 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 relevant state or federal act or law, or the ruling of any court with jurisdiction over such Person.

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, or any corresponding provision or provisions of succeeding law.
“Capital Account” means the capital account of a Partner as described in Section 6.01.

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Interest of such Partner.

"Capital Expenditure Reserve" as defined in Section 8.13.

“Capital Transaction” means any transaction not in the ordinary course of the Partnership’s business, which is capital in nature, including without limitation the disposition of any substantial part of the Project, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by the Investor Limited Partner), casualty (where the proceeds are not to be used for reconstruction), or condemnation (where the proceeds are not to be used for reconstruction). A refinancing or similar event that yields net proceeds to the Partnership shall be considered a Capital Transaction.

“Certificate” means the Partnership’s Certificate of Limited Partnership or any other instrument or document which is required under the laws of the State to be filed in the appropriate public offices within the State to perfect or maintain the Partnership as a limited partnership under the laws of the State, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State.

“Changes in Tax Law” means amendments to the Code after the date of this Agreement and amendments to or the promulgation of new legislative regulations after the date of this Agreement, but shall not include the promulgation of final or temporary Treasury Regulations with respect to Section 42 of the Code or Subtitle A, Chapter 1, Subchapter K of the Code to the extent that such regulations correspond to final, temporary or proposed regulations which were promulgated more than two business days prior to the date of this Agreement.

“Class B Limited Partner” means a General Partner whose Interest is converted to that of a Class B Limited Partner pursuant to Section 9.03(b).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“Compliance Period” means, with respect to any building in the Project, the “compliance period” as defined in Section 42(i)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Compliance Period begins for any building in the Project and ending on the latest date that a Compliance Period ends for any building in the Project.

“Consent” means the prior written consent or approval of the Investor Limited Partner and/or any other Partner, as the context may require, to do the act or thing for which such consent or approval is solicited.

“Continued Compliance Sale” is defined in Section 8.14(c).

“Counsel” or “Counsel for the Partnership” means Locke Lord LLP or such other attorney or law firm upon which the Investor Limited Partner and the General Partner shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein,
or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Credit Period” means, with respect to any building in the Project, the “credit period” as defined in Section 42(f)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Credit Period begins for any building in the Project and ending on the latest date that a Credit Period ends for any building in the Project. When the context requires, the Credit Period shall be deemed to include the year following the Credit Period if Housing Tax Credit is available in that year pursuant to Section 42(f)(2) of the Code, but shall not include later years in the Compliance Period during which Housing Tax Credit may be received under the special rule of Section 42(f)(3) of the Code.

“Credit Reduction Adjustment” is defined in Section 8.08(b)(ii).

“Current” means that at any given point in time, (i) all reserves required to be maintained by the Partnership are fully funded to the extent required as of such time, and (ii) all payments for operating expenses, Must-pay Debt Service, necessary maintenance, preventive maintenance and capital improvements due and payable as of such time (assuming all expenses are paid within 30 days of invoice) have been made or the Partnership has sufficient unrestricted cash reserves to make all such payments.

“Current Agreement” means the Amended and Restated Agreement of Limited Partnership dated March 24, 2004 as it may have been amended.

“Decision Maker” means any general partner of a partnership, any managing member or manager of a limited liability company, any officer or director of a corporation, and any other individual who is authorized, empowered, or has apparent authority to make decisions on behalf of any entity.

“Deemed Equity Investment” is equal to $4,440,000, allocated $4,439,556 to the Investor Limited Partner and $444 to the General Partner.

“Department of the Treasury” means the United States Department of the Treasury or any successor government agency thereto.

“Environmental Laws” is defined in Section 4.01(e).

“Environmental Reports” means a certain Phase I Environmental Property Assessment dated August 17, 2016, prepared with respect to the Project by Gabriel Environmental Group.1

“Extended Use Agreement” means the extended low-income housing commitment required pursuant to Section 42(h)(6) of the Code executed by the Partnership and delivered to the Agency, dated November 8, 2005, setting forth certain terms and conditions under which the Project is to be operated.

“Financial Projections” means the Financial Projections used by the Investor Limited Partner in its underwriting of the Project attached hereto as Exhibit D to this Agreement.

“First Permanent Loan” is defined in the definition of Permanent Financing.

“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with aggregate incomes of 60% or less of area median income, as adjusted for family size.

1 List all environmental reports, including Phase II reports, if applicable.
“GAAP” means generally accepted accounting principles.

“General Partner” means ZP Chisholm Trail Housing, LLC, a Missouri limited liability company, and any other Person admitted as a General Partner and designated as a General Partner pursuant to this Agreement, and any of their respective successors pursuant to this Agreement, including particularly the provisions of Sections 8.01, 9.02 and 9.04.

“Government Official” means 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.

“Gross Effective Income” means, for any period of time, the entire amount of all receipts by the Partnership (determined on a cash basis) for the operation of the Project, including (a) tenant rentals collected pursuant to tenant leases or occupancies for such period, including without limitation, housing/tenant assistance payments, including utility reimbursements; (b) security deposits forfeited by tenants during such period and non-refundable tenant deposits made during such period; (c) laundry and garage/parking income received during such period; (d) proceeds from rental interruption insurance received during such period; (e) expense-related reimbursements or charges paid by tenants for insurance, taxes, utility charges, and other Project expenses; and (f) other income including cleaning fees, NSF check charges, late charges, and charges for credit checks; excluding, however, (i) proceeds from the sale or condemnation of any part of the Project, (ii) refinancing and other loan proceeds, (iii) Capital Contributions and loans to the Partnership, (iv) refundable security deposits prior to forfeiture; and (v) interest income.

“Guarantor” means ZP Chisholm Trail Housing, LLC, a Missouri limited liability company, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company.

“Hazardous Material(s)” is defined in Section 4.01(e).

“Housing Tax Credit” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“HUD” means the United States Department of Housing and Urban Development or any successor government agency thereto.

“IRS” means the United States Internal Revenue Service or any successor government agency thereto.

“Insurance Guidelines” means the standards for insurance coverage required for the Project, a copy of which is attached hereto as Exhibit C.

“Interest” means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Partner shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Partner's Interest.
“Investor” means any Person that owns an equity interest, directly or indirectly, in the Investor Limited Partner.

“Investor Limited Partner(s)” means Raymond James Preservation Opportunities Fund II L.L.C., a Florida limited liability company, and/or its successors or assigns admitted as Investor Limited Partners in accordance with this Agreement, in such Persons’ capacity as an Investor Limited Partner of the Partnership.

“Land” means the tract of land upon which the Project is located as more fully set forth in Exhibit A.

“Land Use Restrictions” means any restrictions applicable to the Project that restrict tenant incomes or rents charged to tenants, including but not limited to any Extended Use Agreement entered into in accordance with the requirements of Section 42 of the Code and any restrictions relating to Permanent Financing.

“Lender” means the Permanent Lenders.

“Limited Partner(s)” means the Investor Limited Partner, and/or the Special Limited Partners, and/or any other Limited Partner in such Person’s capacity as a limited partner of the Partnership.

“Liquidator” means the General Partner or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

“Loan” means the Permanent Financing.

“Loan Documents” means any Mortgage, Note or other documents executed in connection with a Loan.

“Loss” is defined in Section 7.01(b).

“Low-Income Units” means those units which the Partnership expects will qualify for the Housing Tax Credit by virtue of being occupied at all times by Qualified Tenants.

“Majority in Interest” means, with respect to any specified group of Partners, those Partners who hold more than 50% of the Percentage Interests held by such group.

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.09.

“Management Agreement” means the agreement between the Partnership and the Management Agent providing for the marketing, compliance and management of the Project by the Management Agent.

“Minimum Set-Aside Test” means the set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the 40-60 Set-Aside Test as the Minimum Set-Aside Test and will not select the 20-50 Set-Aside Test as the Minimum Set-Aside Test.
“Mortgage” means any mortgage or deed of trust to be given by the Partnership in favor of a Lender as maker of any Loan, constituting a lien on the Project and securing a Loan.

“Must-pay Debt Service” means debt service on any loan of the Partnership, including without limitation the Permanent Financing, that is due prior to final maturity of the loan and that must be paid by the Partnership to avoid default on such loan without regard to whether there is Net Cash Flow sufficient to pay such debt service.

“Net Cash Flow” means the sum of (i) all cash actually received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (unless forfeited), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and other casualty or extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the General Partner with the Consent of the Investor Limited Partner and the Lender, if required, less the sum of (i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Partnership’s business including the management fee to the Management Agent but excluding any expenditures paid from any Partnership reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes) (ii) all Must-pay Debt Service and any other debt service on the Permanent Financing to the extent then due and payable, but not including any amounts to be paid on account of Operating Deficit Loans, (iii) the payment of any tax liability owed by the Partnership, and (iv) all amounts deposited into any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Lender or this Agreement or the Investor Limited Partner (with respect to reasonably identified anticipated expenditures for which reserves have not otherwise been established) or as may be determined from time to time by the General Partner with the Consent of the Investor Limited Partner, and the Lender, if required, to be advisable for the operation of the Partnership.

Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative.

“Net Operating Income” shall equal Rent plus Other Operating Income less Operating Expenses, where those terms have the following meanings:

(a) Rent, for any month, shall be equal to the rent from residential units that was due and payable for such month less any portion of such rent that has not actually been collected by the time the calculation of Rent is being made (excluding any amounts subsidized by the General Partner and adjusted to reflect average monthly rents for leases that include rent-free or reduced rental periods). Rent may include government subsidies of tenant rental revenue that has been actually received by the time the calculation of rent is being made, but the subsidy amount received shall be attributed to the month in which the subsidy was due rather than to the month it was paid. Rent shall not include government subsidies of a Permanent Financing (such as an interest rate credit), unless the subsidy has not been factored into the maximum annual debt service described in the definitions of such Permanent Financing. Rent shall not include rent attributable to short-term tenant leases of less than nine months, unless the tenant has actually been a resident of the Project for at least one year or unless otherwise approved by the Investor Limited Partner. Rent shall not include any amount collected that is in excess of maximum rents permitted by the Agency, any Project Document or applicable law.

(b) Other Operating Income, for any month, shall be equal to monthly collected revenue from recurring sources and shall include forfeitures of deposits, income from any laundry
facilities, commercial rents, garage or parking fees, cable television and phone usage (after adjusting for any concessions). Other Operating Income shall not include interest on reserves and security deposits, non-recurring revenue, and withdrawal from reserve accounts.

(c) **Operating Expenses**, for any month, shall be equal to monthly accrued operating expenses (adjusted for seasonal fluctuations where appropriate and excluding nonrecurring expenses), a ratable portion of all other expenses which might reasonably be expected to be incurred during the full annual period of operation, and shall include, but not be limited to, taxes or payments in lieu of taxes, insurance costs, assessments, audit expenses, the funding of any Replacement Reserve deposits required under this Agreement or any Permanent Financing, compliance costs as required by the Agency, payment of the Management Agent’s fees, any other Partnership loans or obligations not paid out of Net Cash Flow, the costs of capital improvements to the Partnership property (to the extent such capital improvements are not funded from any Partnership reserves, casualty or condemnation proceeds, any Permanent Financing proceeds, Capital Contributions or the proceeds of any Capital Transactions) and a ratable portion of the greater of (x) the annual amount (as reasonably estimated by the General Partner) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities and maintenance expenses which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation) or (y) the annual amount of such expenses assumed in the Financial Projections.

“Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.

“Note” means any mortgage or deed of trust promissory note given by the Partnership in favor of a Lender, evidencing a Loan.

“Notice” means a writing containing the information required by this Agreement to be communicated to a Partner and sent by express courier or email transmission (provided that such email transmission shall be immediately followed by a “hard” original of such writing delivered by a method set forth in this definition), or by registered or certified mail, with postage prepaid and return receipt requested, to such Partner at such Partner's address as specified pursuant to Section 17.07. The date of receipt of the Notice (or the next business day if the date of receipt is not a business day) (or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable) shall be deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Partner actually received by such Partner shall constitute Notice for all purposes of this Agreement.

“OFAC” means the U.S. Treasury Department’s Office of Foreign Assets Control.

“Operating Deficit” means the amount by which the revenues of the Partnership from rental payments made by tenants of the Project (excluding security deposits until forfeited), and all other revenues of the Partnership (other than Capital Contributions, the proceeds of any loans to the Partnership and investment earnings on funds on deposit in the Replacement Reserve and other reserve or escrow funds or accounts) for a particular period of time, is exceeded by the sum of all operating and maintenance expenses, the funding of the Replacement Reserve or any other reserve required by this Agreement or any Project Document, all Must-pay Debt Service, any fees to the Lender and/or any applicable mortgage insurance premium payments and all other Partnership obligations or expenditures (but excluding payments for fees and other expenses and obligations of the Partnership to be paid solely from Net Cash Flow or from the Capital Contributions of the Investor Limited Partner to the Partnership), during the same period of time.

“Operating Deficit Loan(s)” is defined in Section 8.08(a).
“Operating Expenses” is defined within the definition of Net Operating Income.

“Operating Reserve” means the account established to fund Operating Deficits in accordance with Section 8.12.

“Operating Reserve Minimum” is defined in Section 8.12.

“Ordinary Income Amount” is defined in Section 7.10(d).

“Original Certificate” means the initial Certificate filed in connection with the formation of the Partnership.

“Other Operating Income” is defined within the definition of Net Operating Income.

“Partner” means any General Partner and any Limited Partner.

“Partner Loan” means any loan made by any Partner to the Partnership pursuant to Section 8.10 or Section 11.04.

“Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations.

“Partnership” means Rankin Housing Partners LP, a Texas limited partnership.

“Payment Date” means the later of the date which is 90 days after the end of the Partnership’s fiscal year with respect to the preceding fiscal year or the date on which the General Partner has delivered to all Partners the financial statements and information required to be delivered under Sections 14.01 and 14.02.

“Percentage Interest” means the percentage Interest of each Partner as set forth in Section 5.01.

“Permanent Financing” means:

The first priority mortgage non-recourse permanent loan (“First Permanent Loan”) to the Partnership made by Texas Department of Housing and Community Affairs from the proceeds of Multifamily Housing Mortgage Revenue Bonds in the approximate outstanding principal amount of $8,329,148 with a variable interest rate set at the Weekly Variable Rate (SIFMA) plus 40 basis points, with a term of at least 33 years requiring variable debt service payments with the balance due at maturity.

“Permanent Lenders” means Texas Department of Housing and Community Affairs, in its capacity as the maker of the First Permanent Loan, or its successors and assigns in such capacity, acting through any authorized representative.

“Permitted Temporary Investments” means bank accounts held at a bank or trust company that (i) has deposits insured by the Federal Deposit Insurance Corporation, (ii) has paid in capital surplus and undivided profits aggregating at least $500 million, and (iii) is otherwise acceptable to the Investor Limited Partner.

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.
“Prime Rate” means the rate published from time to time in The Wall Street Journal as the prime rate. The Prime Rate shall change as such rate changes.

“Profit” is defined in Section 7.01(b).

“Project” means the land and any improvements thereon currently owned by the Partnership located in Houston, Texas, and the 228-unit multifamily rental housing development and other improvements owned and operated thereon by the Partnership, and known as Chisolm Trail Apartments and any other tangible property owned by the Partnership and used in connection with the Project. 112 units shall be leased to tenants with 50% or less than the area median income and 112 units shall be leased to tenants with 60% or less than the area median income. A description of the Land on which the Project will be located is provided in Exhibit A, attached hereto.

“Project Documents” means and includes any permits and licenses which are required for the operation and use of the Project, municipal or government agency development agreements, the Radon Report, agreements with architects, engineers, environmental abatement consultants and contractors and other third-party contractors disclosed in writing to the Investor Limited Partner, any purchase option agreement executed in connection herewith, any agreement for the provision of services to the Project, the Loan Documents, the Regulatory Agreement, the Extended Use Agreement, the Management Agreement, the Unconditional Guaranty, the Certification and Agreement, all agreements attached hereto and all other instruments delivered to (or required by), any Lender or the Agency and all other documents relating to the Project or executed in connection with any of the aforesaid documents and by which the Partnership is bound, as amended or supplemented from time to time.

“Projected Distributions” means the amounts set forth in the Financial Projections for each fiscal year that is expected to be available for distribution to the Partners under Section 7.03(f).

“Projected Return” means the projected rate of return to the Investor Limited Partner set forth in the Financial Projections.

“Public Use Test” means the requirement whereby the units in the Project must be available for use by the general public.

“Purchase Price” is defined in Section 8.14(a).

“Qualified Tenants” means tenants under executed leases of at least 9 months who at the time of their initial occupancy of the Project (i) are charged rents that satisfy the Rent Restriction Test and (ii) have incomes at or below the income limits under the Minimum Set-Aside Test.

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Partnership and the Lender or any applicable Authority setting forth certain terms and conditions under which the Project is to be operated.

“Rent” is defined within the definition of Net Operating Income.

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2 Add documents as appropriate (e.g. Reciprocal Easement Agreement, condominium documents, PILOT Agreement, etc.).
“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Project cannot exceed 30% of the imputed income limitation of the applicable units.

“Replacement Reserve” means the cash funded reserve for replacements required by the Lender in connection with the Permanent Financing and by the Investor Limited Partner as required pursuant to Section 8.11.

“Reserve Minimum Payment” is defined in Section 8.11.

“Special Limited Partner” means any Person admitted to the Partnership as a Special Limited Partner in accordance with this Agreement, in its capacity as a Special Limited Partner. There is currently no Special Limited Partner.

“State” means the State of Texas.

“Substitute Limited Partner” means any Person admitted to the Partnership as a Limited Partner pursuant to Section 10.03

“Tax Credit” means the Housing Tax Credit.

“Tax Credit Allocation” means, with respect to the Project, the allocation by the Agency of Housing Tax Credit, as evidenced by the receipt by the Partnership of a carryover allocation of Housing Tax Credit meeting the requirements of Sections 42(h)(1)(E) and (F) of the Code and applicable Treasury Regulations.

“Tax Credit Recapture Event” means (a) the filing of a tax return or an amended return by the Partnership evidencing a reduction in the qualified basis of the Project or an event described in Section 42(j) of the Code causing a recapture of Housing Tax Credit previously allocated to an Investor Limited Partner, (b) an administrative adjustment by the IRS, evidencing a reduction or recapture of Tax Credit previously allocated to the Investor Limited Partner, unless the Partnership shall timely file a petition with respect to such adjustment with the United States Tax Court or any other court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other court of competent jurisdiction upholding the assessment of such administrative adjustment against the Partnership with respect to any Tax Credit previously claimed in connection with the Project, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (d) the decision of a court of competent jurisdiction affirming such decision or (e) any other event which would cause a recapture of a Tax Credit under applicable law.

“Tax Matters Partner” is defined in Section 13.06.

“Treasury Regulation” means the regulations of the Department of the Treasury contained in Title 26 of the Code of Federal Regulations, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“20-50 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 20% of the units in the Project must be occupied by individuals with aggregate incomes of 50% or less of area median income, as adjusted for family size.

“Unconditional Guaranty” means the guaranty executed by the Guarantor, as set forth in Exhibit B, pursuant to which the Guarantor has guaranteed obligations of the General Partner.

ARTICLE III

PURPOSE AND BUSINESS OF THE PARTNERSHIP

3.01 Purpose of the Partnership. The principal purpose of the Partnership is the preservation and provision of housing for low- and moderate-income persons. The business of the Partnership is to own, maintain, operate and sell or otherwise dispose of the Project, in order to obtain for the Partners long-term appreciation, cash income, and tax benefits consisting of Tax Credit and tax losses over the term hereof. However, the Partners acknowledge and agree that, in furtherance of its purpose to preserve and provide housing for low- and moderate-income persons, the Partnership may take certain actions that preclude the maximization of economic returns to the Partners, including without limitation (i) not taking action to reduce or eliminate the effect of restrictions on tenant income and rents, and (ii) preferring to sell the Project to buyers that will continue the use of the Project as housing for low- and moderate-income persons.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership, including but not limited to the following:

(a) own the Land and the Project;

(b) operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement and the Regulatory Agreement so long as the Extended Use Agreement and the Regulatory Agreement, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership;

(e) borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by mortgage, pledge, or other lien except as limited by Section 8.02(b);

(f) maintain and operate the Project and enter into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Lender, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any Loan on the property of the Partnership;
(h) enter into the Project Documents, including those documents providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to the Housing Tax Credit and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Partners, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Partnership’s business.

**ARTICLE IV**

**WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER**

4.01 Representations, Warranties and Covenants. Each General Partner hereby represents, warrants and covenants to the Partnership and to the Partners that:

(a) the Partnership is and will continue to be a valid limited partnership, duly organized, validly existing, and in good standing under the laws of the State, and shall have and shall continue to have full power and authority to own the Land and to own, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partners and to enable the Partnership to engage in its business;

(b) the execution and delivery of this Agreement by it and the performance by it of the transactions contemplated hereby have been duly authorized by all requisite actions or proceedings; it is duly organized, validly existing and in good standing under the laws of the State with power to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) it is a single purpose entity and shall satisfy the following requirements:

   (i) it shall not engage, has not engaged and does not engage, in any business other than acting as a general partner of the Partnership;

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

   (iii) it has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the General Partner;

   (iv) it has and shall continue to maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate;
(v) it has and shall continue to maintain separate annual financial statements prepared in accordance with GAAP, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the General Partner are consolidated with the financial statements of any other entity, the General Partner has and shall continue to cause to be included in such consolidated financial statements: (A) a narrative description of the separate assets, liabilities, business functions, operations and existence of the General Partner to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (B) a statement that the General Partner’s assets and credit are not available to satisfy the debts of such other entity or any other person;

(vi) it has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law;

(vii) it has and shall continue to (A) hold itself out as an entity separate and distinct from any other Person; (B) not identify itself or any of its Affiliates as a division or part of the other; (C) correct any known misunderstanding regarding its separate status; and (D) use separate stationery, invoices, checks, and the like bearing its own name;

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

(ix) it has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(x) it has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate;

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

(xii) it has not and shall not (A) assume or guarantee the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Partnership or, (B) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Partnership (whether by operation of law or otherwise), or (C) otherwise pledge, encumber, transfer or hypothecate the assets of the Partnership for the benefit of another Person or permit the same to occur, or (D) hold the Partnership’s credit as being available to satisfy the obligations of any other Person;

(xiii) all transactions carried out by the General Partner have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the General Partner; and
(xiv) it is not a “tax-exempt entity” within the meaning of Section 168(h) of the Code or a “tax-exempt controlled entity” that would be treated as such a tax-exempt entity.

(d) it shall cause the insurance coverages set forth in the Insurance Guidelines, a copy of which is attached hereto as Exhibit C, insuring the Partnership and covering the Land and the Project, to be established and maintained in full force and effect during the term of the Partnership;

(e) based upon its actual knowledge and the Environmental Reports, the Land (along with any other real property owned by the Partnership) does not contain and is not affected by any Hazardous Material (as hereinafter defined); neither the General Partner, the Partnership, nor the Land or any portion thereof is in violation of any applicable Environmental Laws (as hereinafter defined); neither such General Partner nor the Partnership has received notice of any violations of any Environmental Laws relating to or affecting the Land; and no actions, suits or proceedings have been commenced, or are pending, or to the best knowledge of such General Partner, are threatened with respect to any Environmental Laws and which relate to the Land or the Project or any of the Partnership’s other properties or assets. It has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Materials at, upon, under or within the Land or any contiguous real estate. Neither such General Partner nor, to the best of its knowledge, any other party, is or will be involved in operations at or, pursuant to such General Partner’s best knowledge, near the Land, which operations would lead to (A) a determination of liability under the Environmental Laws as to the Partnership, or (B) the creation of a lien on the Land under the Environmental Laws. It covenants and agrees that it shall not take any action or fail to take any action, or permit any other person or entity within the General Partner’s control to take any action or fail to take any action and it will use its best efforts not to permit any tenant or occupant of the Project to engage in any activity, which would result in the Project or the Land containing or being affected by any Hazardous Materials in violation of any Environmental Laws, or would result in any Hazardous Materials being released from the Project in violation of any Environmental Laws. It shall comply strictly and in all respects with all requirements of the Environmental Laws. It further covenants and agrees that it will promptly notify the Investor Limited Partner if the General Partner gains knowledge of any of the following: (i) the presence or possible presence of any Hazardous Material on, in, affecting, or released from the Project or the Land; (ii) the violation of any Environmental Laws with respect to the Partnership, the Land or the Project; and (iii) any notice of violation of or requesting action pursuant to any Environmental Laws or the commencement of any actions, suits, or proceedings relating to Environmental Laws and relating to or affecting the Project or the Land. It shall promptly deliver to the Investor Limited Partner a copy of any notice of violation of any Environmental Laws and any court documents or correspondence relating to any action, suit or proceeding in connection with Environmental Laws. For purposes of this Section, “Hazardous Material” or “Hazardous Materials” means and includes petroleum products, flammable explosive, radioactive materials, lead-based paint, methane gas, urea formaldehyde insulation, asbestos or any material containing asbestos, polychlorinated biphenyls, radon, underground storage tanks and/or any hazardous, toxic or dangerous waste, substance or material now or hereafter defined as such or any similar term, by or in the Environmental Laws but not including construction products, household cleaners and office materials of the type and quantity ordinarily used in the normal construction, operation and maintenance of properties similar to the Project so as not to be defined as Hazardous Materials by or in the Environmental Laws. For purposes of this Section, “Environmental Law” or “Environmental Laws” means and includes any federal, state, and local laws, statutes, rules, regulations and ordinances pertaining to the protection of the environment and otherwise pertaining to public health or employee health and safety, including, but not limited to, the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Comprehensive Environmental Response, Compensation and Liability Act; the Clean Air Act; the Clean Water Act; the Toxic Substance Control Act; the Safe Drinking Water Control Act; the Solid
Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; the Hazardous Water Management System, the Emergency Planning and Community Right to Know Act and the Occupational Safety and Health Act of 1970;

(f) there is no default under any agreement, contract, lease or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or, to the knowledge of the General Partner, threatened against the General Partner, the Project or the Partnership, or related to the business or assets of the Partnership or of the Project, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Partnership or of the Project;

(g) neither such General Partner nor any of its Affiliates nor the Partnership, has entered, or shall enter, into any agreement or contract for the payment of any Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guaranty of payment of any such interest charges or financing fees relating to a Loan; in no event will the General Partner or the Partnership enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of the Partners to personal liability as to the principal of or interest on the Permanent Financing (except for customary non-recourse carve-out provisions which have been Consented to by the Investor Limited Partner);

(h) the execution and delivery of this Agreement and the performance of such General Partner’s obligations hereunder have been duly authorized by all necessary corporate or other action and this Agreement constitutes the legal, valid and binding obligations of such General Partner in accordance with its terms;

(i) the execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Partnership or such General Partner or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Partnership or such General Partner is a party or by which the Partnership or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project;

(j) the facts and underlying assumptions with respect to the operation of the Project, the General Partner, Guarantor and their Affiliates provided to the Partners set forth in the Financial Projections attached as Exhibit D are accurate and reasonable, and nothing has come to the attention of the General Partner that would cause the General Partner to believe that such facts and assumptions are incorrect in any material respect;

(k) no Person affiliated with it, any of the Approved Principals, or any Decision Maker has been debarred or otherwise denied, in whole or in part, the ability or opportunity to participate in any government sponsored or financed program (including, but not limited to HUD programs) or has been convicted of a felony criminal offense;

(l) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is on the list of Specially Designated Nationals and Blocked Persons promulgated by the Department of the Treasury or on the Annex to United States Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism;
(m) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is a Person with whom dealings are prohibited under the Federal regulations and Executive Orders administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”). Such General Partner shall not permit the Partnership to knowingly engage in dealings with any Person with whom dealings are prohibited under the OFAC regulations;

(n) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is in violation of any anti-money laundering laws and none of the foregoing is a Person designated under anti-money laundering laws as a Person with whom other U.S. Persons are prohibited from transacting business;

(o) to the extent applicable, the Partnership is in full compliance with the Financial Crimes Enforcement Network of the Department of Treasury regulations;

(p) the financial statements and other written information provided to the Investor Limited Partner with respect to the financial condition of such General Partner and affiliated Guarantors by such parties are true and accurate as of their respective dates and do not omit any material fact and any such material provided by third parties with respect to the financial condition of such General Partner and Guarantors is true and accurate to the best of knowledge of the General Partner;

(q) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements and Anti-Corruption Laws);

(r) there is no litigation or other proceeding pending or, to the best of the General Partner’s knowledge, threatened against or affecting he Partnership, the General Partner, any of the Approved Principals, any Decision Maker, or any of their principals or any of their Affiliates relating to any Anti-Corruption Laws.

(s) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements);

(t) the Partnership will continue to use the accrual method of accounting;

(u) no Permanent Financing is or will be guaranteed or held by any Partner or any person who is a related person to such Partner within the meaning of Section 752 of the Code and the Treasury Regulations promulgated thereunder;

(v) the Project shall be managed so that the rental of all Low-Income Units in the Project comply with the tenant income limitations and other restrictions under the Rent Restriction Test and all units in the Project otherwise meet the applicable requirements of the Project Documents, including without limitation, the Extended Use Agreement and any Regulatory Agreement. More specifically, the General Partner shall operate the Project such that the Low-Income Units are set aside and leased as follows: 112 units of the Project will be rented to tenants with incomes of 50% or less of the
area median income, as adjusted for family size; 112 units of the Project will be rented to tenants with incomes of 60% or less of the area median income, as adjusted for family size;

    (w) any sign erected at the Project setting forth the development partners and/or lenders who participated in the development of the Project must be approved by the Investor Limited Partner, whose approval will not be unreasonably withheld, conditioned or delayed;

    (x) in accordance with Section 168 of the Code, the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years, respectively, using the applicable depreciation methods defined in Section 168 of the Code; provided also that, without the Consent of the Investor Limited Partner, the General Partner shall not allow the Partnership to file a tax return reflecting an allocation of cost to a class of property other than residential rental property that varies from the cost set forth in the Financial Projections and the General Partner shall not elect to forego bonus depreciation of any type (such as that available under Section 168(k)) unless directed to do so by the Investor Limited Partner;

    (y) no person shall be employed by the Partnership;

    (z) it has reviewed the Financial Projections attached hereto as Exhibit D and represents and warrants that the Financial Projections are accurate and reasonable;

    (aa) in the event that one or more of the buildings or other structures comprising the Project is damaged or destroyed, the General Partner shall, subject to the terms of the Loan Documents, make proof of loss, pursue, adjust and compromise claims under policies of insurance providing coverage for the Project and shall cause the Partnership to restore such buildings or structures completely within a reasonable period as determined by the IRS so as to avoid loss and/or recapture of Housing Tax Credits, but in no event later than the date that is 18 months after such damage or destruction occurred; and

    All of the representations, warranties and covenants contained herein shall survive the execution of this Agreement until dissolution of the Partnership. The General Partner shall indemnify and hold harmless the Investor Limited Partner against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys’ fees and costs and expenses of litigation and collection.

4.02 **Duties and Obligations.** The General Partner shall have the following duties and obligations with respect to the Project and the Partnership:

    (a) it shall ensure that all requirements shall be met with respect to any Land Use Restrictions;

    (b) it shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, the Public Use Test and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for Tax Credits, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) all governmental approvals required to permit occupancy of all of the residential units in the Project, (iii) compliance with all material provisions of the Project Documents;

    (c) the General Partner shall take all actions, or refrain from taking any action, to assure that the Partnership at all times during its existence is treated as a partnership for federal income tax purposes and while conducting the business of the Partnership, the General Partner shall not act in any
manner without the Consent of the Investor Limited Partner, which it knows or should have known after
due inquiry will cause the termination of the Partnership for federal income tax purposes;

(d) the General Partner shall exercise good faith in all activities relating to the
conduct of the business of the Partnership, including the operation and maintenance of the Project, and the
General Partner shall take no 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;

(e) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now
and to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, as
well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear
of all security interests and encumbrances except for any Mortgage, and any additional security
agreements executed in connection therewith;

(f) the General Partner shall, during and after the period in which it is 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;

(g) it shall comply and cause the Partnership to comply with the provisions of all
applicable governmental and contractual obligations;

(h) it shall be responsible for the payment of any fines or penalties imposed by the
Agency or Lender pursuant to the Project Documents and any documents executed in connection with
obtaining Tax Credits (other than with respect to payments of principal or interest under the Permanent
Financing) attributable to any negligence of it or its Affiliates or failure to take action despite the same
being within the reasonable control of the General Partner or its Affiliate;

(i) it shall immediately notify the Investor Limited Partner of any written or oral
notice of (i) any default or failure of compliance with respect to any Project Document, the Permanent
Financing or any other financial, contractual or governmental obligation of the Partnership or the General
Partner, or (ii) any IRS proceeding regarding the Project or the Partnership;

(j) other than items for which liability is being contested with the Consent of the
Investor Limited Partner, it will cause the Partnership to pay on or before the date when the same would
become delinquent, any and all real estate and ad valorem taxes, personal property taxes, assessments,
water rates, sewer rents, fines, impositions and any other charges now or hereafter levied against the
Project, whether foreseen or unforeseen, ordinary or extraordinary; and also any and all license fees or
similar charges which may be imposed by any Authority with respect to the Project for the use and
occupancy of the Project, use of walks, chutes, areas and other space beyond the lot line of the Project and
on or abutting the public sidewalks and/or highways in front or adjoining the Project or pursuant to any
applicable law for the use of any furnaces, compactors, incinerators, parking areas or for other matters
covered by any such laws; and also any and all corporate, franchise, withholding, income, profits and
gross receipts, and other taxes due by the Partnership; in each case together with any penalties and interest
on any of the foregoing, and in default thereof;

(k) other than items for which liability is being contested with the Consent of the
Investor Limited Partner, it will cause the Partnership to pay promptly, when and as due, all charges for
utilities, whether public or private, and will not suffer or permit any construction or mechanics, laborers,
material statutory or other liens to be created or to remain outstanding upon any part of the Project, and if
any such lien is created, will cause the Partnership to discharge the same of record by payment or bond
against such lien within 45 days after the filing thereof;
(l) it shall not cause the Partnership to commit or permit waste, nor cause or permit any building or improvement upon the Land to be removed, demolished or altered in whole or in material part (including structural alterations) except as approved by the Investor Limited Partner, and except for alterations to update the buildings systems or to comply with any law;

(m) the General Partner shall maintain books, files and records, including tenant leasing files in compliance with the Code and the Treasury Regulations promulgated thereunder, that will adequately document the timing, amount and availability of the Tax Credit. The General Partner shall cause any files which document the initial qualification of residential units for Tax Credit to be copied and stored off-site at the General Partner’s principal place of business or at another location over which the General Partner has control for a period of not less than 21 years. With 3 days’ Notice from any Investor Limited Partner, the General Partner shall afford that Investor Limited Partner and its agents access to all such files, including files stored off-site during ordinary business hours. All such files are property of the Partnership and not of the General Partner or any other Person;

(n) upon reasonable Notice of not less than 1 business day given by the Investor Limited Partner, the General Partner shall permit the Investor Limited Partner or its designee (including any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner) (1) access to the Project for a physical inspection to take place during normal business hours, (2) the opportunity to inspect, examine and, if requested, make copies of all agreements and Tax Credit compliance data. The General Partner shall cooperate fully with all reasonable requests of the Investor Limited Partner regarding any such inspection and shall, if requested, accompany the Investor Limited Partner on any site inspection conducted for the purpose of marketing the Project to any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner;

(o) it shall not issue, sell, assign, encumber or transfer any direct or indirect ownership interest in the General Partner or member, partner, or shareholder of the General Partner, whether voluntary or involuntary, by operation of law or otherwise, without the Consent of the Investor Limited Partner as described in Section 9.01;

(p) the General Partner shall ensure that the Project shall at all times comply with the applicable requirements of all Access Laws. Notwithstanding any provisions set forth herein or in any other document, the General Partner shall not alter or permit any tenant or other person to alter the Project in any manner which would increase the General Partner’s responsibilities for compliance with the Access Laws without the Consent of the Investor Limited Partner. In connection with any such Consent, the Investor Limited Partner may require a certificate of compliance with the Access Laws from a qualified architect. The Project will be operated in a manner that fully complies with applicable accessibility and barrier-free regulations such that if an enforcement action is brought against the Partnership, the General Partner will use any and all of its own resources to promptly correct recorded deficiencies;

(q) the General Partner shall cause all leases of dwelling units in the Project to contain a provision obligationing tenants to notify the Management Agent immediately of any suspected water leaks, moisture problems or mold in dwelling units or common areas of the Project;
ARTICLE V

PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP

5.01 Partners, Capital Contributions and Interests.

(a) The General Partner, its principal office and place of business, its initial Capital Contribution and its Percentage Interest are as follows:

ZP Chisholm Trail Housing, LLC
1730 E. Republic Road, Suite F
Springfield, Missouri 65804

Capital Contribution: $00.01
Percentage Interest: 00.01%

(b) The Investor Limited Partner, its principal office and place of business, its Capital Contribution and Percentage Interest are as follows:

Raymond James Preservation Opportunities Fund II L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

Capital Contribution: $99.99
Percentage Interest: 99.99%

5.02 Additional Capital Contributions.

The Investor Limited Partner will make a $125,000 Capital Contribution on the date hereof to fund the Operating Reserve and the Capital Expenditure Reserve. The Partners shall make additional Capital Contributions in such amounts, and at such times, as they shall mutually agree.

ARTICLE VI

CAPITAL ACCOUNTS

6.01 Capital Accounts. A separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Treasury Regulation Section 1.704-1(b)(2)(iv).

6.02 Current Balances. The Partners agree that the current balances of the General Partner and the Investor Limited Partner, in total, are equal to the balances of the assignors of the partnership interests in the Partnership acquired by the General Partner and the Investor Limited Partner, as adjusted, divided among the Partners in accordance with their Percentage Interests.

ARTICLE VII

ALLOCATIONS AND DISTRIBUTIONS

7.01 Allocation of Profit and Loss and Tax Credits.

(a) Profit and Loss shall be allocated to the Partners in accordance with their Percentage Interests.
(b) “Profit” and “Loss” each mean, for each fiscal year of the Partnership or other period, the Partnership's taxable income or loss for such fiscal year or other period, 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), adjusted as follows: (1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss hereunder shall be added to such taxable income or loss; (2) 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 Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; (3) any expenses of the Partnership not deductible for federal income tax purposes and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; and (4) items of income, gain, loss or deduction allocated pursuant to Sections 7.02, 7.04, 7.06 or 7.07 hereof shall be disregarded in determining Profit and Loss. After taking into account the foregoing adjustments to taxable income or loss, if the result is an excess of income and gains over expenses and deductions, the Partnership shall be treated as having "Profit," and if the result is an excess of expenses and deductions over income and gains, the Partnership shall be treated as having "Loss."

(c) Tax Credit shall be allocated to the Partners in accordance with their Percentage Interests.

(d) In the event there is a recapture of Tax Credit previously allocated to the Partners, the responsibility for the recapture of such Tax Credit shall be allocated in accordance with the requirements of the Code and the Treasury Regulations.

7.02 Special Allocations.

(a) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Partner, or any loan between Partner and the Partnership, any income or deduction of the Partnership attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Partner.

(b) In the event that any Operating Deficit Loan is made pursuant to Section 8.08(a), any deductions or losses of the Partnership attributable to the use of those funds shall be specially allocated to the General Partner and any income generated by any principal repayment or by the forgiveness or cancellation of any such loans shall be specially allocated to the General Partner.

(c) In any year in which the General Partner receives an incentive management fee pursuant to Section 7.03, such fee shall be treated as a guaranteed payment. If and to the extent that such fee, for any reason, cannot be treated as a guaranteed payment, then the General Partner shall be allocated an amount of gross income of the Partnership in an amount equal to the incentive management fee.

(d) Depreciation deductions shall be allocated to the Partners in accordance with their Percentage Interests.

(e) Nonrecourse Deductions shall be allocated to the Partners in accordance with their Percentage Interests. Partner Nonrecourse Deductions shall be allocated to the Partners who bear the economic risk of loss with respect to the liability to which such deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i)(1).
7.03 Distributions of Net Cash Flow. Subject to the approval of the Lender, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(a) First, an amount equal to the payment due and owing under Section 8.08(b) shall be distributed to the Investor Limited Partner in satisfaction of such obligation;

(b) next, any other amounts due and owing to the Investor Limited Partner pursuant to this Agreement;

(c) next, repayment of any Partner Loan made by the Investor Limited Partner;

(d) next, an amount equal to the payment necessary to maintain the Operating Reserve Minimum in accordance with Section 8.12;

(e) next, to the payment of amounts due with respect to any Operating Deficit Loan(s) or Partners Loan made by a General Partner until such Loan(s) is repaid;

(f) next, to the Partners in accordance with their respective Percentage Interests until the distributions made under this clause (f) for such fiscal year are equal to the Projected Distributions for such year set forth in the Financial Projections;

(g) finally, 80% to the Investor Limited Partner and 20% to the General Partner as an incentive management fee; provided, however, that the aggregate amount payable to the General Partner for any fiscal year pursuant to this clause (g) cannot be greater than 10% of the aggregate amount distributed for such period pursuant to clauses (f) and (g), and distributions pursuant to this clause (g) shall be reduced accordingly.

Unless otherwise Consented to by the Investor Limited Partner, no Net Cash Flow shall be paid to the General Partner as a return of equity contributed to the Partnership.

The Partnership shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Lender, distribute Net Cash Flow quarterly beginning January 1, 2017, in the manner provided in this Section 7.03; within 30 days of the end of each calendar quarter. For purposes of this Section 7.03, distribution shall be deemed to be made with respect to such quarter even though made after the quarter has ended.

7.04 Allocation of Gains and Losses. Gains and losses recognized by the Partnership upon a Capital Transaction, including the sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated in the following manner:

(a) Gains shall be allocated (i) first, to the Partners with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Partners’ respective negative Capital Accounts in the Partnership; provided, that no gain shall be allocated under this Section 7.04(a)(i) to a Partner once such Partner's Capital Account is brought to zero; and (ii) second, gain in excess of the amount allocated under (i) shall be allocated to the Partners in the amount and to the extent necessary to increase the Partners’ respective Capital Accounts so that the proceeds distributed under Section 7.05(d) will be distributed in accordance with the Partners’ respective Capital Accounts.
(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Partners’ Capital Accounts; and (ii) second, any remaining loss to the Partners in accordance with the manner in which they bear the economic risk of loss associated with such loss under Section 752 of the Code and the Treasury Regulations promulgated thereunder, or, if none, to the Partners in accordance with their Percentage Interests.

7.05 Distribution of Proceeds from Capital Transactions. Except as may be required under Section 12.03(b), the proceeds resulting from the liquidation of the Partnership assets pursuant to Section 12.03, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to any Loan and all expenses of the Partnership incident to any such sale or refinancing), excluding (1) debts and liabilities of the Partnership to Partners or any Affiliates, and (2) all unpaid fees owing to the General Partner under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the General Partner if the distribution is not pursuant to the liquidation of the Partnership) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates by the Partnership for Partnership obligations, provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Limited Partner or its Affiliates, an amount equal to any amounts owed under this Agreement including, without limitation any amounts owed to the Investor Limited Partner as a result of any Partner Loan made under Section 11.04 and amounts owed under Section 8.08(b)(iii); (ii) amounts due with respect to Operating Deficit Loans; and (iii) any other such debts and liabilities, including, without limitation, any Partner Loan made under Section 8.10;

(d) to the Members in accordance with their Percentage Interests until the Actual Return to the Investor Limited Partner is equal to the Projected Return; and

(e) the balance of such remaining sum, 20% thereof in the aggregate to the General Partner and 80% thereof in the aggregate to the Investor Limited Partner.

7.06 Variation of Allocations to Preserve and Protect Partners’ Intent.

(a) It is the intent of the Partners that each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article VII, the General Partner hereby is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article VII to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article VII would cause the determinations and allocations of each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 7.06 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article VII and no amendment of this Agreement or approval of any Partner shall be required.
(b) In making any allocation (the “new allocation”) under Section 7.06(a), the General Partner is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations promulgated thereunder, (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Article VII necessary in order to assure that, either in the then current year or in any preceding year, each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(c) If the General Partner is required by Section 7.06(a) to make any new allocation in a manner less favorable to the Investor Limited Partner than is otherwise provided for in this Article VII, then the General Partner is authorized and directed, only after having been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Limited Partner as nearly as possible to the allocations thereof otherwise contemplated by this Article VII.

(d) New allocations made by the General Partner under Section 7.06(a) and Section 7.06(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the General Partner to the Partnership and the Investor Limited Partner, and no such allocation shall give rise to any claim or cause of action by the Investor Limited Partner.

7.07 Regulatory Allocations.

(a) Notwithstanding any other provision of this Agreement, no allocation of loss or deduction (or item thereof) shall be made by the Partnership to a Partner if such allocation would cause or increase a negative Capital Account balance of the Partner otherwise receiving such allocation (excluding the portion of such deficit balances that must be restored to the Partnership upon liquidation by such Partner, if any, and the amount that such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1)(ii) and 1.704-2(i)(5)).

(b) If there is a net decrease in partnership minimum gain (as defined in Treasury Regulation Section 1.704-2(b)(2)) during a Partnership taxable year, each Partner will be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner's share of such decrease, determined under Section 1.704-2(g) of the Treasury Regulations. A Partner shall not be subject to this mandatory allocation of income or gain to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(f)(2)-(5) applies. All allocations pursuant to this Section 7.07(b) shall be in accordance with Treasury Regulation Section 1.704-2(f). This provision is a “minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(f) and shall be construed as such.

(c) If there is a net decrease in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)) during a Partnership taxable year, each Partner shall be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner’s share of such net decrease, determined under Section 1.704-2(i)(4) of the Treasury Regulations. However, in accordance with Section 1.704-2(i)(4) of the Treasury Regulations, the preceding sentence shall not apply to the extent that any of the exceptions provided therein are applicable. All allocations pursuant to this Section 7.07(c) shall be in accordance with Treasury Regulation Section 1.704-2(i)(4). This provision is a “partner nonrecourse debt minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(i)(4) and shall be construed as such.
(d) In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code) the deficit balance in each such Partner's Capital Account as quickly as possible, provided that an allocation pursuant to this Section 7.07(d) shall be made if and only to the extent that such Partner would have a deficit Capital Account after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.07(d) were not in the Agreement. This provision is a “qualified income offset” within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be construed as such.

(e) 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 to the Partnership upon liquidation, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1)(ii) 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 7.07(e) 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 VII have been tentatively made as if this Section 7.07(e) and Section 7.07(d) were not in the Agreement.

(f) The allocations made pursuant to this Article VII shall be made in accordance with the requirements of Treasury Regulations Sections 1.704-1 and 1.704-2, including the ordering rules of Section 1.704-2(j).

(g) In the event that income, loss or items thereof are allocated to one or more Partners pursuant to this Section 7.07, subsequent income, loss or items thereof shall be allocated (subject to the provisions of this Section 7.07) to the Partners so that, to the extent possible in the judgment of the General Partner, the net amount of allocations to each Partner under this Article VII over the term of the Partnership shall be equal to the amount that would have been allocated had Section 7.07 not been applied.

7.08 Deficit Restoration Obligation. Notwithstanding anything to the contrary contained in this Agreement, the Investor Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Limited Partner’s delivery of a Notice of election to the General Partner no later than the due date of the tax return (determined without regard for extension) for the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that such Investor Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of such Investor Limited Partner’s Interest. This deficit restoration election shall be optional to the Investor Limited Partner and shall not be enforceable by any party.

7.09 Allocations Among General Partners. In the event that there is more than one General Partner, allocations of income, gain, loss, deduction, credit and distribution shall be divided among them in accordance with their Percentage Interests or as they may otherwise agree, but in all events consistent with the requirements of the Code and the regulations thereunder and in a manner that does not affect the allocations to the Investor Limited Partner.
7.10 **Accounting and Tax Rules: Tax Effect of Allocations.**

(a) All items of income, gain, loss, deduction and credit for all purposes of this Agreement shall be determined in accordance with the accrual accounting method.

(b) In any year in which a Partner sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute partner, the share of all items of income, gain, loss, deduction and credit, all Net Cash Flow, and all cash proceeds distributable under Section 7.05 which are attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee based on the “interim closing of the books” method.

(c) The allocation of all items of income, gain, loss and deduction and credit to any Partner under this Article VII shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such items, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under Section 751 of the Code.

(d) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Ordinary Income Amount") shall be allocated on a dollar for dollar basis to those Partners to whom the items of Partnership deduction or loss giving rise to the Ordinary Income Amount had been previously allocated.

(e) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall be allocated, solely for tax purposes, 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 fair market value. If any Partnership property has been revalued on the books of the Partnership and the Capital Accounts of the Partners adjusted as provided in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, subsequent allocations of income, gain, loss, and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its adjusted book value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Partnership for its allocations actually made or to be made by the Partnership, under Section 704(c) of the Code and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the General Partner, with the Consent of the Investor Limited Partner, in a manner that reasonably reflects the purpose and intention of this Agreement.

(f) If any Partner's Interest in the Partnership is reduced but not eliminated because of the admission of new Partners or otherwise, or if any Partner is treated as receiving any items of property described in Section 751(a) of the Code, the Partner's Interest in such items of Section 751(a) property that was property of the Partnership while such Person was a Partner shall not be reduced, but shall be retained by the Partner so long as the Partner has an Interest in the Partnership and so long as the Partnership has an Interest in such property.

(g) For purposes of determining the Partners' respective shares of "excess nonrecourse liabilities" of the Partnership, within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Partners' interest in profits shall be equal to their Percentage Interests.
The Partners are aware of the income tax consequences of the allocations made pursuant to this Article VII and hereby agree to be bound by the provisions of this Article VII in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

ARTICLE VIII

RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER

8.01 Management of the Partnership.

(a) Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use best efforts to carry out the purpose of the Partnership. In so doing, the General Partner shall take all actions necessary or appropriate to protect the interests of the Investor Limited Partner and of the Partnership. The General Partner shall devote such time as is necessary to the affairs of the Partnership.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Lender and/or Agency rules and regulations and the provisions of the Project Documents, the General Partner (acting for and on behalf of the Partnership), in extension and not in limitation of the rights and powers given 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 business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Partnership. In furtherance and not in limitation of the foregoing provisions, except as otherwise set forth in this Agreement, the General Partner is specifically authorized and empowered to execute and deliver, on behalf of the Partnership, the Regulatory Agreement, the Extended Use Agreement, the Loan Documents, the Mortgage, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto, as shall be required in connection with the Permanent Financing, including, but not limited to, executing any mortgage, note, 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. Except as otherwise set forth in this Agreement, all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. No person dealing with the General Partner shall be required to determine its authority to make any undertaking on behalf of the Partnership, nor to determine any facts or circumstances bearing upon the existence of such authority.

(c) In the event that there is more than one General Partner, the obligations of the General Partner hereunder shall be the joint and several obligations of each General Partner and the rights and powers of the General Partner hereunder shall be exercised by a majority of them (by number and without regard to their relative interests in the Partnership). In the event that there is an even number of General Partners and there is a deadlock regarding a potential action, any General Partner may call a meeting of the Partners pursuant to Section 16.03 and put the proposed action to a vote of the Partners. Any General Partner shall have the authority to carry out an action approved by a vote of the Partners.

8.02 Limitations Upon the Authority of the General Partner.

(a) The General Partner shall not have any authority to:
(i) perform any act to its knowledge in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, this Agreement or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by the Investor Limited Partner under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) elect, on behalf of the Partnership, the 20-50 Set-Aside Test as the Minimum Set-Aside Test;

(v) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(vi) borrow from the Partnership or commingle Partnership funds with funds of any other Person;

(vii) change the nature of the business or purpose of the Partnership;

(viii) perform any act that would subject a Limited Partner to liability as a General Partner; or

(ix) do any act which would make it impossible to carry on the ordinary business of the Partnership.

(b) The General Partner shall not, without the Consent of the Investor Limited Partner, have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Partnership or any portion of the Land upon which the Project is built or grant easement or dedicate a portion of the Land;

(ii) develop any currently undeveloped portion of the Land upon which the Project is built;

(iii) (A) amend, modify or renew the terms of any material document executed in connection with the Permanent Financing, (B) obtain, or enter into any commitment for, a loan other than the Permanent Financing, or a Partner Loan allowed pursuant to the terms of this Agreement, (C) increase or decrease the amount of any Loan (or make application(s) for such an increase or decrease), or (D) refinance any Loan;

(iv) incur any liability or obligation on behalf of the Partnership other than in the ordinary course of business or borrow in excess of $10,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except borrowings under
Section 8.10 or Section 11.04, and except as and to the extent provided for in an approved budget pursuant to Section 14.04;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) execute or deliver any assignment for the benefit of creditors, file or consent to the filing of a petition in Bankruptcy with respect to the Partnership or file or consent to any plan of reorganization in Bankruptcy or consent to any lifting of the automatic stay;

(vii) replace the Management Agent or substantially modify the terms of the Management Agreement;

(viii) replace the Accountants or change any accounting method or practice of the Partnership;

(ix) construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or make any modification to the capital budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget except (a) repairs, replacements and remodeling under emergency conditions, or (b) reconstruction paid for from insurance proceeds; provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed so long as adequate funds are available from draws from the Replacement Reserve that do not require Investor Limited Partner Consent;

(x) make any modification to the operating budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget; provided, that expenditures for line items of up to 110% of the budgeted amount shall not be deemed to be inconsistent with the budget and, further provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed if the proposed operating expense is reasonably required for the operation of the Project;

(xi) consent to the settlement of any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than the proceedings such as tenant evictions and rent collections in the ordinary course of business);

(xii) initiate any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than tenant eviction or similar tenant proceedings in the ordinary course of business) or confess a judgment against the Partnership in an amount in excess of $10,000;

(xiii) settle any audit with the IRS concerning the adjustment or readjustment of any partnership tax item, extend any statute of limitations, or initiate or settle any judicial review or action concerning the amount or character of any partnership tax item;

(xiv) amend, modify, terminate or renew in any material manner any Project Document;
enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the Project;

(xvi) pledge its Interest or the Partnership’s right to receive Capital Contributions, or otherwise encumber Partnership assets except as may be consented to by the Investor Limited Partner;

(xvii) make, amend, revoke or refrain from making any tax election required of or permitted to be made by the Partnership under the Code;

(xviii) loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other person;

(xix) pay, directly or indirectly, any salary, fees or other compensation to a General Partner or its Affiliates;

(xx) invest assets of the Partnership or cause the Partnership to invest its assets, other than in the Project or in Permitted Temporary Investments; or

(xxi) invest assets of the Partnership, or cause the Partnership to invest its assets, in (i) a security, (ii) a derivative, (iii) a contract of sale of a commodity for future delivery, or (iv) an option on any of the items described in (i), (ii) or (iii) above.

8.03 Management Purposes. In conducting the business of the Partnership, the General Partner shall be bound by the Partnership’s purposes set forth in Article III.

8.04 Delegation of Authority. The General Partner may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve.

8.05 General Partner or Affiliates Dealing with Partnership.

(a) The General Partner or any Affiliate may act as Management Agent on such terms and conditions permitted by any applicable Lender and/or Agency requirements, and may receive compensation at the highest rates approved and permitted by the Lender and Investor Limited Partner at any time not exceeding amounts set forth under Section 8.09(a).

(b) The General Partner or any Affiliates thereof 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 herein, if (i) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Partnership, (ii) the goods or services to be furnished shall be reasonable for and necessary to the Partnership, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Partnership as would be obtainable in an arm’s-length transaction, (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the General Partner or any Affiliate shall be compensated by the Partnership for its services and (v) such contracts and dealings are fully and specifically disclosed to the Investor Limited Partner in writing.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on 30 days’ notice. Any payment made to the General Partner or any Affiliate for such
goods or services shall be fully disclosed to the Investor Limited Partner in the reports required under Section 14.03. Neither the General Partner nor any Affiliate shall, by the making of lump-sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05(c).

8.06 Other Activities. The General Partner’s Affiliates may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions. Neither the General Partner nor any of its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the General Partner pursuant to this Section 8.07 shall not apply in the case of the breach of any express obligation of the General Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as General Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any General Partner or any of its Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by the General Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the General Partner or any breach of fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any personal liability to the General Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the General Partner or Affiliate(s) thereof or on account of the payment thereof).

8.08 General Partner Guaranties and Indemnities.

(a) Operating Deficit Guaranty.

(i) In the event that, at any time, an Operating Deficit shall exist which cannot be funded from the Operating Reserve, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit. Any such funds provided shall be in the form of a loan to the Partnership (the “Operating Deficit Loan(s)”). An Operating Deficit Loan shall be made in accordance with the provisions of Section 8.10; provided, however, that an Operating Deficit Loan shall bear no interest.

(ii) The General Partner shall not be required to advance any amounts as Operating Deficit Loans under this Section 8.08(a) if and to the extent that such advance would cause the balance outstanding as Operating Deficit Loans to exceed $100,000.

(b) Tax Credit Guaranty. If, for any reason, there is a Tax Credit Recapture Event that is due to an event occurring after November 30, 2016:
(i) If the Partnership or the Investor Member has a tax liability in respect thereof in respect of such an event, then the General Partner shall make a Capital Contribution sufficient to pay such tax liability, including any interest and/or penalties thereon, and such contribution shall be used, as applicable, (i) to pay the tax obligation of the Partnership, or (ii) to be distributed to the Investor Limited Partner as a reimbursement of its tax obligation.

(ii) If there is an indemnity obligation to the former partners of the Partnership, the General Partner shall be responsible for such obligation. The General Partner shall pay such reimbursement obligation or shall be responsible for any reimbursement obligation to the provider of an insurance policy or bond obtained by the General Partner.

(c) Environmental Indemnification. The General Partner shall at all times indemnify and hold harmless the Investor Limited Partner against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investor Limited Partner with respect to any remediation costs incurred by the Partnership, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder or on account of any violation of the General Partner’s representations, warranties, covenants or obligations as set forth in Section 4.01(e).

(d) Securities Indemnification. The General Partner will indemnify and hold the Partnership, the Investor, the Investor Limited Partner and the partners, members, or shareholders thereof, and their respective Affiliates and agents, free and harmless from any injury, loss or damage (including, but not by way of limitation, reasonable attorneys’ fees, court costs, and amounts paid in settlement of any claims, which settlement has been mutually agreed to by it and the party against whom such claim has been made) resulting from the claims of any Person with respect to any liability arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 or the laws or regulations of any state or other jurisdiction, which claims are based upon alleged fraud, deceit, or untrue statement or alleged untrue statement of a material fact, or the omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading, with respect to or based upon information furnished or statements made by the General Partner to the Investor Limited Partner, the Investor, their Affiliates or agent(s), in connection with the acquisition by the Investor Limited Partner of its Interest in the Partnership or the offer or sale of interests in the Partnership or in the Investor Limited Partner.

(e) Indemnification for General Partner Actions or Inaction. The General Partner shall defend, indemnify and hold harmless the Partnership and the Investor Limited Partner from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner’s or any designated Affiliate’s gross negligence, intentional misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation, any breach by the General Partner or any designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 4.01 or 4.02 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of the General Partner.
8.09 Management Agent.

(a) Selection of Management Agent. The Partnership, with the approval of the Agency and/or the Lender, if required, shall engage Management Agent or such other person, firm or company as the General Partner may select, and as the Investor Limited Partner may approve, which approval shall not be unreasonably withheld, conditioned or delayed (hereinafter referred to as "Management Agent") to manage the operation of the Project. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State or through a reputable property management educational organization (such as an Accredited Management Organization designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Lender, if required, but in no event will the annual management fee be greater than 6% of the annual Gross Effective Income. The Management Agent shall be required to prepare monthly accrual-basis operating statements with respect to the Project which statements shall be provided to the General Partner no later than 10 days following the end of each month and which statement shall disclose any event or occurrence with respect to the Project which is asserted by an Authority to be in violation of any federal, state or local statute or regulation. The contract between the Partnership and the Management Agent and the management plan for the Project shall be in a form acceptable to the Agency and/or the Lender, if required, and reasonably acceptable to the Investor Limited Partner; such contract shall have an initial term of 1 year and shall be renewable annually thereafter unless notice of nonrenewal is given by either party not more than 30 days prior to the expiration of the then current term and shall provide, among other things, (i) for termination by the General Partner with no more than 30 days' notice; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that if the Management Agent is an Affiliate of the General Partner, the Management Agent will accrue 50% of the management fee to the extent necessary at any time to prevent a default under the Permanent Financing or an Operating Deficit; and (iv) other commercially reasonable terms including the provision of a fidelity bond and insurance coverage consistent with the specifications set forth in the Insurance Guidelines. Management Agent is approved by the parties hereto as the initial Management Agent.

(b) Removal of the Management Agent. The General Partner (i) may, upon receiving the Consent of the Investor Limited Partner, not to be unreasonably withheld, conditioned or delayed, and receiving any required approval of any Lender, dismiss or not renew the Management Agent as the entity responsible for the Project under the terms of the contract between the Partnership and the Management Agent, and (ii) shall not renew the contract of the Management Agent if the Investor Limited Partner makes a reasonable request to not renew such contract, and (iii) at the request of the Investor Limited Partner, shall immediately remove the Management Agent in the event that: (1) the Investor Limited Partner has determined to remove the General Partner pursuant to Section 9.04 or has determined that grounds for removal under Section 9.04 exist, or (2) the Management Agent is declared Bankrupt, is dissolved, is insolvent, or makes an assignment for the benefit of its creditors, or (3) for three consecutive months, the actual rental revenue collected in each month is less than 85% of the potential monthly rental revenue (which is defined as posted project monthly rents multiplied by the number of units in the Project), or (4) for three consecutive months, the Partnership is not Current (measured in each case as of the last day of each month), or (5) there has been a default in a Permanent Loan or the occurrence of a Tax Credit Recapture Event, if either event was the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (6) there has been a material default under the Management Agreement that has not been cured within a reasonable time, or (7) the Partnership has been issued a citation or given a similar notice by a government agency of a building code violation that has not been cured in a reasonable time, or (8) the Agency has filed an IRS
Form 8823 with respect to the Project and any noncompliance alleged therein has not been cured in a reasonable time and is the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (9) the Management Agent or any Affiliate thereof has been convicted or plead guilty to a felony, or (10) there is any intentional misconduct by the Management Agent or any negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Partnership and/or any material provision of the Regulatory Agreement and/or the Extended Use Agreement applicable to the Project, or the approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would, in the opinion of counsel to the Investor Limited Partner, be likely to give rise to a Tax Credit Recapture Event.

(c) Replacement of the Management Agent. Upon the termination of the contract with the Management Agent or the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which, if the removed Management Agent was an Affiliate of the General Partner, is not an Affiliate of the General Partner, shall be named by the General Partner, subject to the approval of the Agency and the Lender, if required, and the Consent of the Investor Limited Partner. Notwithstanding anything to the contrary contained herein, in the event there exists a conflict between the terms of this Agreement and that of the Management Agreement, the terms of this Agreement shall control.

8.10 Loans to the Partnership by General Partner or Others. With the prior written Consent of the Investor Limited Partner first obtained (which may be granted or withheld in its sole discretion) in the event that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Partnership may borrow such funds as are needed from any General Partner or other Person or organization, as the General Partner, the Investor Limited Partner and the Lender, if so required, may agree. Unless the Investor Limited Partner and the Lender, if so required, agree otherwise, such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not have a fixed maturity date that is prior to the end of the Compliance Period, (iii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iv) shall be payable solely from the assets of the Partnership (including the proceeds of any claim against the General Partner under this Agreement, including without limitation claims for capital contributions, payments under the Operating Deficit Guaranty and indemnifications) but not from the assets of any Partner, and (v) shall be repaid prior to final maturity as a Partner Loan as provided in Section 7.05, but any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Section 7.05 or 12.01 shall be repaid as provided in Section 7.05.

8.11 Replacement Reserve. A replacement reserve account (the “Replacement Reserve”) with a lending institution acceptable to the Investor Limited Partner has been established and has a current balance of $246,175. The Partnership shall be obligated to make a pro rata payment to the Partnership’s Replacement Reserve each month equal to (on an annualized basis) the greater of (i) the amount required by the Lender and (ii) $350 per unit (the “Reserve Minimum Payment”).

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Any interest earned on the Replacement Reserve shall become a part thereof.

Unless otherwise approved by the Investor Limited Partner (and the Lenders if necessary), draws from the Replacement Reserve shall only be used to pay costs with respect to the Project that are capital in nature and result in the production of depreciable assets with a useful life exceeding 2 years. By way of example and not limitation, amounts from the Replacement Reserve may fund replacement of assets such as window treatments, carpeting and appliances but should not be used for interior painting and similar maintenance expenses. The Investor Limited Partner shall receive a copy of any draw from the Replacement Reserve. Except for emergency expenditures necessary for protection of person or property or expenditures that would not cause aggregate draws in any one fiscal year to exceed $10,000, the Investor Limited Partner shall receive such draw in proposed form in advance and the withdrawal from the Replacement Reserve shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

Repairs, replacements or improvements funded from the Replacement Reserve shall be constructed, installed and completed in a workmanlike manner, free and clear from all liens. Evidence of such completion shall be provided to the Investor Limited Partner upon request.

8.12 Operating Reserve.

The General Partner shall establish an Operating Reserve (the “Operating Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Operating Reserve shall be funded as of the date hereof in an amount equal to $25,000 from a Capital Contribution of the Investor Limited Partner. Such Operating Reserve shall be maintained for the duration of the term of the Partnership and shall be used to provide working capital and to pay for Operating Deficits incurred by the Partnership; provided however, that all withdrawals from the Operating Reserve that would cause aggregate draws in any one fiscal year to exceed $10,000 shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary contained herein, should the balance in the Operating Reserve fall below $25,000 (the “Operating Reserve Minimum”), distributions shall be made from Net Cash Flow as provided in Section 7.03 on each Payment Date to maintain a minimum balance equal to the Operating Reserve Minimum.

8.13 Capital Expenditure Reserve

The General Partner shall establish a Capital Expenditure Reserve (the “Capital Expenditure Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Capital Expenditure Reserve shall be funded as of the date hereof in an amount equal to $100,000 from a Capital Contribution of the Investor Limited Partner. Such Capital Expenditure Reserve shall be used, along with Replacement Reserves, to make Capital Expenditures with respect to the Project with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

8.14 Options to Purchase/Order Sale

(a) During the period commencing on the end of the Compliance Period for the Project and ending one year later, the General Partner shall have the option to cause an Affiliated Company (defined below) that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a price (the “Purchase Price”) equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which
appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(i) An Affiliated Company shall mean a limited partnership or limited liability company controlled by an Affiliate of the General Partner that will apply for the Housing Tax Credits under Section 42 of the Code or similar subsidy for low- or moderate-income housing; provided, however, that an Affiliate of Raymond James Tax Credit Funds, Inc. is given a right of first refusal to provide equity funding to such entity.

(ii) The Partnership will cooperate with such Affiliated Company to apply for subsidies for low- or moderate-income housing, including without limitation, providing necessary evidence of site control and the Partners agree and understand that such an application may be made prior to the period during which the option can be exercised.

(iii) The option granted under this clause (a) shall terminate in the event of a removal of the General Partner.

(b) If the General Partner has not exercised the option within the one year period described in Section 8.14(a) above, the Investor Limited Partner shall have an option to cause an Affiliate of Raymond James Tax Credit Funds, Inc. that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a Purchase Price equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(c) Notwithstanding the foregoing, at any time after the earlier of (i) the second unsuccessful application for Housing Tax Credits with respect to the Project made after the date hereof, or (ii) the 17th anniversary of the first day of the first taxable year of the applicable Compliance Period, if the General Partner has not exercised the option under (a) above or the Investor Limited Partner has not exercised its right under (b) above, then the Investor Limited Partner may request that the Partnership sell the Project subject to the Extended Use Agreement (a “Continued Compliance Sale”).

(d) After receipt of a request for a Continued Compliance Sale, the General Partner shall use its best efforts to find a third-party purchaser for the Project and to cause the Partnership to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Limited Partner, which terms shall include a purchase price at least equal to the minimum price established in accordance with Section 42(ii)(7) of the Code plus any outstanding amounts owed to the Investor Limited Partner pursuant to this Agreement. If a third-party purchaser makes an offer that the Investor Limited Partner is willing to accept, the General Partner shall have the option to acquire the Project on the same terms and conditions offered by the third-party purchaser. If such efforts are not successful on terms reasonably satisfactory to the Investor Limited Partner within 6 months, the Investor Limited Partner shall have the right thereafter to locate a purchaser for the Project. If the Investor Limited Partner locates such a purchaser, then the General Partner shall be obligated to consent to the sale
of the Project subject to the Extended Use Agreement to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Partnership as the best offer, if any, located by the General Partner; provided that the General Partner shall not be required to incur any third-party, out-of-pocket expenses to effectuate such sale.

ARTICLE IX

WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER

9.01 Withdrawal of the General Partner.

(a) A General Partner may not withdraw from the Partnership or sell, transfer or assign or permit the sale, transfer or assignment of its Interest, in whole or in part, nor shall any holder of an interest in a General Partner (directly or indirectly) sell, transfer or otherwise dispose of such interest except with the prior Consent of the Investor Limited Partner, and of the Agency and the Lender, if required. Transfers of interests in the General Partner may not be made without the Consent of the Investor Limited Partner which may be given or withheld in the exercise of its sole discretion, except that Consent shall not be unreasonably withheld if (i) such transfer, when aggregated with all prior transfers made as of the date hereof, represents the transfer of less than 50% of the voting power in the General Partner, and (ii) immediately after such transfer, the Approved Principals, in the aggregate, continue to own more than 50% of the voting power in the General Partner.

(b) In the event that a General Partner withdraws from the Partnership or sells, transfers or assigns its entire Interest in accordance with the provisions of Section 9.01(a), he or it shall be and shall remain liable for all obligations and liabilities incurred by him or it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

9.02 Admission of a Successor or Additional General Partner. A Person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the General Partner or its successor (except pursuant to Sections 9.03 and/or 9.04) and the Investor Limited Partner, and consented to by the Agency, and the Lender, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Project Documents, by executing counterparts thereof, if requested by the Lender or the appropriate party thereto and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and an amended Certificate and, if required, an amendment to this Agreement evidencing the admission of such Person as a General Partner shall have been filed and all other actions required in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, partnership, limited liability company, trust or other entity, it shall have provided the Partnership with evidence satisfactory to Counsel for the Partnership of its authority to become a General Partner, to do business in the State and to be bound by the terms and provisions of this Agreement; and
(d) Counsel for the Partnership shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes.

9.03 Events of Withdrawal of a General Partner.

(a) In the event of the Bankruptcy of a General Partner or the withdrawal, death or dissolution of a General Partner or an adjudication that a General Partner is incompetent (which term shall include, but not be limited to, insanity) the business of the Partnership shall be continued by the other General Partner(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent General Partner is then the sole General Partner, or if such General Partner withdraws from the Partnership in contravention of the provisions of Section 9.01(a), then the Partnership shall be dissolved if and to the extent required by law, unless within 90 days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence, a Majority in Interest of the other Partners elects to designate a successor General Partner and continue the Partnership upon the admission of such successor General Partner to the Partnership.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner and its Interest shall without further action be converted to that of a Class B Limited Partner; provided, however, that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner, such General Partner shall cease to be a General Partner only upon the earlier of (i) the removal of such General Partner and the designation of a successor General Partner in accordance with this Agreement, or (ii) Notice to the Investor Limited Partner of the Bankruptcy, death, dissolution or declaration of incompetence of such General Partner. Except as set forth above, such conversion of a General Partner Interest to a Class B Limited Partner Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the General Partner’s obligations under Section 8.08 herein) of the Bankrupt, deceased, dissolved or incompetent General Partner existing prior to the Bankruptcy, death, dissolution or incompetence of such person as a General Partner (whether or not such rights, obligations or liabilities were known or had matured). A Class B Limited Partner shall have the economic rights of the General Partner but no management, control, agency or voting rights.

(c) If, at the time of the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, the Bankrupt, deceased, dissolved or incompetent General Partner was not the sole General Partner of the Partnership, the remaining General Partner or General Partners shall immediately (i) give Notice to the Investor Limited Partner of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved or incompetent General Partner and its having ceased to be a General Partner. Such action or actions by the remaining General Partner or General Partners shall, in the event that permission of a bankruptcy court is necessary, be deemed to have been taken subject to Section 9.03(d) below. The remaining General Partner or General Partners are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Partners and the Partnership and to file such documents as may be required to effectuate the provisions of this Section 9.03.

(d) The Partners, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree that in the event a General Partner should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (for purposes of this Section 9.03, the “Bankruptcy Code”), or in the event that any involuntary petition is
filed against a General Partner, then, in such event, any other Partners shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Partner pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent a General Partner from filing for protection under the Bankruptcy Code.

(e) The Partners acknowledge and agree that this Agreement is a contract under which an Investor Limited Partner is excused from accepting performance from a General Partner, its assignee, representative or trustee, in the event that such General Partner makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such General Partner and not dismissed within 90 days. The effect of this paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(c)(2)(A) of the Bankruptcy Code and that the Investor Limited Partner, by its refusal to consent to an assumption or assignment of this Agreement by a General Partner, shall be able to prevent such assumption or assignment.

(f) In the event that a General Partner makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said General Partner, then, in such event, any other Partner may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Partnership has its principal place of business, and the General Partner hereby agrees not to oppose or object to such application or motion in any way.


(a) The Investor Limited Partner, so long as it is a Partner, shall have the right to remove a General Partner (or a Class B Limited Partner whose interest has been converted from that of a General Partner) (i) for any intentional misconduct or failure to exercise reasonable care by such General Partner with respect to any material matter in the discharge of its duties and obligations as General Partner (provided that such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership), or (ii) upon the occurrence of any of the following:

(i) such General Partner shall have violated any material provisions of the Project Documents or other document required in connection with any Loan or any material requirements of the Lender, and/or Agency applicable to the Project (including without limitation, misapplication of any funds drawn under a loan), which violation has not been explicitly waived in writing by the Lender, or the Agency, as applicable, or cured within any applicable cure period;

(ii) such General Partner shall have violated any of its guaranty or indemnity obligations pursuant to Section 8.08, or violated any material provision of applicable law;

(iii) such General Partner shall have violated any material provision of this Agreement (other than its guaranty or indemnity obligations pursuant to Section 8.08) which violation has not been explicitly waived by the Investor Limited Partner, or cured within 10 days (for a monetary default) or 30 days (for a nonmonetary default) after Notice thereof, and such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership;
(iv) a default shall have occurred or with the passage of time is likely to occur or is not likely to be cured under the Permanent Financing, which default is not cured within any applicable cure period;

(v) such 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 Investor Limited Partner to:

(A) cause the termination of the Partnership for federal income tax purposes; or

(B) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation;

(vi) an event of Bankruptcy has occurred with respect to such General Partner and/or a Guarantor thereof;

(vii) such General Partner or Guarantor thereof (or any Decision Maker of either) has been convicted by a court of competent jurisdiction of a felony criminal offense or such General Partner or Guarantor thereof has pleaded guilty to such an offense;

(viii) such General Partner or an Affiliate thereof has committed fraud or engaged in willful misconduct with respect to the Partnership or an Affiliate of the Partnership; or

(ix) such General Partner has misappropriated Partnership funds, has misapplied the proceeds of loan or capital draws for its benefit or that of an Affiliate, has taken unauthorized advances of Partnership funds or has made unauthorized use of tenant security deposits.

Notwithstanding anything to the contrary set forth in this Section 9.04, if the right of the Investor Limited Partner to remove a General Partner is solely due to a Decision Maker’s conviction or guilty plea under Section 9.04(a)(viii) above, the Investor Limited Partner shall not have such removal right if, within 3 days of the conviction or guilty plea by the Decision Maker, the General Partner or Guarantor causes such Person to be removed from his or her position as a Decision Maker of such entity.

(b) The Investor Limited Partner shall give Notice to all Partners of its determination that a General Partner shall be removed. If the Investor Limited Partner has determined to remove a General Partner, such General Partner shall have 10 days after receipt of such Notice to cure any monetary default and 20 days to cure any nonmonetary default or other reason for such removal, in which event it shall remain as General Partner. In the case of a nonmonetary default that cannot reasonably be cured within 20 days, the time for cure shall be extended for a maximum of 40 additional days so long as the effort to cure is begun within such initial 20 day period and pursued diligently thereafter and such default does not place the Project or the Partnership in immediate jeopardy. If, at the end of the applicable cure period, the General Partner has not cured any default or other reason for such removal, it shall cease to be a General Partner and the powers and authorities conferred on it as General Partner under this Agreement shall cease and the Interest of such General Partner shall be transferred to a designee of the Investor Limited Partner which, without further action, shall become a General Partner; in such event, upon becoming a General Partner, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents. Notwithstanding the foregoing, if the event giving rise to
the determination that a General Partner be removed is as set forth in Sections 9.04(a)(vii)-(x) above or if foreclosure action against the Project has begun, then there shall be no opportunity to cure any such default and removal may be effective on the date of Notice. In the event that the Investor Limited Partner has determined to cause itself or its designee to be admitted as General Partner, such admission shall occur on such date as is determined by the Investor Limited Partner, which may be on the date of the Notice to the General Partner (if required) or at any time thereafter.

(c) In the event of removal of a General Partner,

(i) on and after the date of removal, such General Partner shall have no authority to exercise the power of the General Partner under this Agreement or of a manager under the Act and, except as described below, shall not be responsible for the ongoing obligations of the General Partner hereunder, such as the obligations to manage the business of the Partnership, including without limitation the obligations to prepare budgets and reports;

(ii) such General Partner shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner, including but not limited to the obligations and liabilities of the General Partner set forth in Article VII and Sections 8.08 (including amounts owing under Section 8.08 and attributable to the period after removal); provided however, that (A) if amounts otherwise payable to the General Partner (or their respective Affiliates) as fees are applied to meet the obligations of the General Partner as stated in Section 8.08 of this Agreement, such application shall serve to reduce any such liabilities of the General Partner or any successor, (B) the General Partner shall not be liable for any loss or damage to the Partnership or the Investor Limited Partner caused solely by an event occurring after removal of the General Partner;

(iii) the Partnership shall not be obligated to repay any Operating Deficit Loans or Partners Loans made by such General Partner to the Partnership or to pay any accrued but unpaid fees payable to such General Partner or any Affiliate thereof;

(iv) the Partnership may apply any other fee payments owed to such General Partner or its Affiliates to compensate the Partnership and the Investor Limited Partner for damages incurred by the Partnership and the Investor Limited Partner as result of or relating to the events which gave rise to removal of such General Partner and for the reasonable costs and expenses incurred in connection with such removal;

(v) the remaining or successor General Partner shall cause the Partnership to redeem the removed General Partner’s Interest for $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;

(vi) the General Partner shall indemnify the Investor Limited Partner and the Partnership for any and all costs, damages and legal fees incurred by them (individually or collectively) in connection with the removal of such General Partner under Section 9.04 hereof; and

(vii) the Guarantors shall continue to remain liable under the Unconditional Guaranty, except to the extent specifically provided therein.
ARTICLE X

INVESTOR LIMITED PARTNER TRANSFERS

10.01 Transfer of Investor Limited Partner’s Interest.

(a) The Investor Limited Partner may at any time and without the Consent of any other Partner transfer, sell, assign or pledge its Interest to any Affiliate or third party. The Investor Limited Partner or its assignee shall give Notice of such transfer, sale or assignment to the General Partner prior to or within a reasonable time after such transfer, sale or assignment (but no such Notice shall be required in the case of a pledge or collateral assignment by the Investor Limited Partner of its Interest).

(b) The General Partner shall promptly cooperate with any reasonable request by the Investor Limited Partner in connection with the transfer, sale, assignment or pledge of its Interest, including the payment of any transfer taxes due in connection with such a transfer (in all cases but the first transfer of the Interest that results in a transfer tax liability, from funds provided by the Investor Limited Partner or its assignee), and by entering into any amendments to this Agreement or the exhibits hereto that such transferee, purchaser, assignee or pledgee may reasonably request provided that the same do not increase the obligations or restrict the authority of the General Partner, or otherwise materially adversely affect the essential economic or other interests of the Partners hereunder.

(c) The Investor Limited Partner whose Interest is being transferred shall pay such third party, out-of-pocket, reasonable expenses, including legal fees and costs and accounting costs (as the latter relates to any termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code), as may be incurred by the Partnership and the General Partner in connection with such transfer.

(d) Nothing in this Agreement shall limit the authority of an Investor Limited Partner which is an entity to cause or permit the sale, transfer and/or assignment of equity interests within itself, in the sole discretion of that Investor Limited Partner, and no such sale, transfer or assignment shall be deemed to constitute a transfer of the Interest of such Investor Limited Partner for any purpose hereof; provided, however that the Investor Limited Partner shall be obligated to pay reasonable accounting costs incurred by the Partnership in the event of a termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code as a result of such sale, transfer or assignment.

10.02 Rights of Assignee of Interest.

(a) Except as otherwise provided in Section 10.03, an assignment of an Investor Limited Partner’s Interest or a portion thereof shall not entitle the assignee to become a partner of the Partnership, and the assignee shall only be entitled to receive, in accordance with any agreement that it may have with the Investor Limited Partner, all or a portion of the Profits, Losses, items of income, gain, expense, loss or credit, and distributions of the Partnership otherwise allocable to the Investor Limited Partner in respect of such Interest or portion thereof, and the assignee shall not have any other rights of a Partner of the Partnership, under this Agreement or otherwise. For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Partnership, an assignment of the Investor Limited Partner’s Interest shall be effective as of the effective date set forth in the instrument of assignment; provided, however, that neither the Partnership nor the General Partner shall have any liability for any distribution made to the assignor after the effective date of the assignment but prior to receipt by the General Partner of a fully executed copy of the instrument of assignment.
(b) Except as provided in this Article and as required by operation of law, the Partnership shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Limited Partner of its Interest until the Partnership has received actual Notice thereof.

(c) Any Person who is the assignee of all or any portion of an Investor Limited Partner’s Interest, but does not become a Substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article X to the same extent and in the same manner as any Investor Limited Partner desiring to make an assignment of its Interest.

10.03 Admission of Substitute Investor Limited Partner.

(a) Subject to the other provisions of this Article X, an assignee of the Interest of an Investor Limited Partner (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) any Consent of the General Partner required pursuant to this Section 10.03 and any Consent of the Lender and/or the Agency that is required pursuant to the Loan Documents or applicable law shall have been given; any required Consent of the General Partner may be evidenced by the execution by the General Partner of an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner pursuant to the requirements of the Act;

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing an acceptance of assignment, a counterpart of this Agreement or an appropriate amendment hereto, and such other documents or instruments as the General Partner may reasonably require in order to effect the admission of such Person as an Investor Limited Partner;

(iii) an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner shall have been filed for recording pursuant to the requirements to the Act, if required for admission; and

(iv) if the assignee is not a natural person and the General Partner so requests, the assignee shall have provided the General Partner with evidence satisfactory to Counsel for the Partnership of its authority to become an Investor Limited Partner under the terms and provisions of this Agreement.

(b) No assignee of the Interest of the Investor Limited Partner shall be admitted as a Substitute Limited Partner unless either (i) the assignee is an Affiliate of the Investor Limited Partner, or (ii) the General Partner, in its reasonable discretion, shall have Consented thereto, and the Lender, if required, also shall have consented thereto.

(c) The Investor Limited Partner may at any time and without the Consent of any other Partners (but subject, if applicable, to obtaining any required Consent of the Lender) authorize its assignee to be admitted to the Partnership as the Substitute Limited Partner in its place and stead.

(d) The General Partner shall cooperate with the Person seeking to become a Substitute Limited Partner by preparing the documentation required by this Section and making all official filings and publications. The Partnership shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate evidencing the admission of any Person as an
Investor Limited Partner, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Limited Partner of the conditions contained in this Article X to the admission of such Person as an Investor Limited Partner of the Partnership. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Limited Partner.

10.04 Withdrawal of the Investor Limited Partner. The Investor Limited Partner shall have the right, exercised by giving Notice to the Partnership at any time following the end of the Compliance Period, to withdraw from the Partnership, whereupon the Investor Limited Partner shall cease to be a Partner, shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners and shall forfeit any balance in its Capital Account.

ARTICLE XI

RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER

11.01 Management of the Partnership. No Investor Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Investor Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Investor Limited Partner shall have any power or authority with respect to the Partnership except insofar as the Consent of any Investor Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to limit any right, power or authority of the Investor Limited Partner set forth herein.

11.02 Limitation on Liability of Investor Limited Partner. The liability of each Investor Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Investor Limited Partner be personally liable for any obligations of the Partnership, except as and to the extent provided in the Act. No Investor Limited Partner shall be obligated to make loans to the Partnership.

11.03 Other Activities. Any Investor Limited Partner and any Affiliate thereof may engage in or possess interests in other business ventures of every kind and description for its own account, including without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

11.04 Loans to the Partnership by Investor Limited Partner. In the event that the Investor Limited Partner reasonably determines that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Investor Limited Partner may loan the Partnership such funds as are needed, subject to the approval of any Lender, if so required. Such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iii) shall be payable solely from the assets of the Partnership, including without limitation, the proceeds of any claim against the General Partner under this Agreement such as claims for capital contributions, payments under the Operating Deficit Guaranty and
indemnifications (but shall not be recourse to any Partner and shall not increase the amount of any liability of any Partner to the Partnership or the Investor Limited Partner hereunder), and (iv) shall be repaid prior to its stated maturity date as a Partner Loan to the extent funds are available as set forth in Section 7.03, or with respect to any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01, as provided in Section 7.05. The Investor Limited Partner shall not have a right to make loans pursuant to this Section 11.04 if the funds required by the Partnership are actually provided by the Permanent Financing, or amounts paid under the Operating Deficit Guaranty; however, the right of the Investor Limited Partner to make Partner Loans shall be superior to the right of the General Partner to make or obtain loans under Section 8.10.

11.05 Liability for Acts and Omissions. Neither the Investor Limited Partner nor its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the Investor Limited Partner pursuant to this Section 11.05 shall not apply in the case of the breach of any express obligation of the Investor Limited Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as Investor Limited Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Investor Limited Partner or any of their respective Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by an Investor Limited Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the Investor Limited Partner or any breach of fiduciary duty as Investor Limited Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but no Partner shall have any personal liability to the Investor Limited Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Investor Limited Partner or Affiliate(s) thereof or on account of the payment thereof).

ARTICLE XII
SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the earlier of the expiration of the term of the Partnership, or upon:

(a) the sale or other disposition of all or substantially all of the assets of the Partnership;

(b) the election by the General Partner, with the consent of a Majority in Interest of the other Partners; or

(c) any other event causing the dissolution of the Partnership under the laws of the State unless a Majority in Interest of the Partners (or such greater number as is required by law) elects to continue the Partnership within the period allowed by law.

12.02 Reconstitution of the Partnership. Upon the dissolution of the Partnership pursuant to Section 12.01(c), the parties hereby agree that the Partnership may be reconstituted if a Majority in Interest of the Partners elects to do so and such reconstitution is not prohibited by law. In that
event, the business of the Partnership shall not be wound up, but the assets and liabilities of the Partnership shall, to the extent possible, be transferred to a new partnership formed by a general partner designated by a Majority in Interest of the Partners and governed by this Agreement, with such modifications as the general partner may propose with the approval of a Majority in Interest of the Partners.

12.03 Winding Up and Distribution.

(a) Upon the dissolution of the Partnership pursuant to Section 12.01 (except as provided in Section 12.02), (i) a certificate of cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Partnership business shall be wound up and its assets liquidated as provided in this Section 12.03 and the net proceeds of such liquidation, except as provided in Section 12.03(b) below, shall be distributed in accordance with Section 7.05.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with Section 7.05, and the Partners believe that distributions in accordance with positive Capital Account balances, after allocations of gains and losses pursuant to Section 7.04, will generally effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Partners’ respective Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in Section 7.05, the Liquidator shall, notwithstanding the provisions of Sections 7.02 and 7.04, allocate the Partnership’s gains, profits and losses in a manner that will cause, as nearly as possible in accordance with applicable requirements of the Code and the Treasury Regulations, the Capital Account balances of the Partners to be in the ratios that would allow the distribution of liquidation proceeds to the Partners to be in accordance with Section 7.05. Nevertheless, in all events, distributions in liquidation (after taking into account all pre-liquidation distributions made pursuant to Section 7.03 or 7.05) shall be made in accordance with positive Capital Account balances no later than the end of the taxable year of such liquidation or, if later, within 90 days of such liquidation.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership’s property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

12.04 Obligation of Partners to Restore Deficit. In the event that the Partnership is liquidated within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), if the General Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the General Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). Similarly, in the event the Partnership is so liquidated, if a Class B Limited Partner whose Interest was converted from that of a
General Partner has a deficit balance (after giving effect to all contributions, distributions and allocations), then such Class B Limited Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). In the case where the Investor Limited Partner has made an election under Section 7.08 to be obligated to restore a limited deficit balance, then, in the event that the Partnership is so liquidated, if the Investor Limited Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Investor Limited Partner shall make Capital Contributions in the amount equal to the lesser of (i) such deficit, or (ii) the limited amount the Investor Limited Partner is obligated to restore pursuant to the Notice given under Section 7.08. In all other cases, no Limited Partner shall have any obligation to restore any deficit balance in its Capital Account. The foregoing provisions of this Section 12.04 are intended to satisfy the requirements of Treasury Regulation Section 1.704-1(b)(3) and shall be interpreted consistently therewith.

ARTICLE XIII

BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Partnership, including tenant files and information relating to the status of the Project and information with respect to the sale by the General Partner or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or its duly authorized representative, at any and all reasonable times. Any Partner, or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Partners.

13.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with GAAP, a balance sheet, a profit and loss statement, and a cash flow statement. A full detailed statement shall be furnished to all Partners, showing such assets, properties, and net worth and the profits and losses of the Partnership for the preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership. Notwithstanding anything to the contrary contained herein, the Investor Limited Partner shall have the discretion to dismiss the Accountants for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in this Agreement.

13.04 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or a Limited Partner, the Partnership shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Partnership property if, in the sole opinion of the Investor Limited Partner, such election would be most advantageous to the Investor Limited Partner. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.
13.05 **Fiscal Year and Accounting Method.** The fiscal year of the Partnership shall be the calendar year. All Partnership accounts shall be determined on the accrual basis.

13.06 **Tax Matters Partner.**

(a) The General Partner hereby is designated as the tax matters partner within Section 6231(a)(7) of the Code (the “Tax Matters Partner”) of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in Treasury Regulations promulgated under Section 6231 of the Code, provided that, from and after the date of any event or occurrence described in Section 9.04(a), the Investor Limited Partner shall ipso facto have the authority to act as the Tax Matters Partner of the Partnership unless the Investor Limited Partner shall at any time give Notice to the General Partner that notwithstanding such event or occurrence the Investor Limited Partner directs the General Partner to continue to act as the Tax Matters Partner. Each Partner, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within 5 calendar days after the receipt of any correspondence or communication relating to the Partnership or 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 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.

(c) The Tax Matters Partner shall not without the Consent of the Investor Limited Partner, not to be unreasonably withheld or delayed:

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

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(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) (within the meaning of Section 6231(a)(3) of the Code);

(v) Intervene in any action brought by any other Partners for judicial review of a final adjustment; or
(vi) Take any other action not expressly permitted by this Section 13.06 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) 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 Investor 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 Investor 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).

(e) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the General Partner. To the extent that the Partnership does not have sufficient funds to pay such expenses, the General Partner shall have the obligation to provide funds for such purpose. Notwithstanding the foregoing, the provisions on liability and indemnification of the General Partner set forth in Section 8.07 shall be fully applicable to the Tax Matters Partner in its capacity as such.

(f) The Partners acknowledge the amendment of the Code affecting the federal income tax audits of entities, such as the Partnership, that are treated as partnerships for federal income tax purposes, made by the Bipartisan Budget Act of 2015, PL 114-74 (the “2015 Budget Act”), effective January 1, 2018, and agree as follows:

(i) The Partners intend that the General Partner designate itself as the “partnership representative” under Section 6223 of the Code as in effect beginning January 1, 2018, and that the General Partner take any and all action required under the Code or the tax regulations adopted pursuant to Section 7805 of the Code, as in effect from time to time, to designate the “partnership representative.”

(ii) The General Partner, in its capacity as “partnership representative,” shall be bound by the obligations and restrictions imposed on the Tax Matters Partner pursuant to this Section 13.06. By way of example and not limitation, the General Partner shall, within 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 as described in Section 13.06(b)(ii) above, shall not take any of the actions described in Section 13.06(c) above without consent of the Investor Limited Partner, and shall consult with the Investor Limited Partner as to the matters described in Section 13.06(d) above.

(iii) The General Partner, in its capacity as “partnership representative,” shall be entitled to indemnification and reimbursement in the manner, and to the extent, that the Tax Matters Partner would be entitled to indemnification and reimbursement as described in Section 13.06(e) above.

(iv) Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the 2015 Budget Act), the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility
and authority described in this Section 13.06, while conforming with the applicable provisions of the revised partnership audit procedures. The General Partner and the Investor Limited Partner agree to work together in good faith to amend this Agreement if the parties determine that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the “partnership representative.”

(v) The General Partner shall make or not make, or cause the Partnership to make or not make, the following elections applicable under the amendments made by the 2015 Budget Act at the direction of the Investor Limited Partner: (1) the election under Section 6226 to avoid an imputed underpayment by passing through adjustments to the Partners, (2) the election to apply an earlier effective date of the amendments made by the 2015 Budget Act, or (3) the election out of the provisions of Subchapter C of Chapter 63 of the Code, being Sections 6221 et. seq.

ARTICLE XIV
REPORTS

14.01 Tax Returns and Related Reports - Due February 15.

The Partnership's federal income tax returns shall be prepared by the Accountants. No later than February 15 of each year, the General Partner shall furnish the Limited Partners with copies of the completed federal income tax return, including a copy of each Limited Partner's Form K-1, the qualifying occupancy summary, and such supporting schedules as may be reasonably requested by the Limited Partner. The General Partner shall not file any such tax returns until the Investor Limited Partner has advised it that it has reviewed the returns and does not object to the filing of the returns, which review the Investor Limited Partner shall complete not less than 10 days before the due date of the returns. The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in tax returns notwithstanding any review of said tax returns by the Investor Limited Partner.

14.02 Annual Financial Statements - Due March 1.

On or before March 1 of each year, the General Partner shall send to the Investor Limited Partner all of the following with respect to the preceding calendar year, in a form reasonably acceptable to the Investor Limited Partner:

(a) A balance sheet as of the end of the Partnership's fiscal year and statements of operations, Partner's capital (showing separately the capital of the General Partner and each Limited Partner, and showing as separate line items the Partnership's assets that are depreciable over 3, 5, 7, 15, 27.5 and 40 years), and a statement of cash flows and a statement of cash from operations, all for the year then ended, all of which shall be audited and prepared according to GAAP and accompanied by the Accountants' report thereon. Notwithstanding depreciation methods used for tax purposes, the financial statements of the Partnership shall reflect, and the Accountants' report shall state, that the Project is being depreciated for book purposes over a 40 year useful life with respect to real property and over the longest useful life that is consistent with GAAP with respect to personal property, unless otherwise requested by the Investor Limited Partner. The financial statements of the Partnership shall also reflect that, in accordance with Section 7.02(c), amounts paid to the General Partner as incentive management fees shall be treated as deductible to the Partnership or gross income allocable to the General Partner.

(b) The Accountants, or a third-party compliance auditor approved by the Investor Limited Partner, shall provide a separate report on agreed upon procedures for the purposes of verifying that the Project meets IRS compliance rules regarding income certification. The report shall state that
they have chosen at random 20% of the project’s tenant files and performed all of the following agreed upon procedures:

(i) Reviewed the terms of the lease and confirm it is in compliance with Section 42 of the Code and the Treasury Regulations promulgated thereunder;

(ii) Confirm income and asset verification forms are in the tenant file;

(iii) Confirm correct calculation of move-in income and confirm documentation supporting the calculation is in the file;

(iv) Where required, confirm proper annual re-certification of income documentation is in the file;

(v) Confirm proper documentation of student status; and

(vi) Confirm that the rents charged do not exceed limits applicable under Section 42 of the Code and the Treasury Regulations promulgated thereunder.

(c) Copies of the Partnership's insurance certificates with endorsements naming the Investor Limited Partner as a person to be given notice of cancellation or premium due.


On or before each January 31 of each year, the General Partner shall prepare and deliver to the Investor Limited Partner a report, in a form provided by the Investor Limited Partner on or about December 1 of the preceding year and in substance reasonably satisfactory to the Investor Limited Partner, addressing such aspects of the business of the Partnership that may reasonably be considered of a material nature. Such reports shall include, but not necessarily be limited to:

(a) Copies of any reports relating to the Project submitted by the Agency to the IRS, the Partnership or the General Partner within the previous twelve months;

(b) The occupancy levels of the Project during the preceding fiscal year;

(c) Maintenance performed or required to be performed and the sources of funds therefore;

(d) If there are any Operating Deficits or anticipated Operating Deficits, the manner in which such deficits will be funded and the actions being taken or proposed by the General Partner to correct any operating difficulties being experienced by the Partnership; and,

(e) A certification from the General Partner that the General Partner and the Partnership are each qualified as a corporation, limited liability company, or limited partnership (as applicable) in the jurisdiction in which each was formed (and is duly qualified in the jurisdiction where the Project is located if not formed in such jurisdiction) and that, as of the date of such certification, each has filed all required annual reports, paid all fees, and paid all franchise taxes due on or prior to the date hereof in such jurisdictions. Evidence of the good standing of the Partnership and the General Partner in such jurisdiction(s) shall be attached thereto.
14.04 **Annual Budgets.**

On or before November 1 of each year, the General Partner shall provide the Investor Limited Partner with (i) an operating budget in form and substance acceptable to the Investor Limited Partner comparing the budgeted income/costs for the following calendar year to the actual income/costs and the budgeted income/costs for the current year, and (ii) a capital expenditures budget in form and substance acceptable to the Investor Limited Partner setting forth the planned capital expenditures to be made in the following calendar year and the source of such expenditures (e.g., operating revenues or draws from the Replacement Reserve). In the event the Investor Limited Partner does not accept any proposed budget submitted hereunder, (i) the Partnership shall continue to operate under the existing approved operating budget and (ii) capital expenditures shall be subject to Investor Limited Partner approval on a case-by-case basis until a new budget is approved by the Investor Limited Partner.

14.05 **Insurance Reports – Annually.**

Upon expiration or cancellation of any insurance policy required to be maintained pursuant to the Insurance Guidelines found in Exhibit C to this Agreement, the General Partner shall provide the Investor Limited Partner with evidence of renewal or replacement of such policy together with copies of endorsements naming the Investor Limited Partner as a person to be given not less than 30 days’ notice of premium due, lapse, expiration, cancellation or non-renewal.

14.06 **Quarterly Financial Statements.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall send to the Investor Limited Partner the following, neither of which need to be audited, but both of which shall be in a form acceptable to the Investor Limited Partner:

(a) An accrual basis balance sheet of the Partnership as of the end of the quarter showing assets and liabilities including working capital and reserve balances; and

(b) A statement of operations of the Partnership on an accrual basis and acceptable to the Investor Limited Partner for the quarter just ended, including without limitation schedules showing aging of accounts payable and accounts receivable.

14.07 **Rent Roll and General Partner Certificate.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall provide the Investor Limited Partner with a rent roll and a certificate in the form attached as Exhibit F hereto. The rent roll should include the following information for all tenants:

Building Number, Unit Number, Number of Bedrooms, Tenant Name or Vacant, Move In Date, Move Out Date (if applicable), Tenant Rent, Gross Rent

If the General Partner is unable to make all of the statements set forth in Exhibit F, he or it shall attach a schedule to the certificate stating which of the statements they are unable to make and describing the actions that are currently being taken to remedy the situation.

14.08 **Monthly Reports.**

The General Partner shall provide, within 30 days after the end of each month, accrual-basis unaudited financial statements that display each month individually and a year to date total.
14.09  **Event Reports.**

As soon as practicable, but no later than 15 days after any one of the following events shall have occurred, the General Partner shall send the Investor Limited Partner a detailed report of such event:

(a) there is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;

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

(c) the General Partner has received any notice of a material fact which may substantially affect future Net Cash Flow, including, without limitation, a material casualty loss;

(d) there occurs an investigated criminal incident at the Project;

(e) any failure of the Partnership to comply with applicable laws or regulations or the receipt of any written allegation of such a failure from any government agency;

(f) receipt of an IRS Form 8823 or any notice of any IRS audit of the Partnership; or

(g) any claim or suit filed against the Partnership or the Project, other than claims or suits involving disputes related to eviction and nonpayment of rent;

(h) the General Partner has received any notice of any investigation by a governmental authority (including news accounts or other publicity regarding potential investigations), prosecution, conviction or guilty plea of any kind of the General Partner, a Guarantor, or the Management Agent or any Affiliate of any of the foregoing; or

(i) the General Partner becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation.

14.10  **Other Reports.**

If requested by the Investor Limited Partner, the General Partner will provide the Investor Limited Partner with copies of any other periodic reports provided by the Partnership to the Lenders and such other reports and information relating to the Partnership, the General Partner or the Guarantors as may reasonably be requested by the Investor Limited Partner.

In particular, in the event that the Project is experiencing operating difficulties (for example, Net Operating Income for any three month period is at less than 115% of the Partnership’s annualized Must-pay Debt Service, including without limitation, any Permanent Financing), the Investor Limited Partner shall be entitled to receive monthly information regarding the Project, including without limitation accrual operating and financial statements and rent rolls.

14.11  **Costs of Preparation; Penalties for Late Reports.**

The preparation of all Partnership books, records, accounts and reports will be at the expense of the Partnership.
To the extent that any item described in this Article XIV above is not provided within 10 days after Notice from the Investor Limited Partner that it is overdue, a per day penalty of $100 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to $200 per day thereafter. All penalties shall be paid by the General Partner from their own funds and not funds of the Partnership.

To the extent that the reporting requirements set forth in any of the provisions of this Article XIV are not met, the Investor Limited Partner, in its reasonable discretion, may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the Consent of the Investor Limited Partner; provided, however, that if the General Partner and the Investor Limited Partner cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Limited Partner in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Partnership.

ARTICLE XV
AMENDMENTS

15.01 Amendment by All Partners.

This Agreement may be amended by written agreement of the General Partner and the Investor Limited Partner (and any Special Limited Partner if and to the extent that the rights or obligations of the Special Limited Partner hereunder are affected by such amendment).

15.02 Amendment by Investor Limited Partner Only.

This Agreement may also be amended in a writing executed by all Investor Limited Partners (without the Consent or signature of any General Partner or Special Limited Partner) if (i) such amendment is specifically authorized by the terms of this Agreement (for example, pursuant to Section 7.08), or (ii) the proposed amendment does not affect any obligation or right of the General Partner or Special Limited Partner hereunder and does not reduce any obligation of any Investor Limited Partner (for example, any amendment to allocate voting rights or allocations among two or more Investor Limited Partners). The other Partners shall immediately be provided a copy of any amendment adopted pursuant to this Section 15.02.

ARTICLE XVI
VOTING AND MEETINGS

16.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Partners and received by the General Partner or the Person entitled to receive such Consent at or prior to the doing of the act or thing for which the Consent is solicited.

16.02 Submissions to Investor Limited Partner. The General Partner shall give the Investor Limited Partner Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and Consent of the Investor Limited Partner. Such Notice shall include any information required by the relevant provision or by law.

16.03 Meetings; Submission of Matter for Voting. Subject to the provisions of Section 11.01, the Investor Limited Partner shall have the authority to convene meetings of the Partnership and to submit matters to a vote of the Partners to the extent authority for such matter is not
expressly delegated to the General Partner in this Agreement. The vote of each Partner shall be weighted in accordance with its Percentage Interest and a vote of a Majority in Interest of the Partners shall be binding on the Partnership and the General Partner.

**ARTICLE XVII**

**GENERAL PROVISIONS**

17.01 **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

17.02 **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Agreement, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply.

17.03 **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.

17.04 **Separability of Provisions.** Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this 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 which are valid.

17.05 **Entire Agreement.** This Agreement, including the exhibits hereto, sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the governance of the Partnership and the conduct of its Partnership business, and there are no representations, promises, agreements or understandings, oral or written, express or implied, with respect to such governance or business among them other than as set forth or incorporated herein.

17.06 **Liability of the Investor Limited Partner.** Notwithstanding anything to contrary contained herein, neither the Investor Limited Partner nor any of its members nor any of its partners, general or limited, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Limited Partner under this Agreement and the recourse of the Partnership and the General Partner shall be strictly limited to the Interest of the Investor Limited Partner. In the event that the Investor Limited Partner shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Limited Partner, shall be against the Interest of the Investor Limited Partner and there shall be no recourse liability to the Investor Limited Partner or any of its members or partners for any deficiency.

17.07 **Notices.** Notices shall be sent to the following addresses or to such new address as may be specified for a Partner pursuant to a Notice given by such Partner to all other Partners:
17.08 **Power of Attorney.** The Investor Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Partners and the Partnership as shall be legally necessary and sufficient to effect all of the provisions of Section 9.04: *provided, however,* that the Investor Limited Partner shall not exercise such power of attorney unless the documents necessary to effect such provisions of Section 9.04 has been submitted to the General Partner prior to exercise. The General Partner shall not grant any other power of attorney without the Consent of the Investor Limited Partner.

17.09 **Remedies Cumulative; No Waiver.** Remedies hereunder shall be cumulative, forbearance in enforcing remedies shall not constitute a waiver of such remedies and waiver by any party for any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

17.10 **Interpretation.** This Agreement has been negotiated at arms’ 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.

NO FURTHER TEXT ON THIS PAGE
IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Agreement of Limited Partnership of Rankin Housing Partners LP as of the date first written above.

GENERAL PARTNERS:

ZP Chisholm Trail Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: [Signature]
    Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member

[Signatures continue on following page]
INVESTOR LIMITED PARTNER:

Raymond James Preservation Opportunities Fund II L.L.C.,
a Florida limited liability company

By:    RJPOF II L.L.C.
a Florida limited liability company
Its:   Managing Member

By:    Raymond James Tax Credit Funds, Inc.
a Florida corporation
Its:   Sole Member/Manager

By:    [Signature]
Steven J. Kropf, President

Principal Business Address:
880 Carillon Parkway
St. Petersburg, Florida 33716
EXHIBITS

EXHIBIT A. Legal Description of Property
EXHIBIT B. Unconditional Guaranty
EXHIBIT C. Insurance Guidelines
EXHIBIT D. Financial Projections
EXHIBIT E. General Partner Pledge and Security Agreement
EXHIBIT F. Quarterly General Partner Certificate
EXHIBIT G. Affidavit of Non-Foreign Status
EXHIBIT A

DESCRIPTION OF PROPERTY
EXHIBIT B
UNCONDITIONAL GUARANTY
This UNCONDITIONAL GUARANTY AGREEMENT (“Guaranty”), dated as of November 30, 2016, is given by ZP Chisholm Trail Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company (each a “Guarantor”, and collectively the “Guarantors”), for the benefit of Rankin Housing Partners LP, a Texas limited partnership (the “Partnership”) and Raymond James Preservation Opportunities Fund II L.L.C., a Florida limited liability company (the “Investor Limited Partner”), with reference to the following facts:

A. The Partnership has been formed to own and operate that certain Project, as defined in ARTICLE II of the Amended and Restated Agreement of Limited Partnership (the “Partnership Agreement”) dated as of even date herewith. (Capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings specified in the Partnership Agreement.)

B. The Project is intended to constitute a “qualified Low-Income housing project” (as defined in Section 42(g)(1) of the Internal Revenue Code).

C. ZP Chisholm Trail Housing, LLC, a Missouri limited liability company authorized to transact business in Texas is the General Partner in the Partnership.

D. Vaughn C. Zimmerman are each direct or indirect members or shareholders of the General Partner and will materially benefit from the transactions described in the Partnership Agreement.

E. The Investor Limited Partner is the sole investor limited partner in the Partnership.

F. As a material inducement to the Investor Limited Partner in entering into the Partnership Agreement, the Guarantors have executed this Guaranty effective concurrently with the Investor Limited Partner’s execution of the Partnership Agreement, which Guarantors expressly acknowledge the Investor Limited Partner would not have executed in the absence of this Guaranty.

NOW, THEREFORE, as a condition precedent to the Investor Limited Partner becoming a limited partner in the Partnership, the undersigned Guarantors hereby agree as follows:

1. Guaranty. Each Guarantor jointly and severally guarantees to the Partnership and the Investor Limited Partner the full and timely performance and payment of all of the obligations of the General Partner under the Partnership Agreement.

2. Payments Due. Any payment pursuant to Section 1 of this Guaranty (“Guaranty Payments”) is due within 10 days of written demand therefor made by the General Partner or the Investor Limited Partner, each of which (acting alone) shall have the authority to make such demand.


3.1 The Partnership and the Investor Limited Partner are the intended beneficiaries of all of the Guarantors’ obligations under this Guaranty and, in the event the Guarantors fail to fulfill any of their obligations hereunder, the Partnership and the Investor Limited Partner shall have direct recourse against any or all of the Guarantors to the extent of such unfulfilled obligations. Either the Partnership or the Investor Limited Partner, acting alone, shall have the right to bring and prosecute a separate action or
actions against any one or more of the Guarantors regardless of whether an action is brought against
another Guarantor or whether another Guarantor is joined in any such action(s). Each Guarantor hereby
acknowledges and agrees that it shall not be a condition precedent to the enforcement of this Guaranty by
the Partnership or the Investor Limited Partner against any Guarantor that recourse first be sought against
any other Guarantor, any principal, or pursue any other remedy available to the Partnership or the Investor
Limited Partner.

3.2 The respective liability of each of the Guarantors hereunder is absolute and
unconditional, and is independent of and not in consideration of or contingent upon the obligations of any
other person or entity, whether under this Guaranty or otherwise. No defense of any nature available to
the General Partner to any obligation guaranteed by the terms of this Guaranty (other than payment and
performance in full) shall excuse any Guarantor from its obligations under this Guaranty; and each
Guarantor shall be fully liable hereunder for each of the obligations hereunder even if any obligation of
the General Partner under the Partnership Agreement is or becomes unenforceable against the General
Partner for any reason, including (without limitation) the bankruptcy of the General Partner.

3.3 Each Guarantor waives the benefit of any statute of limitations affecting such Guarantor’s
liability hereunder or the enforcement thereof to the fullest extent permitted by law.

3.4 The obligations of each Guarantor under this Guaranty shall not be impaired by any act
or omission to act, with or without notice to the Guarantors or any of them, by the Partnership or the
Investor Limited Partner, or by reason of any other circumstance which might otherwise constitute a
discharge or defense of a guarantor. Without limiting the foregoing, either the Partnership or the Investor
Limited Partner may, from time to time, at its sole discretion and without notice to the Guarantors or any
of them, take any or all of the following actions without discharging or in any way impairing any of the
obligations of the Guarantors hereunder: (a) retain, obtain, or release a security interest in any property to
secure any obligation of the General Partner guaranteed hereunder, any Guaranty Payment hereunder, or
any other obligation hereunder; (b) retain or obtain the primary or secondary obligation of any obligor or
obligors, in addition to the Guarantors, with respect to any Guaranty Payment; or (c) resort to any
Guarantor(s) for payment of any Guaranty Payment. The obligations of each Guarantor hereunder shall
also be unaffected by: (i) any amendment to or modification of the Partnership Agreement or other
Project Documents; (ii) any extensions of time for performance required thereby; (iii) any exculpatory
provision in any of Project Documents; or (iv) the release of any party from performance or observance of
any of the agreements, covenants, terms or conditions contained in any of the Project Documents, whether
by agreement of the Partnership or the Investor Limited Partner, error, operation of law, or otherwise.

3.5 No set-off, counterclaim or any defense of any kind or nature which any Guarantor has or
may have against the Partnership or the Investor Limited Partner shall limit or in any way affect the
obligations of that or any other Guarantor hereunder, except only (a) payment in fact, or (b) the fraud,
gross negligence or intentional misconduct of the Investor Limited Partner.

3.6 No delay on the part of the Partnership or the Investor Limited Partner in exercising any
right under this Guaranty shall operate as a waiver of such right or any other right of the Partnership or
the Investor Limited Partner hereunder; nor shall any delay, omission or waiver on any one occasion be
deemed a bar to a waiver of the same or any other right on any future occasion.

3.7 Except where specifically stated herein that funds advanced by a Guarantor shall
constitute a loan to the Partnership, all funds made available by any Guarantor to the Partnership pursuant
to this Guaranty shall not be reimbursable, shall not be credited to the Capital Account of any Partner, and
shall not otherwise change the Interest of any Partner.
3.8 In the event of the removal of a General Partner pursuant to Section 9.04 of the Partnership Agreement, the Guarantors shall remain liable for all obligations of ZP Chisholm Trail Housing, LLC (whether or not removed), but shall not be liable with respect to the obligations of any successor General Partner.

4. **Waivers.** Each of the Guarantors waives notice of the acceptance of this Guaranty, presentment, demand, protest, notice of protest, and notice of dishonor with respect to this Guaranty (but not notice of demand under this Guaranty).

5. **Representations.** Each Guarantor hereby represents and warrants as of the date hereof that:

5.1 Nothing exists to impair the effectiveness of such Guarantor’s liability and obligations hereunder, nor the immediate taking effect of this Guaranty as to such Guarantor.

5.2 This Guaranty is a valid, legal and binding obligation of such Guarantor, subject only to the application of bankruptcy and insolvency laws and general principles of equity.

5.3 It is an entity of the type specified, which is duly formed, validly existing and in good standing under the laws of the State; it is duly qualified to transact business in the State; it has the power to enter into and perform all agreements on its part herein contained; it has been authorized to enter into this Guaranty by all necessary and proper corporate, partnership or other applicable action; the execution and delivery by it of this Guaranty does not, and its performance of the undertakings by it herein contained will not, contravene or constitute a material default under any agreement, indenture, commitment, provision of its applicable organizational documents or other requirements of law to which it is a party or by which it is or may be bound or governed.

5.4 There is no litigation or other proceeding pending or, to the best of the respective Guarantor’s knowledge, threatened against or affecting such Guarantor or any of its properties which, if adversely determined, would have a materially adverse effect on the Guarantor or its financial condition, properties, business, or operations, or which would prevent or interfere with the Guarantor’s entering into this Guaranty or performing its obligations hereunder.

5.5 It is not in default with respect to any order, writ, injunction, decree or other directive of any court or other governmental or regulatory authority having jurisdiction over such Guarantor.

5.6 The financial statements for such Guarantor which have been presented to the Investor Limited Partner in connection with the transactions contemplated herein are true and correct and fairly present the financial condition of such Guarantor for the period covered thereby; there have been no materially adverse changes in such Guarantor’s financial condition since the date(s) thereof; and such Guarantor has not entered into any commitments or contracts which are not reflected therein which may have a materially adverse effect upon that Guarantor’s financial condition, business or operations.

6. **Financial Statements.** Each Guarantor agrees that it will provide to the Investor Limited Partner, within 30 days after the request of the Investor Limited Partner, updated unaudited financial statements, including a balance sheet, an income statement, a statement of changes in financial position, and such other statements as the Investor Limited Partner may reasonably request, prepared in accordance with GAAP, consistently applied, and certified as true and complete, without qualification, by the appropriate financial officer of such Guarantor or, if required by the Investor Limited Partner, by an independent certified public accountant acceptable to the Investor Limited Partner, together with such supporting documentation as the Investor Limited Partner may reasonably request. If audited financial
statements are prepared for any Guarantor for any period, the Guarantor shall furnish a copy of the same to the Investor Limited Partner.

7. **Events of Default.** Each of the following events, after the expiration of any grace period specified with respect thereto without the same having been cured, shall constitute an “Event of Default” hereunder, whatever the reason for the same, and whether it shall be voluntary, involuntary, be effected by operation of law, or be pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

7.1 Failure of the Guarantors, collectively, to make any Guaranty Payment required under Section 2 within 10 days of written demand therefor.

7.2 Default by any Guarantor in the performance or observance of any non-monetary agreement or covenant contained in this Guaranty (other than a covenant or agreement or default in the performance or observance which is elsewhere in this Section 7 specifically addressed) and the continuance of such default for a period of 30 days following written notice from the Partnership or the Investor Limited Partner.

7.3 Any representation or warranty made by any Guarantor under this Guaranty or in any other agreement, report, certificate, financial statement or other instrument referred to herein and furnished to the Partnership or the Investor Limited Partner in connection herewith shall prove incorrect or misleading in any material respect when made or when deemed to have been made or remade.

7.4 The filing by any Guarantor of a petition for the appointment of a trustee with respect to itself or any of its property; or the commencement by any Guarantor of a voluntary case in bankruptcy or insolvency or seeking compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; or the making by any Guarantor of an assignment for the benefit of creditors.

7.5 The failure of any Guarantor to obtain the dismissal, within 90 days after service upon it of any case commenced against such Guarantor (a) for the appointment of a trustee for such entity or person, or any of its property, or (b) in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

7.6 The making, or an attempt to make, by any Guarantor of a fraudulent conveyance within the meaning of the Uniform Fraudulent Conveyances Act.

8. **Remedies.** If an Event of Default shall have occurred and be continuing, either the Partnership or the Investor Limited Partner may proceed hereunder against any Guarantor, with or without exhausting any other remedies either may have, and with or without resorting to any security held by the Partnership or the Investor Limited Partner. This is a guaranty of payment and performance, and not of collection.

9. **Subordination.** So long as any Guarantor has any outstanding or undischarged obligations under this Guaranty, that Guarantor agrees that any and all claims it may have against the General Partner or any other third party with respect to the Partnership is and shall remain subordinated to all claims of the Partnership and the Investor Limited Partner hereunder. Any amounts received by such Guarantor with respect to any such subordinated claims shall be held by the Guarantor as trustee for the Partnership and the Investor Limited Partner on account of the obligations of the Guarantor hereunder and, upon demand, shall be paid over to the Partnership or the Investor Limited Partner, as the Guarantor may be directed.
10. **Attorneys’ Fees.** Following an Event of Default, if it becomes necessary for the Partnership or the Investor Limited Partner to exercise its rights hereunder, whether suit be brought or not, the Guarantors shall be jointly and severally liable for all costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner, including costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner in any bankruptcy proceedings, and in any appellate or post-judgment proceedings. In the further event that the Partnership or the Investor Limited Partner obtains a final judgment against the Guarantors upon this Guaranty, the judgment shall bear interest at the highest rate permitted under applicable law.

11. **Invalidity.** If any of the provisions of this Guaranty, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty or the application of such provision or provisions to persons or circumstances other than those to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every other provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

12. **Successors and Assigns.** This Guaranty shall be binding upon any successors of each of the Guarantors, and shall run to the benefit of the Partnership, the Investor Limited Partner, and their respective successors and assigns. Notwithstanding the foregoing, the Guarantors shall not have the right to assign their obligations hereunder without the written consent of the Investor Limited Partner, which consent may be withheld in the sole and absolute discretion of the Investor Limited Partner.

13. **Notices.** All notices, consents, demands, requests, or other communications which may or are required to be given hereunder shall be in writing and shall be sent by overnight courier, or United States mail, registered or certified, return receipt requested, postage and fees fully prepaid, to the Partnership at the address of the Partnership’s principal office, to Investor Limited Partner c/o 880 Carillon Parkway, St. Petersburg, Florida 33716, Attention: Steven J. Kropf, President or at such other address as the Investor Limited Partner may designate by notice to the Guarantors, and to each Guarantor at the address specified next to such Guarantor’s signature hereon with a copy to Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: clbast@lockelord.com). Any party may change its address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the other parties of its new address for such purpose. Actual receipt of any written notice shall constitute notice in all events.

14. **Applicable Law.** This Guaranty shall be construed and enforced in accordance with the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Guaranty, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply. Each Guarantor hereby irrevocably submits and consents to the jurisdiction of the courts of the State of Texas and of the Federal District Court for the Southern District of Texas in connection with any action, suit or other proceeding arising out of or relating to this Guaranty or any action taken or omitted hereunder, and waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to such person at such person’s address for purposes of notices hereunder. Should any party so served fail to appear or answer within the time prescribed by law, that party shall be deemed in default and judgment may be entered against that party for the amount or other relief as demanded in any summons, complaint or other process so served in any such action, suit or proceeding hereunder.

15. **Headings.** Captions and paragraph headings contained herein are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Guaranty.
16. **Entire Agreement.** This Guaranty and the other documents specifically referred to herein contains the entire agreement between the parties hereto with respect to the subject matter hereof, superseding all prior oral and written agreements or understandings with respect thereto and may not be changed, modified, discharged or terminated other than by an agreement in writing signed by the parties hereto.

17. **Jury Trial Waiver.** Each Guarantor, to the extent permitted by law, waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise, between the Partnership, the Investor Limited Partner and the Guarantors, or any of them, arising out of, in connection with, related to, or incidental to the relationship established among the parties in connection with this Guaranty, the Partnership Agreement, or any other agreement or document executed or delivered in connection herewith or the transactions related hereto.

18. **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which together constitute one and the same instrument.

19. **Advice of Counsel.** Each Guarantor represents and acknowledges that it has consulted with legal counsel of its choice regarding the terms, conditions and waivers set forth in this Guaranty, and that its counsel has advised such Guarantor of the true legal consequences of each provision of this Guaranty, including the rights the Guarantor would have in the absence of the waivers contained herein.

*signature page follows*
IN WITNESS WHEREOF, each of the Guarantors has executed and the Partnership and the Investor Limited Partner have acknowledged this Guaranty as of the date first written above.

"Guarantors"

ZP Chisholm Trail Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: [Signature]
    Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member
Address: 1730 E. Republic Road, Suite F
         Springfield, Missouri 65804
Attention: Vaughn C. Zimmerman
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI    )
COUNTY OF            ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Chisholm Trail Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28th day of November, 2016.

My commission expires: 11/22/2017

Notary Public

[signatures continue on following pages]
STATE OF MISSOURI

COUNTY OF Greene

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

By: Vaughn C. Zimmerman
Address: 1730 East Republic Road, Suite F
Springfield, Missouri 65804
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

DiANE Hull
Notary Public - Notary Seal
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11/22/2017

STATE OF MISSOURI

COUNTY OF Greene

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Justin Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

By: Justin Zimmerman
Address: 1730 East Republic Road, Suite F
Springfield, Missouri 65804
Telephone: 417-883-1632
Email Address: jzimmerman@wilhoitproperties.com

DiANE Hull
Notary Public - Notary Seal
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11/22/2017

[signatures continue on following pages]

B-8
STATE OF MISSOURI  )
COUNTY OF Greene  ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Leah Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28 day of November, 2016.

DIANE HULL
Notary Public - Notary Seal
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11/22/2017

(signatures continue on following pages)
Zimmerman Properties, LLC  
a Missouri limited liability company  

By: Zimmerman Investments, L.L.C.  
a Missouri limited liability company  
Its: Managing Member  

By:  

Vaughn C. Zimmerman, Trustee of the  
Vaughn C. Zimmerman Revocable  
Trust Under Trust Agreement dated  
May 5, 1995, as restated  
Its: Managing Member  
Address: 1730 E. Republic Road, Suite F  
Springfield, Missouri 65804  
Telephone: 417-883-1632  
Email Address: vzimmerman@wilhoitproperties.com  

STATE OF MISSOURI  )  
COUNTY OF (  

ss.  

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared  
Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement  
dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C., a  
Missouri limited liability company, which is the Managing Member of Zimmerman Properties, LLC, a  
Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing  
instrument. Witness my hand and notarial seal this 28th day of November, 2016.  

Notary Public  

My commission expires:  

[signatures continue on following pages]
Vaughn C. Zimmerman Revocable Trust Under
Trust Agreement dated May 5, 1995, as restated

By:

Vaughn C. Zimmerman, Trustee

Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804

Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI      )
COUNTY OF  ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, as Trustee of Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28th day of November, 2016.

DIANE HULL
Notary Public

My commission expires: 11/22/2017

[signatures continue on following pages]
Zimmerman Investments, L.L.C.
a Missouri limited liability company

By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated

Its: Managing Member
Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804
Telephone: 417-883-1632
Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI )
COUNTY OF Greene ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C. a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 28th day of November, 2016.

DIANE HULL
Notary Public
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

My commission expires: 11/28/2017

B-12
EXHIBIT C

INSURANCE GUIDELINES

REQUIREMENTS FOR ALL POLICIES

*Rankin Housing Partners LP* must be the sole named insured. (Umbrella Liability Policy may include multiple entities as the named insured)

*Raymond James Preservation Opportunities Fund II L.L.C.* and its successors and assigns must be named as an additional insured.

*Raymond James Preservation Opportunities Fund II L.L.C.* must be named as a certificate holder. All evidences of insurance, certificates of insurance, binders, and Notices shall be addressed and forwarded to:

Raymond James Tax Credit Funds, Inc.
Attention: Insurance Liaison
880 Carillon Parkway
St. Petersburg, Florida 33716

The insurer writing the policy must have a general policy rating of at least “A-” and a financial performance index rating of at least VII or better from Best’s Key Rating Guide. Policies for Management Agent Liability and Workmen’s Compensation Insurance may have a performance index rating of at least VI or better from Best’s Key Rating Guide.

Evidence of Insurance must be issued on ACORD Form 25, 27 or 28.

The current policy term must not expire until a minimum of 30 days post closing.

Raymond James Tax Credit Funds, Inc. must receive 30-day notice of cancellation of the policy. Additionally, the words “endeavor to” and “but failure to” are to be deleted from the language regarding notice of cancellation.
PARTNERSHIP RELATED COVERAGES
For All Properties

LIABILITY RELATED COVERAGES

Coverage required:

Partnership Commercial General Liability insurance in an amount no less than $1,000,000 per occurrence and $2,000,000 in aggregate, with an additional Umbrella/Excess form of liability coverage in the amount of $5,000,000. Maximum deductible of $10,000.

The policy shall have a waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism.”

PERMANENT PROPERTY INSURANCE

Permanent Property Insurance shall be provided for all existing improvements.

Coverage required:

“All Risks” form of blanket property insurance including windstorm coverage (including hurricane and hail) covering all real and personal property. Such insurance shall be written on a Replacement Cost Basis and shall include an Agreed Amount Clause or Waiver of Coinsurance. The amount of insurance shall be the full insurable replacement cost of the property with the Declared Building Value shown on the certificate in the amount equal to or greater than the replacement costs of all improvements. Ordinance and Building Laws Endorsement shall be included for all Projects. Policy should include the A, B, & C coverages with B & C at a coverage amount no less than 10% of replacement cost. Deductible not to exceed 1) $5,000 for properties less than 81 units, 2) $10,000 for properties 81 units or more. Boiler and Machinery Coverage – only if applicable to the property. Waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism”. All Property Insurance shall permit waiver of subrogation by the Insured prior to loss.

RENTAL LOSS INSURANCE

Rental Loss Insurance shall be provided for all properties.

Blanket coverage in the amount of at least twelve (12) months rental income at full occupancy.

FLOOD INSURANCE

If the Project is in Flood Zone A, V or D, flood insurance coverage must be provided for all improvements within the flood zone.

Coverage of 100% of full replacement costs with a maximum deductible of 2% of Total Insured Value per building.
SEISMIC / EARTHQUAKE INSURANCE

If the property is located in seismic zone 3 or above per the designation by the 1997 Uniform Building Code Map, it is required that a qualified engineer perform a Probable Maximum Loss Study (PML). Assuming a 475-year cycle for a 90% Total Loss factor. PML ratings of less than 19.99% do not require insurance. PML ratings between 20.00% and 29.99% require insurance. PML ratings above 29.99% may not be acceptable investments and must be discussed with the Raymond James Tax Credit Funds, Inc. representative.

Seismic/Earthquake Insurance shall be provided for all improvements on properties if required as noted above. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

SINKHOLE / MINE SUBSIDENCE INSURANCE

Required if the property is in an area prone to sinkholes or mines as determined by the Geotechnical engineer or local municipality.

Sinkhole / Mine Subsidence Insurance shall be provided for all improvements. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

MANAGEMENT AGENT

Management Company Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under management.

Coverage required:

Except as provided below, the Management Agent shall maintain and provide evidence of insurance for:

1. Commercial General Liability including Umbrella/Excess form of liability coverage in an amount no less than $1,000,000.

2. Fidelity Bond in an amount no less than an amount equal to two-months gross rental income written with a company reasonably acceptable to the Partnership, provided the purchase of the Fidelity Bond in the required amount is commercially reasonable.

3. Automobile Liability Insurance covering owned, hired and non-owned autos for limits no less than $1,000,000 per occurrence for bodily injury, property damage and physical damage (collision and comprehensive), naming the Partnership and the Fund as additional insured’s under such policy for vehicles used exclusively for the Property.

4. Workers’ Compensation Insurance, to the extent of the statutory limits required by applicable law, and Employer’s Liability Insurance in the minimum amount of $500,000.

Management Agent shall cause all contractors, sub-contractors and suppliers performing work or providing supplies to maintain insurance coverage at such parties’ expense in the following amounts, as statutorily required, or as listed below whichever is greater:
• Worker’s Compensation – Statutory Amount;

• Employer’s Liability (if required) - $1,000,000 minimum;

• Comprehensive General Liability including contractual liability in the following minimum amounts:
  1. $500,000 bodily injury per person $2,000,000 per occurrence; and
  2. $1,000,000 combined single limit;

• Business Auto Liability - $1,000,000 bodily injury and property damage combined single limit, per accident, to cover all owned, leased, hired or non-owned vehicles.
ADDITIONAL PARTNERSHIP RELATED COVERAGES
During any Period of Renovation

The following coverages are for all properties undergoing renovation and are in addition to coverages applicable to all properties.

**BUILDER’S RISK**

Builder’s Risk Insurance shall be provided for all properties with construction activity. Insurance can be waived if permanent property insurance coverage includes construction activities.

Coverage required shall be:

- “Risks of direct physical loss”
- Agreed Amount.
- Non-Reporting, completed value form.
- 100% of the replacement value of the completed project.
- Cover all buildings machinery, equipment, supplies, temporary structures and all other property of any nature which is to be used in fabrication, erection, installation and completion of the project until it is completed and accepted by the Owner.
- Cover “resulting” loss or damage, the expense for debris removal and provide permission by the insurer for occupancy and use of the premises.
- Maximum deductible up to $10,000.

If in Flood Zone A, V or D, flood coverage must be provided either with Builder’s Risk policy or separate flood insurance.

**GENERAL CONTRACTOR**

General Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

The General Contractor shall provide Commercial General Liability insurance covering claims arising out of Contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, and “XCU” property when appropriate. The amount of liability insurance shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage. Automobile liability coverage (including coverage for liability assumed under any contract in the minimum amount of $1,000,000), and Workers’ Compensation and Employers’ Liability coverage (per statutory requirements by applicable law with a minimum floor of $500,000).
PRIME CONTRACTORS

Prime Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

1. Each prime contractor (other than the General Contractor) having a direct contract with the lower tier Partnership shall maintain Commercial General Liability insurance covering claims for bodily injury and property damage arising out of (i) contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, “xcu” property damage if hazard exists.

   The amount of liability insurance including Umbrella Liability shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage.

2. Automobile Liability (including coverage for liability assumed under contract with a minimum coverage of $1,000,000).

3. Workers’ Compensation and Employers’ Liability (per statutory requirements by applicable law with a minimum floor of $500,000).

ARCHITECT

Architects and Engineers Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $300,000.

ENVIRONMENTAL CONSULTANT

Environmental Consultant’s Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $2,000,000.
EXHIBIT D
FINANCIAL PROJECTIONS

Attached are the Financial Projections dated November 30, 2016 that are hereby approved by the General Partner and the Investor Limited Partner and are comprised of the following schedules:

3 RJTCF to provide in Excel format, tables to be copied into Word so they can be edited and blacklined.
EXHIBIT E

GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT
This GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT (this “Agreement”), made as of November 30, 2016, by ZP Chisholm Trail Housing, LLC, a Missouri limited liability company authorized to transact business in Texas (“Pledgor”), having an office at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804, for the benefit of Raymond James Preservation Opportunities Fund II L.L.C., a Florida limited liability company (the “Investor Limited Partner”) its successors and/or assigns, (“Pledgee”), having an office at 880 Carillon Parkway, St. Petersburg, Florida 33716.

Recitals

WHEREAS, Pledgor is the General Partner in Rankin Housing Partners LP, a Texas limited partnership (the “Partnership”), and the Partnership is governed by its Amended and Restated Agreement of Limited Partnership dated as of even date herewith (the “Partnership Agreement”) (capitalized terms not otherwise defined herein shall have the definitions given them in the Partnership Agreement).

WHEREAS, Pledgee is a limited partner of the Partnership; and

WHEREAS, in order to secure the full payment and performance by Pledgor of all of Pledgor’s obligations, duties, expenses and liabilities under or in connection with the Partnership Agreement as such Partnership Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities under and in connection with the Partnership Agreement and all other sums of any kind which may or shall become due thereunder are collectively referred to herein as the “Obligations”), Pledgor is entering into this Agreement for the benefit of Pledgee.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Definitions.

(a) “Collateral” shall mean:

(i) All of Pledgor’s right, title and interest in the Partnership, whether now owned or hereafter acquired, including, without limitation, its partnership interest in the Partnership and its right to receive distributions, allocations and payments under the Partnership Agreement, as such Partnership Agreement may be modified from time to time with the consent of the Pledgee;

(ii) All fees and charges to be paid by the Partnership to the Pledgor, whether now owned or hereafter acquired, whether arising under the Partnership Agreement or otherwise;

(iii) All indebtedness of the Partnership to Pledgor of any kind or description, including without limitation, Pledgor’s right to receive payment of Partners Loans or other loans to the Partnership;

(iv) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.

(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.
2. **Pledge of Collateral and Grant of Security Interest.** Pledgor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Pledgee, its successors and assigns, as security for Pledgor’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Missouri in the Collateral. Pledgor hereby further grants to the Pledgee all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State of Missouri (being the principal place of business of Pledgor and the location of Pledgor’s chief executive office) and, concurrently herewith, shall deliver to Pledgee UCC-1 Financing Statements suitable for filing in the State of Missouri with respect to the Collateral and agrees, upon request, to deliver any other documents which Pledgee may reasonably request with respect thereto.

3. **Delivery to Pledgee.**

   (a) Pledgor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effect the conveyance, transfer, and grant to Pledgee of each and all of Pledgor’s right, title and interest in and to the Collateral as security for the Obligations.

   (b) If required by Pledgee, Pledgor agrees and covenants to execute an amendment to the Partnership Agreement in such form as Pledgee may require to reflect the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership. Pledgor further agrees to execute and to cause the other partners of the Partnership (other than the Pledgee) to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Pledgee of all of Pledgor’s right, title and interest in and to the Collateral and to evidence the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership.

4. **Proceeds and Products of the Collateral.**

   (a) Unless and until there occurs an Event of Default, Pledgee agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Pledgor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Pledgor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Pledgor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

   (b) Pledgor acknowledges and agrees with the Pledgee, that, unless Pledgee otherwise consents, in Pledgee’s sole discretion, Pledgor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time after (i) the occurrence of an Event of Default, and (ii) delivery of Notice from the Pledgee instructing Pledgor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Pledgor shall exercise any such right it may have under the Partnership Agreement with respect to the business affairs of the Partnership as is reasonably necessary to protect and preserve the Collateral.

   (c) Upon or at any time after the occurrence of an Event of Default, Pledgee, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this

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4 Use caution that the state designated here is the state of formation of the Pledgor.
Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Pledgee. Upon the giving of any such Notice, the security constituted by this Agreement shall become immediately enforceable by the Pledgee, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Pledgor. Pledgor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of Notice from Pledgee of an Event of Default by Pledgor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Pledgee, at such address as Pledgee may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Pledgor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such Notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Pledgee and shall have no liability to Pledgor for any loss or damage Pledgor may incur by reason of said reliance.

5. **No Assumption.** Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Pledgee elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Pledgee of any of Pledgor’s right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, now or hereafter due to Pledgor from any obligor of the Collateral, nor Pledgee’s foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Pledgee to assume any of Pledgor’s obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the “Pledgor’s Liabilities”), unless Pledgee otherwise agrees to assume any or all of Pledgor’s Liabilities in writing. In the event of foreclosure by Pledgee of its security interest in the Collateral, Pledgor shall remain bound and obligated to perform its Pledgor’s Liabilities and Pledgee shall not be deemed to have assumed any of Pledgor’s Liabilities, except as provided in the preceding sentence. In the event the entity or person acquiring the Collateral at a foreclosure sale elects to assume Pledgor’s Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. **Indemnification.** Pledgor hereby agrees to indemnify, defend and hold Pledgee, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that Pledgee or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Pledgor’s right, title and interest in and to any or all of the Collateral.

7. **Representations; Warranties and Covenants.** In addition to the representations made by Pledgor in the Partnership Agreement, Pledgor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Pledgee, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Pledgor owns the Collateral free and clear of any claim, lien or encumbrance.

(b) Pledgor has delivered to Pledgee true and complete copies of the Partnership Agreement, and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Pledgee in writing.
(c) Pledgor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Pledgor shall not, without the prior written consent of Pledgee, which consent may be granted or denied in Pledgee’s sole reasonable discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Pledgor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Pledgee and persons claiming through Pledgee), and (ii) maintain and preserve the Collateral and such security interests.

(d) Pledgor ZP Chisholm Trail Housing, LLC’s Employer Identification Number is 81-2870474, and its principal place of business is located at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

(e) Pledgor agrees that it shall not, without at least 30 days’ prior Notice to Pledgee, move or otherwise change its principal place of business.

(f) Pledgor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Pledgor to violate or contravene, any provision of this Agreement.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:

(a) An Event of Default that is grounds for removal under Section 9.04 of the Partnership Agreement, and such default shall not have been cured within any applicable cure period provided therein; or

(b) Any warranty, representation or statement of the Pledgor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within 15 days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein shall have occurred, which is not cured within 10 days after Notice has been given to Pledgor by Pledgee.

Any Event of Default under this Agreement shall be an Event of Default by Pledgor under the Partnership Agreement.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Pledgee may by giving Notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and
(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to the Pledgor; and

(iii) Either personally, or by means of a court-appointed receiver, take possession of all or any of the Collateral and exclude therefrom Pledgor and all others claiming under Pledgor, and thereafter exercise all rights and powers of Pledgor with respect to the Collateral or any part thereof. In the event Pledgee demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Pledgor promises and agrees to promptly turn over and deliver complete possession thereof to Pledgee; and

(iv) Without Notice to or demand upon Pledgor, make such payments and do such acts as Pledgee may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Pledgor to take all reasonable actions necessary to deliver such Collateral to Pledgee, or an agent or representative designated by it. Pledgee, and its agents and representatives, shall have the right to enter upon any or all of Pledgor’s premises and property to exercise Pledgee’s rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Pledgee by the Partnership Agreement, or in any other document executed by Pledgor in connection with the Obligations secured hereby, either concurrently or in such order as Pledgee may determine; and sell or cause to be sold in such order as Pledgee may determine, as a whole or in such parcels as Pledgee may determine, the Collateral, without affecting in any way the rights or remedies to which Pledgee may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Pledgee may determine. Pledgee may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the State of Missouri or any other applicable law; and

(ix) Exercise any remedies available to Pledgee under the Partnership Agreement, including, but not limited to, the removal of the Pledgor as a General Partner of the Partnership and exercise of any rights of offset in favor of the Pledgee as a General Partner of the Partnership; and

(x) Notwithstanding anything to the contrary contained in this Agreement at any time after an Event of Default, the Pledgee may, by delivering Notice to the Partnership and to the Pledgor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to Partnership matters) as a General Partner of the Partnership in respect of the Collateral. The Pledgor hereby irrevocably authorizes and directs the Partnership on receipt of any such Notice (a) to deem and treat the Pledgee or such nominee or designee in all respects as a General Partner (and not merely an assignee of a General Partner) of the Partnership, entitled to
exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Partnership matters pursuant to the Partnership Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Pledgor would have been entitled had the Collateral not been transferred to the Pledgee or such nominee or designee), and (b) to file an amended certificate of limited partnership, if required, admitting the Pledgee or such nominee or designee as General Partner of the Partnership in place of Pledgor; and

(xi) The rights granted to the Pledgee under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach not otherwise cured by Pledgor of any of Pledgor’s covenants, agreements or obligations under this Agreement will cause the Pledgee irreparable injury and damage. In the event of any such breach, the Pledgee shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Pledgor. The Pledgee is absolutely and irrevocably authorized and empowered by Pledgor to demand specific performance of each of the covenants and agreements of Pledgor in this Agreement. Pledgor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Pledgor as a bar to the remedy of specific performance in any action brought by the Pledgee against Pledgor to enforce any of the covenants or agreements of Pledgor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Pledgee shall give Pledgor at least 10 days’ prior Notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such Notice shall be conclusively deemed to have been delivered to Pledgor at the address set forth in paragraph 7(d) of this Agreement, unless Pledgor shall notify Pledgee in writing of its change of its principal place of business and provide Pledgee with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(vi) and (vii) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Pledgor in a lump sum, without recourse to Pledgee, or as a court or competent jurisdiction may direct.

(d) Pledgee shall have the right to enforce one or more remedies hereunder under this Agreement and under the Partnership Agreement, successively or concurrently, and such action shall not operate to estop or prevent Pledgee from pursuing any further remedy which it may have, and any
repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Pledgor until full payment of any deficiency has been made in cash.

(e) PLEDGOR ACKNOWLEDGES THAT PLEDGEE MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALLY REASONABLE MANNER AND THAT PLEDGEE HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. PLEDGOR AGREES THAT PLEDGEE SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS PLEDGEE DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALLY REASONABLE. IN ADDITION, PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS PLEDGEE MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF PLEDGOR SET FORTH IN THIS PARAGRAPH.

10. Attorneys Fees. Pledgor agrees to pay to Pledgee, without demand, reasonable and actual attorneys’ fees and all costs and other expenses which Pledgee expends or incurs in collecting any amounts payable by Pledgor hereunder or in enforcing this Agreement against Pledgor whether or not suit is filed.

11. Further Documentation. Pledgor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Pledgee.

12. Waiver and Estoppel. Pledgor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Pledgor or the failure to file or enforce a claim against Pledgor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Pledgee which destroys or otherwise impairs any or all of the Collateral; (d) the right of Pledgor to proceed against Pledgee or any other person, for reimbursement; and (e) all duty or obligation of the Pledgee to perfect, protect, retain or enforce any security for the payment of amounts payable by Pledgor hereunder.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.
No delay or failure on the part of Pledgee in the exercise of any right or remedy against Pledgor or any other party against whom Pledgee may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Pledgee of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Partnership Agreement. No waiver of the rights of Pledgee hereunder or in connection herewith and no release of Pledgor shall be effective unless in writing executed by Pledgee. No actions of Pledgee permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. **Independent Obligations.** The obligations of Pledgor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Pledgee against Pledgor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Pledgee is involved in any proceedings and whether or not the Pledgee or the Pledgor or other person is joined in any action or proceedings.

14. **No Offset Rights of Pledgor.** No lawful act of commission or omission of any kind or at any time upon the part of Pledgor shall in any way affect or impair the rights of the Pledgee to enforce any right, power or benefit under this Agreement, and no set-off recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Pledgor has or may have against Pledgee or against any other party shall be available against Pledgee in any suit or action brought by Pledgee to enforce any right, power or benefit under this Agreement.

15. **Power of Attorney.** Pledgor hereby appoints Pledgee as its attorney-in-fact to execute and file, effective upon the occurrence of an Event of Default, on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Pledgee of its rights under this Paragraph 15 will not be deemed a satisfaction of any amounts owed Pledgee unless Pledgee so elects.

16. **GOVERNING LAW.** THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY, AND ALL CLAIMS RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR THE BREACH THEREOF, WHETHER SOUNDED IN CONTRACT, TORT OR OTHERWISE, SHALL LIKewise BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY. SUCH PARTIES FURTHER AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURT REGARDLESS OF THEIR RESIDENCE OR WHERE THIS AGREEMENT MAY BE EXECUTED.

17. **Successors and Assigns.** All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.
18. **Notices.** Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by email to the parties at the addresses shown throughout this Agreement (with confirmation of receipt) or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Pledgee, a copy of such notice shall also be given to Pledgee’s counsel, Nuyen, Tomtishen and Aoun, P.C., 2001 Commonwealth Blvd, Suite 300, Ann Arbor, Michigan 48105, Attention: Brad M. Tomtishen, bmt@ntalaw.com. If notice is sent to Pledgor, a copy of such notice shall also be given to Pledgor’s counsel, Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: clbast@lockelord.com).

   Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; Notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

19. **Consent of Pledgor.** Pledgor consents to the exercise by Pledgee of any rights of Pledgor in accordance with the provisions of this Agreement.

20. **Severability.** Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, and the Collateral shall be released from any lien hereunder, upon the earlier to occur of the performance in full of the Obligations of the Pledgor or upon the mutual written consent of Pledgor and the Pledgee. Pledgor and Pledgee shall cooperate in the preparation and filing of all required documents to terminate all UCC-1s that have been filed with respect to the security interest under this Agreement.

23. **Expenses.** Pledgor shall pay all reasonable out-of-pocket fees and charges incurred by Pledgee in connection with this Agreement and the transaction contemplated by this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys’ fees incurred by Pledgee.

[signature page follows]
IN WITNESS WHEREOF, the undersigned Pledgor has executed this General Partner Pledge and Security Agreement as of the date first above written.

PLEDGOR

ZP Chisholm Trail Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member

Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI
COUNTY OF Crawford

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Chisholm Trail Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 28 day of November, 2016.

DIANE HULL
Notary Public

My Commission Expires Nov 22, 2017
EXHIBIT F
EXHIBIT F
QUARTERLY GENERAL PARTNER CERTIFICATE

Partnership Name: Rankin Housing Partners LP
City/State: Houston, Utah

For the Projects listed on the attached schedule,

_____ Yes - All of the statements listed below are true and correct.

_____ No - One or more of the statements listed below are not true and correct.

If I have checked "No," I have attached a schedule stating which Project and which statement is not true and correct and describing the action the General Partner is taking, or has taken, to remedy the situation.

1. There are no significant conditions that threaten the continued successful operation of the Project – e.g., operational, physical or financial issues, casualty loss, Form 8823’s or other notices of non-compliance, delinquent real estate or other taxes, policies of insurance not being in full force and effect, receipt of notice of cancellation or non-renewal of any Project insurance policy, etc.

2. The Project is in material compliance with the provisions of the Extended Use Agreement, any Regulatory Agreement, Section 42 requirements, and tenant set asides for specific groups.

3. The Partnership is not in default under any loan, loan agreement, or any other material agreement, including any agreement with any Authority.

4. No material legal action has been instituted or threatened against either the Partnership, or a General Partner.

5. There has been no change in the financial condition of a General Partner that would adversely affect its ability to fulfill its obligations to the Partnership.

6. Neither the Partnership, a General Partner, nor any Affiliate of a General Partner has received notice that he or it is the subject of an investigation by any federal or state agency having jurisdiction over the Project.

7. The Partnership does not own, and has not owned, any financial asset other than Permitted Temporary Investments.

ZP Chisholm Trail Housing, LLC, a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC, a Missouri limited liability company
   Its: Sole Member

By: Zimmerman Investments, LLC, a Missouri limited liability company
   Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
   Its: Managing Member

Dated: ____________________________

F-1
EXHIBIT G

AFFIDAVIT OF NON-FOREIGN STATUS
(Entities General Partner/Investor Limited Partner)
AFFIDAVIT OF NON-FOREIGN STATUS
(Enttity General Partner/Investor Limited Partner)

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon the disposition of a U.S. real property interest by Rankin Housing Partners LP, a Texas limited partnership, the undersigned hereby certifies the following on behalf of ZP Chisolm Trail Housing, LLC (the “Company”):

1. He is the Trustee of the Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of the Company.

2. The Company 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).

3. The Company’s U.S. employer identification number is 81-2870474.

4. The Company’s office address is: 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

5. The address or description of the property is: See Exhibit “A” attached hereto and made a part hereof.

The undersigned 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 the Company.

[signature on following page]
ZP Chisholm Trail Housing, LLC,
a Missouri limited liability company authorized to
transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn
    C. Zimmerman Revocable Trust dated May
    5, 1995, as restated
Its: Managing Member

Dated: 11/28/2016

STATE OF MISSOURI )

COUNTY OF Greenwood ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared
Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under
Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman
Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman
Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Chisholm Trail
Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution
of the foregoing instrument.

Witness my hand and notarial seal this 28th day of November, 2016.

My commission expires: 11/22/2017

Notary Public

DIANE HULL
Notary Public - Notary Seal
State of Missouri, Lawrence County
Commission # 13801214
My Commission Expires Nov 22, 2017

G-2
ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program)

Describe and attach the request made by the Applicant or Affiliate to the Third Party asking for consent:

______________________________________________________________________________

ATTACH PDF OF THE REQUEST FROM THE APPLICANT OR AFFILIATE TO THE THIRD PARTY BEHIND THIS PAGE.
February 14, 2019

Elaisa Trendleman
Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716

RE: Section 811

Ms. Trendleman,

VCZ Development, LLC will be submitting the following applications to the Texas Department of Housing and Community Affairs (TDHCA) for consideration for Low Income Housing Tax Credits:

- ZP Redwood Apartments, LP located in Dumas, TX.
- Amber Ridge Apartments, LP located in Angleton, TX.
- Pinewood Crossing Apartments, LP located in San Antonio, TX.
- Carver Ridge Apartments, LP located in Midland, TX.

In order to score maximum points, TDHCA requires the applicant to set aside units in the Section 811 PRA program. Raymond James is the investor the following developments listed on TDHCA’s list of Qualified Existing Developments:

- Riverstone Trails
- Atascocita Pines
- Chisholm Trails
- Montgomery Pines

If any of the above developments are awarded, VCZ Development, LLC requests Raymond James approval to set aside units in the existing developments.

Thank you,

[Signature]

Vaughn Zimmerman
Managing Member
2019 Uniform Multifamily Application #19100

Existing Development Name: Chishom Trail

iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party that they are denying an Existing Development from participation).

Describe and attach the response from the Third Party that was received by the Applicant or Owner that reflects their decision not to provide the requested consent:
The limited partner investor met and discussed the Section 811 request, and then sent the attached resolution stating they were declining adding additional Section 811 units to Chisholm Trail.

ATTACH PDF OF THE RESPONSE FROM THE THIRD PARTY THAT REFLECTS THEIR DECISION TO DENY THE REQUESTED CONSENT BEHIND THIS PAGE.
CERTIFICATION OF ALL THE PARTNERS OF RANKIN HOUSING PARTNERS, LP

The undersigned, being all the partners of Rankin Housing Partners, LP, a Texas limited partnership, (the “Partnership”) do hereby certify to Texas Department of Housing and Community Affairs (“TDHCA”) the following:

Rankin Housing Partners, LP does hereby certify that we have received a request from TDHCA to set aside additional units in the Section 811 PRA Program in Chisholm Trail Apartments.

Rankin Housing Partners, LP does hereby certify that we have reviewed the Section 811 PRA Program Guidelines required by TDHCA.

Rankin Housing Partners, LP does hereby certify that we do not consent to additional Section 811 units in Chisholm Trail Apartments.

IN WITNESS WHEREOF, each of the undersigned partners have set their hands effective as of this 29 day of February, 2019.

General Partner:

ZP Chisholm Trail Housing, LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its Sole Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its Sole Member
By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust U/A dated May 5, 1995, as restated, its Managing Member

Investor Limited Partner:

Raymond James Preservation Opportunities Fund II L.L.C., a Florida limited liability company
By: RJPOF II L.L.C., a Florida limited liability company, its Managing Member
By: Raymond James Tax Credit Funds, Inc., a Florida corporation, its Sole Member/Manager
By: Steven J. Kropf, President
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Introduction

The purpose of this Packet is to formalize the process by which an Applicant establishes its lack of legal authority to commit Section 811 PRA Program Units in a Development as described pursuant to 10 TAC §11.9(c)(6)(A) of the Qualified Allocation Plan ("QAP").

This Packet is required only if all of the following conditions are true:

1) An Applicant is selecting points under Tenant Populations with Special Housing Needs pursuant to 10 TAC §11.9(c)(6) AND

2) An Applicant is seeking to establish its lack of legal authority where an Applicant or Affiliate Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of the QAP.

One Packet must be submitted for each Existing Development for which the Applicant or Affiliate is seeking a determination that the needed legal authority is lacking and that the Development can be excluded from consideration.

Instructions: Complete the Questionnaire on page 2 of this packet, then complete the fields on each of the subsequent form cover pages, and attach the denoted documentation for each item behind each included cover pages. Submit each Packet, including Attachments in PDF format and include bookmarks for each item. The Packet must be saved and uploaded as one standalone file to the Serv-U folder associated with each 2019 Multifamily Application.

This Packet and all supporting documentation must be uploaded to the Department’s Serv-U system at the same time as, but as a separate document from, the Application. Refer to the Multifamily Programs Procedures Manual posted at http://www.tdhca.state.tx.us/multifamily/applyforfunds.htm for an explanation of the process to set-up a Serv-U Account if needed.

Questions about this Packet may be submitted to Spencer Duran: spencer.duran@tdhca.state.tx.us
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Questionnaire

2019 Uniform Multifamily Application #19100

1) Selecting Points under 10 TAC §11.9(c)(6)?
   □ No – STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 2

2) To obtain Points under 10 TAC §11.9(c)(6), Applicants must first attempt to meet the requirements in §11.9(c)(6)(B).
   Does the Applicant Own or Control and Existing Development that appears on the List of Qualified Existing Developments?
   □ No – STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 3

3) Is the Applicant seeking to establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that appears on the List of Qualified Existing Developments?
   □ No - STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 4

4) Can the Applicant provide all three of the following items listed under §11.9(c)(6)(A)(i)-(iii)?
   □ No - STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO COVER PAGES
   (i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement);

   (ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program); AND

   (iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party identified in (ii) that they are denying an Existing Development from participation).
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Legal Right to Withhold Cover Page §11.9(c)(6)(A)(i)

2019 Uniform Multifamily Application #19100

Existing Development Name Montgomery Pines

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement)

Describe the specific legally enforceable agreement being attached: Limited Partnership Agreement

Provide the name of the Third Party: Raymond James - Investor Limited Partner

List the specific citation in the agreement that clearly denotes the Third Party has a legal right to withhold consent:

(b) The General Partner shall not, within the Consent of the Investor Limited Partner.....

(xiv) amend, modify, terminate or renew in any material manner any Project document;

(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the project;

List the page number in the agreement that clearly denotes the Third Party has a legal right to withhold consent: Page 31-33

ATTACH PDF OF THE LEGALLY ENFORCEABLE AGREEMENT BEHIND THIS PAGE.
THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (THE “AGREEMENT”) HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 OR PURSUANT TO APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE LIMITED PARTNERSHIP INTERESTS CANNOT BE RESOLD OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN COMPLIANCE THEREWITH. IN ADDITION, THE SALE OR TRANSFER OF SUCH LIMITED PARTNERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE RESTRICTIONS SET FORTH IN ARTICLE X HEREOF.
# TABLE OF CONTENTS

**ARTICLE I CONTINUATION OF PARTNERSHIP** ................................................................. 1

1.01 Continuation ............................................................................................................ 1
1.02 Name ....................................................................................................................... 1
1.03 Principal Executive Offices; Agent for Service of Process .................................... 2
1.04 Term ........................................................................................................................ 2
1.05 Admission of General Partner ................................................................................. 2
1.06 Admission of Investor Limited Partner ................................................................... 2
1.07 No Other Partners ................................................................................................... 2
1.08 Recording of Certificate .......................................................................................... 2

**ARTICLE II DEFINED TERMS AND RULES OF INTERPRETATION** ......................... 3

**ARTICLE III PURPOSE AND BUSINESS OF THE PARTNERSHIP** .............................. 14

3.01 Purpose of the Partnership .................................................................................... 14
3.02 Authority of the Partnership .................................................................................. 14

**ARTICLE IV WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER** ............................................................. 15

4.01 Representations, Warranties and Covenants ......................................................... 15
4.02 Duties and Obligations .......................................................................................... 20

**ARTICLE V PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP** .......................................................................................... 23

5.01 Partners, Capital Contributions and Interests........................................................ 23
5.02 Additional Capital Contributions .......................................................................... 23

**ARTICLE VI CAPITAL ACCOUNTS** ............................................................................. 23

6.01 Capital Accounts ................................................................................................... 23
6.02 Current Balances ................................................................................................... 23

**ARTICLE VII ALLOCATIONS AND DISTRIBUTIONS** .................................................. 23

7.01 Allocation of Profit and Loss and Tax Credits ....................................................... 23
7.02 Special Allocations ................................................................................................. 24
7.03 Distributions of Net Cash Flow ............................................................................. 25
7.04 Allocation of Gains and Losses ............................................................................. 25
7.05 Distribution of Proceeds from Capital Transactions ............................................. 26
7.06 Variation of Allocations to Preserve and Protect Partners’ Intent ......................... 26
7.07 Regulatory Allocations .......................................................................................... 27
7.08 Deficit Restoration Obligation ................................................................................ 28
7.09 Allocations Among General Partners ................................................................... 28
7.10 Accounting and Tax Rules; Tax Effect of Allocations ............................................ 29
ARTICLE VIII RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER ............................................................................................................ 30

8.01 Management of the Partnership ................................................................. 30
8.02 Limitations Upon the Authority of the General Partner ............................... 30
8.03 Management Purposes ................................................................................ 33
8.04 Delegation of Authority ............................................................................. 33
8.05 General Partner or Affiliates Dealing with Partnership ............................... 33
8.06 Other Activities .......................................................................................... 34
8.07 Liability for Acts and Omissions ................................................................. 34
8.08 General Partner Guaranties and Indemnities .............................................. 34
8.09 Management Agent .................................................................................... 36
8.10 Loans to the Partnership by General Partner or Others .............................. 37
8.11 Replacement Reserve .................................................................................. 37
8.12 Operating Reserve ...................................................................................... 38
8.13 Capital Expenditure Reserve ...................................................................... 38
8.14 Options to Purchase/Order Sale ................................................................. 38

ARTICLE IX WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER ............................................................................................................ 40

9.01 Withdrawal of the General Partner ............................................................. 40
9.02 Admission of a Successor or Additional General Partner .......................... 40
9.03 Events of Withdrawal of a General Partner .............................................. 41
9.04 Removal of the General Partner .................................................................. 42

ARTICLE X INVESTOR LIMITED PARTNER TRANSFERS ............................................................. 45

10.01 Transfer of Investor Limited Partner’s Interest ........................................ 45
10.02 Rights of Assignee of Interest .................................................................... 45
10.03 Admission of Substitute Investor Limited Partner .................................. 46
10.04 Withdrawal of the Investor Limited Partner ............................................ 47

ARTICLE XI RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER ............................................................................................................ 47

11.01 Management of the Partnership ............................................................... 47
11.02 Limitation on Liability of Investor Limited Partner ................................ 47
11.03 Other Activities ....................................................................................... 47
11.04 Loans to the Partnership by Investor Limited Partner ............................ 47
11.05 Liability for Acts and Omissions ............................................................... 48

ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION ............................................................. 48

12.01 Dissolution of the Partnership ................................................................. 48
12.02 Reconstitution of the Partnership ............................................................. 48
12.03 Winding Up and Distribution ................................................................. 49
12.04 Obligation of Partners to Restore Deficit .................................................. 49
ARTICLE XIII BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC. ........... 50

13.01 Books and Records ......................................................................................... 50
13.02 Bank Accounts ................................................................................................. 50
13.03 Accountants ....................................................................................................... 50
13.04 Section 754 Elections ....................................................................................... 50
13.05 Fiscal Year and Accounting Method ............................................................... 51
13.06 Tax Matters Partner ......................................................................................... 51

ARTICLE XIV REPORTS ............................................................................................. 53

14.01 Tax Returns and Related Reports - Due February 15 ...................................... 53
14.02 Annual Financial Statements - Due March 1 .................................................. 53
14.03 Annual Business Report Due January 31 ....................................................... 54
14.04 Annual Budgets ................................................................................................ 55
14.05 Insurance Reports – Annually ......................................................................... 55
14.06 Quarterly Financial Statements ....................................................................... 55
14.07 Rent Roll and General Partner Certificate ..................................................... 55
14.08 Monthly Reports ............................................................................................... 55
14.09 Event Reports ................................................................................................... 56
14.10 Other Reports .................................................................................................... 56
14.11 Costs of Preparation; Penalties for Late Reports ............................................. 56

ARTICLE XV AMENDMENTS .................................................................................... 57

15.01 Amendment by All Partners ............................................................................. 57
15.02 Amendment by Investor Limited Partner Only ............................................... 57

ARTICLE XVI VOTING AND MEETINGS .................................................................. 57

16.01 Method of Giving Consent ............................................................................... 57
16.02 Submissions to Investor Limited Partner ......................................................... 57
16.03 Meetings; Submission of Matter for Voting ..................................................... 57

ARTICLE XVII GENERAL PROVISIONS .................................................................. 58

17.01 Burden and Benefit ......................................................................................... 58
17.02 Applicable Law ................................................................................................. 58
17.03 Counterparts ..................................................................................................... 58
17.04 Separability of Provisions ............................................................................... 58
17.05 Entire Agreement .............................................................................................. 58
17.06 Liability of the Investor Limited Partner .......................................................... 58
17.07 Notices ............................................................................................................. 58
17.08 Power of Attorney ............................................................................................ 59
17.09 Remedies Cumulative; No Waiver ................................................................. 59
17.10 Interpretation .................................................................................................... 59
<table>
<thead>
<tr>
<th>EXHIBIT A</th>
<th>Legal Description of Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXHIBIT B</td>
<td>Unconditional Guaranty</td>
</tr>
<tr>
<td>EXHIBIT C</td>
<td>Insurance Guidelines</td>
</tr>
<tr>
<td>EXHIBIT D</td>
<td>Financial Projections</td>
</tr>
<tr>
<td>EXHIBIT E</td>
<td>General Partner Pledge and Security Agreement</td>
</tr>
<tr>
<td>EXHIBIT F</td>
<td>Quarterly General Partner Certificate</td>
</tr>
<tr>
<td>EXHIBIT G</td>
<td>Affidavit of Non-Foreign Status</td>
</tr>
</tbody>
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This Second Amended and Restated Agreement of Limited Partnership is made and entered into effective as of May 15, 2017, by and among ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, as the general partner (the “General Partner”) and Raymond James Preservation Opportunities Fund III L.L.C., a Florida limited liability company, as limited partner (the “Investor Limited Partner”).

WHEREAS, Greens Parkway Partners LP, a Texas limited partnership (the “Partnership”) was formed pursuant to the terms of the State of Texas (Revised) Uniform Limited Partnership Act by the filing of a Certificate of Limited Partnership with the Texas Secretary of State on August 18, 2003, which Certificate was amended and restated on May 27, 2004 (as so amended, the “Original Certificate”); and

WHEREAS, the Partnership is currently governed by an Amended and Restated Agreement of Limited Partnership dated May 27, 2004, as amended by that certain First Amendment to Amended and Restated Agreement of Limited Partnership, dated as of October 1, 2005, and as further amended by that certain Second Amendment to Amended and Restated Agreement of Limited Partnership, dated as of May 1, 2005 (as so amended, the “Current Agreement”); and

WHEREAS, on the date hereof, the General Partner has acquired a portion of the general partnership interest in the Partnership and the Investor Limited Partner has acquired the remainder of the general partnership interest in the Partnership and all the limited partnership interest in the Partnership; and

WHEREAS, the Partners desire to continue the Partnership pursuant to the Act and the provisions of this Agreement; and

WHEREAS, the Partners wish to evidence (i) the admission of the General Partner as the general partner of the Partnership, (ii) the admission of the Investor Limited Partner as the limited partner of the Partnership, (iii) the conversion of the portion of the general partnership interest acquired by the Investor Limited Partner into a limited partnership interest, and (iv) the restatement of the relative rights and responsibilities of the General Partner and the Investor Limited Partner in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Partnership pursuant to the Act, and agree that all agreements of limited partnership of the Partnership, entered into prior to the date hereof are hereby amended and restated in their entirety, as follows:

ARTICLE I

CONTINUATION OF PARTNERSHIP

1.01 Continuation. The undersigned hereby continue the Partnership as a limited partnership under the Act.

1.02 Name. The name of the Partnership is Greens Parkway Partners LP, a Texas limited partnership.
1.03 **Principal Executive Offices; Agent for Service of Process.**

(a) The principal executive office of the Partnership shall be 1730 E. Republic Road, Suite F, Springfield, Missouri 65804. The Partnership may change the location of its principal executive office to such other place or places as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the principal executive office. The Partnership may maintain such other offices at such other place or places as the General Partner may from time to time deem advisable.

(b) The name and address of the agent for service of process in Missouri is CSC-Lawyers Incorporating Service Company, 221 Bolivar Street, Jefferson City, Missouri 65101. The name and address of the agent for service of process in Texas is Corporation Services Company, 211 East 7th Street, Suite 620, Austin, Texas 78701. The Partnership may change the agent for service of process to such other agent as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the agent for service of process.

1.04 **Term.** The term of the Partnership commenced as of the date of the filing of the Original Certificate with the Secretary of State of the State, and shall continue until 2066 unless the Partnership is sooner dissolved by law or in accordance with the provisions of this Agreement.

1.05 **Admission of General Partner.** ZP Montgomery Pines Housing, LLC is hereby admitted as the General Partner of the Partnership, with its Percentage Interest re-allocated, as set forth in Section 5.01(a), and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth.

1.06 **Admission of Investor Limited Partner.** The Investor Limited Partner is hereby admitted as the sole Investor Limited Partner of the Partnership, and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth. The Investor Limited Partner is not, and has never been, a general partner of the Partnership, has taken its interest acquired from the previous general partner solely as an assignee thereof and that interest is hereby subsumed into its Interest as an Investor Limited Partner as described in this Agreement, with its Percentage Interest re-allocated, as set forth in Section 5.01(b).

1.07 **No Other Partners.** The General Partner and the Investor Limited Partner are the only partners in the Partnership, as they have acquired all partnership interests held by the former partners and those former partners have no further interest in the Partnership.

1.08 **Recording of Certificate.** Upon the execution of this Second Amended and Restated Agreement of Limited Partnership by the parties hereto, the General Partner shall take all actions necessary to assure the prompt recording of an amendment to the Original Certificate if required by the Act, including filing with the Secretary of State of the State. All fees for filing shall be paid out of the Partnership’s assets. The General Partner shall take all other necessary action required by law to perfect and maintain the Partnership as a limited partnership under the laws of the State, and shall register the Partnership under any assumed or fictitious name statute or similar law in force and effect in the State. Notwithstanding the foregoing, this Agreement (and any exhibits attached hereto) shall not be filed with the Secretary of State of the State or published or recorded in any public forum without the Consent of the Investor Limited Partner.

Greens Parkway Partners LP/PA
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ARTICLE II

DEFINED TERMS AND RULES OF INTERPRETATION

In addition to the abbreviations of the parties set forth in the preamble to this Agreement, defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified below. References in this Agreement to Sections, unless otherwise specified, are to Sections of this Agreement. Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter and vice versa, as the context requires. Words such as "herein," "hereinafter," "hereof," "hereeto," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires. Unless otherwise indicated, the word "including" is not limiting.

“Access Laws” means Section 504 of the Uniform Federal Accessibility Standards, where applicable and as amended, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act of 1988, as amended, the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto.

“Accountants” means the firm or firms of independent certified public accountants engaged by the General Partner, with the Consent of the Investor Limited Partner, to prepare (i) the Partnership filings with respect to Section 42, (ii) the Partnership’s annual income tax returns, and (iii) the Partnership’s audited financial statements.

“Act” means the Uniform Limited Partnership Act of the State, as may be amended from time to time during the term of the Partnership.

“Actual Return” means the actual rate of return to the Investor Limited Partner throughout the term of the Partnership prepared taking into account the Deemed Equity Investment and using the same methodology and assumptions as the Financial Projections, but updated to show the actual dates and amounts of Capital Contributions and cash distributions.

“Affidavit of Non-Foreign Status” means the Affidavit of Non-Foreign Status, in the form attached as Exhibit G.

“Affiliate” means, when used with reference to a specified Person, (i) any Person that directly or indirectly controls, is controlled by or is under common control with, the specified Person, (ii) any Person that is an officer, director, trustee, managing member, manager or general partner of the specified Person, and (iii) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of the outstanding voting interests or general partner interests of the specified Person. Any entity that is directly or indirectly controlled by Raymond James Tax Credit Funds, Inc. is an Affiliate of the Investor Limited Partner.

“Agency” means the Texas Department of Housing and Community Affairs, in its capacity as the designated agency of the State to allocate Housing Tax Credit, acting through any authorized representative.
“Agreement” means this Second Amended and Restated Agreement of Limited Partnership, as amended from time to time.

“Anti-Corruption Laws” means 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

“Approved Principals” means Vaughn C. Zimmerman.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means:

(a) 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 its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days;

(b) 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 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;

(c) 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 or discharged within 90 consecutive days;

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

(e) 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 relevant state or federal act or law, or the ruling of any court with jurisdiction over such Person.

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, or any corresponding provision or provisions of succeeding law.
“Capital Account” means the capital account of a Partner as described in Section 6.01.

“Capital Contribution” means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the Interest of such Partner.

"Capital Expenditure Reserve" as defined in Section 8.13.

“Capital Transaction” means any transaction not in the ordinary course of the Partnership’s business, which is capital in nature, including without limitation the disposition of any substantial part of the Project, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by the Investor Limited Partner), casualty (where the proceeds are not to be used for reconstruction), or condemnation (where the proceeds are not to be used for reconstruction). A refinancing or similar event that yields net proceeds to the Partnership shall be considered a Capital Transaction.

“Certificate” means the Partnership’s Certificate of Limited Partnership or any other instrument or document which is required under the laws of the State to be filed in the appropriate public offices within the State to perfect or maintain the Partnership as a limited partnership under the laws of the State, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State.

“Changes in Tax Law” means amendments to the Code after the date of this Agreement and amendments to or the promulgation of new legislative regulations after the date of this Agreement, but shall not include the promulgation of final or temporary Treasury Regulations with respect to Section 42 of the Code or Subtitle A, Chapter 1, Subchapter K of the Code to the extent that such regulations correspond to final, temporary or proposed regulations which were promulgated more than two business days prior to the date of this Agreement.

“Class B Limited Partner” means a General Partner whose Interest is converted to that of a Class B Limited Partner pursuant to Section 9.03(b).

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“Compliance Period” means, with respect to any building in the Project, the “compliance period” as defined in Section 42(i)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Compliance Period begins for any building in the Project and ending on the latest date that a Compliance Period ends for any building in the Project.

“Consent” means the prior written consent or approval of the Investor Limited Partner and/or any other Partner, as the context may require, to do the act or thing for which such consent or approval is solicited.

“Continued Compliance Sale” is defined in Section 8.14(c).

“Counsel” or “Counsel for the Partnership” means Locke Lord LLP or such other attorney or law firm upon which the Investor Limited Partner and the General Partner shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein,
or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Credit Period” means, with respect to any building in the Project, the “credit period” as defined in Section 42(f)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Credit Period begins for any building in the Project and ending on the latest date that a Credit Period ends for any building in the Project. When the context requires, the Credit Period shall be deemed to include the year following the Credit Period if Housing Tax Credit is available in that year pursuant to Section 42(f)(2) of the Code, but shall not include later years in the Compliance Period during which Housing Tax Credit may be received under the special rule of Section 42(f)(3) of the Code.

“Credit Reduction Adjustment” is defined in Section 8.08(b)(ii).

“Current” means that at any given point in time, (i) all reserves required to be maintained by the Partnership are fully funded to the extent required as of such time, and (ii) all payments for operating expenses, Must-pay Debt Service, necessary maintenance, preventive maintenance and capital improvements due and payable as of such time (assuming all expenses are paid within 30 days of invoice) have been made or the Partnership has sufficient unrestricted cash reserves to make all such payments.

“Current Agreement” means the Amended and Restated Agreement of Limited Partnership dated May 27, 2004, as subsequently amended.

“Decision Maker” means any general partner of a partnership, any managing member or manager of a limited liability company, any officer or director of a corporation, and any other individual who is authorized, empowered, or has apparent authority to make decisions on behalf of any entity.

“Deemed Equity Investment” is equal to $2,150,381, allocated $2,150,172 to the Investor Limited Partner and $215 to the General Partner.

“Department of the Treasury” means the United States Department of the Treasury or any successor government agency thereto.

“Environmental Laws” is defined in Section 4.01(e).

“Environmental Reports” means a certain Phase I Environmental Property Assessment dated April 10, 2017, prepared with respect to the Project by Gabriel Environmental Group.¹

“Extended Use Agreement” means the extended low-income housing commitment required pursuant to Section 42(h)(6) of the Code executed by the Partnership and delivered to the Agency, dated November 8, 2005, setting forth certain terms and conditions under which the Project is to be operated.

“Financial Projections” means the Financial Projections used by the Investor Limited Partner in its underwriting of the Project attached hereto as Exhibit D to this Agreement.

“First Permanent Loan” is defined in the definition of Permanent Financing.

“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with aggregate incomes of 60% or less of area median income, as adjusted for family size.

¹ List all environmental reports, including Phase II reports, if applicable.
“GAAP” means generally accepted accounting principles.

“General Partner” means ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, and any other Person admitted as a General Partner and designated as a General Partner pursuant to this Agreement, and any of their respective successors pursuant to this Agreement, including particularly the provisions of Sections 8.01, 9.02 and 9.04.

“Government Official” means 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.

“Gross Effective Income” means, for any period of time, the entire amount of all receipts by the Partnership (determined on a cash basis) for the operation of the Project, including (a) tenant rentals collected pursuant to tenant leases or occupancies for such period, including without limitation, housing/tenant assistance payments, including utility reimbursements; (b) security deposits forfeited by tenants during such period and non-refundable tenant deposits made during such period; (c) laundry and garage/parking income received during such period; (d) proceeds from rental interruption insurance received during such period; (e) expense-related reimbursements or charges paid by tenants for insurance, taxes, utility charges, and other Project expenses; and (f) other income including cleaning fees, NSF check charges, late charges, and charges for credit checks; excluding, however, (i) proceeds from the sale or condemnation of any part of the Project, (ii) refinancing and other loan proceeds, (iii) Capital Contributions and loans to the Partnership, (iv) refundable security deposits prior to forfeiture; and (v) interest income.

“Guarantor” means ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company.

“Hazardous Material(s)” is defined in Section 4.01(e).

“Housing Tax Credit” means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

“HUD” means the United States Department of Housing and Urban Development or any successor government agency thereto.

“IRS” means the United States Internal Revenue Service or any successor government agency thereto.

“Insurance Guidelines” means the standards for insurance coverage required for the Project, a copy of which is attached hereto as Exhibit C.

“Interest” means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Partner shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Partner's Interest.
“Investor” means any Person that owns an equity interest, directly or indirectly, in the Investor Limited Partner.

“Investor Limited Partner(s)” means Raymond James Preservation Opportunities Fund III L.L.C., a Florida limited liability company, and/or its successors or assigns admitted as Investor Limited Partners in accordance with this Agreement, in such Persons’ capacity as an Investor Limited Partner of the Partnership.

“Land” means the tract of land upon which the Project is located as more fully set forth in Exhibit A.

“Land Use Restrictions” means any restrictions applicable to the Project that restrict tenant incomes or rents charged to tenants, including but not limited to any Extended Use Agreement entered into in accordance with the requirements of Section 42 of the Code and any restrictions relating to Permanent Financing.

“Lender” means the Permanent Lenders.

“Limited Partner(s)” means the Investor Limited Partner, and/or the Special Limited Partners, and/or any other Limited Partner in such Person’s capacity as a limited partner of the Partnership.

“Liquidator” means the General Partner or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

“Loan” means the Permanent Financing.

“Loan Documents” means any Mortgage, Note or other documents executed in connection with a Loan.

“Loss” is defined in Section 7.01(b).

“Low-Income Units” means those units which the Partnership expects will qualify for the Housing Tax Credit by virtue of being occupied at all times by Qualified Tenants.

“Majority in Interest” means, with respect to any specified group of Partners, those Partners who hold more than 50% of the Percentage Interests held by such group.

“Management Agent” means the management and rental agent for the Project designated pursuant to Section 8.09.

“Management Agreement” means the agreement between the Partnership and the Management Agent providing for the marketing, compliance and management of the Project by the Management Agent.

“Minimum Set-Aside Test” means the set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the 40-60 Set-Aside Test as the Minimum Set-Aside Test and will not select the 20-50 Set-Aside Test as the Minimum Set-Aside Test.
“Mortgage” means any mortgage or deed of trust to be given by the Partnership in favor of a Lender as maker of any Loan, constituting a lien on the Project and securing a Loan.

“Must-pay Debt Service” means debt service on any loan of the Partnership, including without limitation the Permanent Financing, that is due prior to final maturity of the loan and that must be paid by the Partnership to avoid default on such loan without regard to whether there is Net Cash Flow sufficient to pay such debt service.

“Net Cash Flow” means the sum of (i) all cash actually received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (unless forfeited), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and other casualty or extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the General Partner with the Consent of the Investor Limited Partner and the Lender, if required, less the sum of (i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Partnership’s business including the management fee to the Management Agent but excluding any expenditures paid from any Partnership reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes) (ii) all Must-pay Debt Service and any other debt service on the Permanent Financing to the extent then due and payable, but not including any amounts to be paid on account of Operating Deficit Loans, (iii) the payment of any tax liability owed by the Partnership, and (iv) all amounts deposited into any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Lender or this Agreement or the Investor Limited Partner (with respect to reasonably identified anticipated expenditures for which reserves have not otherwise been established) or as may be determined from time to time by the General Partner with the Consent of the Investor Limited Partner, and the Lender, if required, to be advisable for the operation of the Partnership.

Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative.

“Net Operating Income” shall equal Rent plus Other Operating Income less Operating Expenses, where those terms have the following meanings:

(a) Rent, for any month, shall be equal to the rent from residential units that was due and payable for such month less any portion of such rent that has not actually been collected by the time the calculation of Rent is being made (excluding any amounts subsidized by the General Partner and adjusted to reflect average monthly rents for leases that include rent-free or reduced rental periods). Rent may include government subsidies of tenant rental revenue that has been actually received by the time the calculation of rent is being made, but the subsidy amount received shall be attributed to the month in which the subsidy was due rather than to the month it was paid. Rent shall not include government subsidies of a Permanent Financing (such as an interest rate credit), unless the subsidy has not been factored into the maximum annual debt service described in the definitions of such Permanent Financing. Rent shall not include rent attributable to short-term tenant leases of less than nine months, unless the tenant has actually been a resident of the Project for at least one year or unless otherwise approved by the Investor Limited Partner. Rent shall not include any amount collected that is in excess of maximum rents permitted by the Agency, any Project Document or applicable law.

(b) Other Operating Income, for any month, shall be equal to monthly collected revenue from recurring sources and shall include forfeitures of deposits, income from any laundry
facilities, commercial rents, garage or parking fees, cable television and phone usage (after adjusting for any concessions). Other Operating Income shall not include interest on reserves and security deposits, non-recurring revenue, and withdrawal from reserve accounts.

(c) Operating Expenses, for any month, shall be equal to monthly accrued operating expenses (adjusted for seasonal fluctuations where appropriate and excluding nonrecurring expenses), a ratable portion of all other expenses which might reasonably be expected to be incurred during the full annual period of operation, and shall include, but not be limited to, taxes or payments in lieu of taxes, insurance costs, assessments, audit expenses, the funding of any Replacement Reserve deposits required under this Agreement or any Permanent Financing, compliance costs as required by the Agency, payment of the Management Agent’s fees, any other Partnership loans or obligations not paid out of Net Cash Flow, the costs of capital improvements to the Partnership property (to the extent such capital improvements are not funded from any Partnership reserves, casualty or condemnation proceeds, any Permanent Financing proceeds, Capital Contributions or the proceeds of any Capital Transactions) and a ratable portion of the greater of (x) the annual amount (as reasonably estimated by the General Partner) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities and maintenance expenses which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation) or (y) the annual amount of such expenses assumed in the Financial Projections.

“Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.

“Note” means any mortgage or deed of trust promissory note given by the Partnership in favor of a Lender, evidencing a Loan.

“Notice” means a writing containing the information required by this Agreement to be communicated to a Partner and sent by express courier or email transmission (provided that such email transmission shall be immediately followed by a “hard” original of such writing delivered by a method set forth in this definition), or by registered or certified mail, with postage prepaid and return receipt requested, to such Partner at such Partner's address as specified pursuant to Section 17.07. The date of receipt of the Notice (or the next business day if the date of receipt is not a business day) (or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable) shall be deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Partner actually received by such Partner shall constitute Notice for all purposes of this Agreement.

“OFAC” means the U.S. Treasury Department’s Office of Foreign Assets Control.

“Operating Deficit” means the amount by which the revenues of the Partnership from rental payments made by tenants of the Project (excluding security deposits until forfeited), and all other revenues of the Partnership (other than Capital Contributions, the proceeds of any loans to the Partnership and investment earnings on funds on deposit in the Replacement Reserve and other such reserve or escrow funds or accounts) for a particular period of time, is exceeded by the sum of all operating and maintenance expenses, the funding of the Replacement Reserve or any other reserve required by this Agreement or any Project Document, all Must-pay Debt Service, any fees to the Lender and/or any applicable mortgage insurance premium payments and all other Partnership obligations or expenditures (but excluding payments for fees and other expenses and obligations of the Partnership to be paid solely from Net Cash Flow or from the Capital Contributions of the Investor Limited Partner to the Partnership), during the same period of time.

“Operating Deficit Loan(s)” is defined in Section 8.08(a).
“Operating Expenses” is defined within the definition of Net Operating Income.

“Operating Reserve” means the account established to fund Operating Deficits in accordance with Section 8.12.

“Operating Reserve Minimum” is defined in Section 8.12.

“Ordinary Income Amount” is defined in Section 7.10(d).

“Original Certificate” means the initial Certificate filed in connection with the formation of the Partnership.

“Other Operating Income” is defined within the definition of Net Operating Income.

“Partner” means any General Partner and any Limited Partner.

“Partner Loan” means any loan made by any Partner to the Partnership pursuant to Section 8.10 or Section 11.04.

“Partner Nonrecourse Deductions” has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations.

“Partnership” means Greens Parkway Partners LP, a Texas limited partnership.

“Payment Date” means the later of the date which is 90 days after the end of the Partnership’s fiscal year with respect to the preceding fiscal year or the date on which the General Partner has delivered to all Partners the financial statements and information required to be delivered under Sections 14.01 and 14.02.

“Percentage Interest” means the percentage Interest of each Partner as set forth in Section 5.01.

“Permanent Financing” means:

The first priority mortgage non-recourse permanent loan ("First Permanent Loan") to the Partnership made by Texas Department of Housing and Community Affairs from the proceeds of Multifamily Housing Mortgage Revenue Bonds in the approximate outstanding principal amount of $10,600,000 with a variable interest rate set at the Weekly Variable Rate (SIFMA) plus 40 basis points, with a term of at least 33 years requiring variable debt service payments with the balance due at maturity.

“Permanent Lenders” means Texas Department of Housing and Community Affairs, in its capacity as the maker of the First Permanent Loan, or its successors and assigns in such capacity, acting through any authorized representative.

“Permitted Temporary Investments” means bank accounts held at a bank or trust company that (i) has deposits insured by the Federal Deposit Insurance Corporation, (ii) has paid in capital surplus and undivided profits aggregating at least $500 million, and (iii) is otherwise acceptable to the Investor Limited Partner.

“Person” means any individual, partnership, corporation, trust, limited liability company or other entity.
“Prime Rate” means the rate published from time to time in The Wall Street Journal as the prime rate. The Prime Rate shall change as such rate changes.

“Profit” is defined in Section 7.01(b).

“Project” means the land and any improvements thereon currently owned by the Partnership located in Montgomery County, Texas, and the 224-unit multifamily rental housing development and other improvements owned and operated thereon by the Partnership, and known as Montgomery Pines and any other tangible property owned by the Partnership and used in connection with the Project. 112 units shall be leased to tenants with incomes that are 50% or less than the area median income and 112 units shall be leased to tenants with incomes that are 60% or less than the area median income. A description of the Land on which the Project will be located is provided in Exhibit A, attached hereto.

“Project Documents” means and includes any permits and licenses which are required for the operation and use of the Project, municipal or government agency development agreements, the Radon Report, agreements with architects, engineers, environmental abatement consultants and contractors and other third-party contractors disclosed in writing to the Investor Limited Partner, any purchase option agreement executed in connection herewith, any agreement for the provision of services to the Project, the Loan Documents, the Regulatory Agreement, the Extended Use Agreement, the Management Agreement, the Unconditional Guaranty, the Certification and Agreement, all agreements attached hereto and all other instruments delivered to (or required by), any Lender or the Agency and all other documents relating to the Project or executed in connection with any of the aforesaid documents and by which the Partnership is bound, as amended or supplemented from time to time. 2

“Projected Distributions” means the amounts set forth in the Financial Projections for each fiscal year that is expected to be available for distribution to the Partners under Section 7.03(f).

“Projected Return” means the projected rate of return to the Investor Limited Partner set forth in the Financial Projections.

“Public Use Test” means the requirement whereby the units in the Project must be available for use by the general public.

“Purchase Price” is defined in Section 8.14(a).

“Qualified Tenants” means tenants under executed leases of at least 9 months who at the time of their initial occupancy of the Project (i) are charged rents that satisfy the Rent Restriction Test and (ii) have incomes at or below the income limits under the Minimum Set-Aside Test.

“Regulatory Agreement” means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Partnership and the Lender or any applicable Authority setting forth certain terms and conditions under which the Project is to be operated.

“Rent” is defined within the definition of Net Operating Income.

2 Add documents as appropriate (e.g. Reciprocal Easement Agreement, condominium documents, PILOT Agreement, etc.).
“Rent Restriction Test” means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Project cannot exceed 30% of the imputed income limitation of the applicable units.

“Replacement Reserve” means the cash funded reserve for replacements required by the Lender in connection with the Permanent Financing and by the Investor Limited Partner as required pursuant to Section 8.11.

“Reserve Minimum Payment” is defined in Section 8.11.

“Special Limited Partner” means any Person admitted to the Partnership as a Special Limited Partner in accordance with this Agreement, in its capacity as a Special Limited Partner. There is currently no Special Limited Partner.

“State” means the State of Texas.

“Substitute Limited Partner” means any Person admitted to the Partnership as a Limited Partner pursuant to Section 10.03

“Tax Credit” means the Housing Tax Credit.

“Tax Credit Allocation” means, with respect to the Project, the allocation by the Agency of Housing Tax Credit, as evidenced by the receipt by the Partnership of a carryover allocation of Housing Tax Credit meeting the requirements of Sections 42(h)(1)(E) and (F) of the Code and applicable Treasury Regulations.

“Tax Credit Recapture Event” means (a) the filing of a tax return or an amended return by the Partnership evidencing a reduction in the qualified basis of the Project or an event described in Section 42(j) of the Code causing a recapture of Housing Tax Credit previously allocated to an Investor Limited Partner, (b) an administrative adjustment by the IRS, evidencing a reduction or recapture of Tax Credit previously allocated to the Investor Limited Partner, unless the Partnership shall timely file a petition with respect to such adjustment with the United States Tax Court or any other court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other court of competent jurisdiction upholding the assessment of such administrative adjustment against the Partnership with respect to any Tax Credit previously claimed in connection with the Project, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (d) the decision of a court of competent jurisdiction affirming such decision or (e) any other event which would cause a recapture of a Tax Credit under applicable law.

“Tax Matters Partner” is defined in Section 13.06.

“Treasury Regulation” means the regulations of the Department of the Treasury contained in Title 26 of the Code of Federal Regulations, as amended from time to time, or any corresponding provision or provisions of succeeding law.

“20-50 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 20% of the units in the Project must be occupied by individuals with aggregate incomes of 50% or less of area median income, as adjusted for family size.

“Unconditional Guaranty” means the guaranty executed by the Guarantor, as set forth in Exhibit B, pursuant to which the Guarantor has guaranteed obligations of the General Partner.

ARTICLE III

PURPOSE AND BUSINESS OF THE PARTNERSHIP

3.01 Purpose of the Partnership. The principal purpose of the Partnership is the preservation and provision of housing for low- and moderate-income persons. The business of the Partnership is to own, maintain, operate and sell or otherwise dispose of the Project, in order to obtain for the Partners long-term appreciation, cash income, and tax benefits consisting of Tax Credit and tax losses over the term hereof. However, the Partners acknowledge and agree that, in furtherance of its purpose to preserve and provide housing for low- and moderate-income persons, the Partnership may take certain actions that preclude the maximization of economic returns to the Partners, including without limitation (i) not taking action to reduce or eliminate the effect of restrictions on tenant income and rents, and (ii) preferring to sell the Project to buyers that will continue the use of the Project as housing for low- and moderate-income persons.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership, including but not limited to the following:

(a) own the Land and the Project;

(b) operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;

(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement and the Regulatory Agreement so long as the Extended Use Agreement and the Regulatory Agreement, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership;

(e) borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by mortgage, pledge, or other lien except as limited by Section 8.02(b);

(f) maintain and operate the Project and enter into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Lender, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any Loan on the property of the Partnership;
(h) enter into the Project Documents, including those documents providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to the Housing Tax Credit and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Partners, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Partnership’s business.

ARTICLE IV

WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER

4.01 Representations, Warranties and Covenants. Each General Partner hereby represents, warrants and covenants to the Partnership and to the Partners that:

(a) the Partnership is and will continue to be a valid limited partnership, duly organized, validly existing, and in good standing under the laws of the State, and shall have and shall continue to have full power and authority to own the Land and to own, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partners and to enable the Partnership to engage in its business;

(b) the execution and delivery of this Agreement by it and the performance by it of the transactions contemplated hereby have been duly authorized by all requisite actions or proceedings; it is duly organized, validly existing and in good standing under the laws of the State with power to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) it is a single purpose entity and shall satisfy the following requirements:

   (i) it shall not engage, has not engaged and does not engage, in any business other than acting as a general partner of the Partnership;

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

   (iii) it has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the General Partner;

   (iv) it has and shall continue to maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate;
(v) it has and shall continue to maintain separate annual financial statements prepared in accordance with GAAP, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the General Partner are consolidated with the financial statements of any other entity, the General Partner has and shall continue to cause to be included in such consolidated financial statements: (A) a narrative description of the separate assets, liabilities, business functions, operations and existence of the General Partner to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (B) a statement that the General Partner’s assets and credit are not available to satisfy the debts of such other entity or any other person;

(vi) it has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law;

(vii) it has and shall continue to (A) hold itself out as an entity separate and distinct from any other Person; (B) not identify itself or any of its Affiliates as a division or part of the other; (C) correct any known misunderstanding regarding its separate status; and (D) use separate stationery, invoices, checks, and the like bearing its own name;

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

(ix) it has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(x) it has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate;

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

(xii) it has not and shall not (A) assume or guarantee the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Partnership or, (B) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Partnership (whether by operation of law or otherwise), or (C) otherwise pledge, encumber, transfer or hypothecate the assets of the Partnership for the benefit of another Person or permit the same to occur, or (D) hold the Partnership’s credit as being available to satisfy the obligations of any other Person;

(xiii) all transactions carried out by the General Partner have been and will be, in all instances, made in good faith and without intent to hinder, delay or defraud creditors of the General Partner; and
(xiv) it is not a “tax-exempt entity” within the meaning of Section 168(h) of the Code or a “tax-exempt controlled entity” that would be treated as such a tax-exempt entity.

(d) it shall cause the insurance coverages set forth in the Insurance Guidelines, a copy of which is attached hereto as Exhibit C, insuring the Partnership and covering the Land and the Project, to be established and maintained in full force and effect during the term of the Partnership;

(e) based upon its actual knowledge and the Environmental Reports, the Land (along with any other real property owned by the Partnership) does not contain and is not affected by any Hazardous Material (as hereinafter defined); neither the General Partner, the Partnership, nor the Land or any portion thereof is in violation of any applicable Environmental Laws (as hereinafter defined); neither such General Partner nor the Partnership has received notice of any violations of any Environmental Laws relating to or affecting the Land; and no actions, suits or proceedings have been commenced, or are pending, or to the best knowledge of such General Partner, are threatened with respect to any Environmental Laws and which relate to the Land or the Project or any of the Partnership’s other properties or assets. It has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Materials at, upon, under or within the Land or any contiguous real estate. Neither such General Partner nor, to the best of its knowledge, any other party, is or will be involved in operations at or, pursuant to such General Partner’s best knowledge, near the Land, which operations would lead to (A) a determination of liability under the Environmental Laws as to the Partnership, or (B) the creation of a lien on the Land under the Environmental Laws. It covenants and agrees that it shall not take any action or fail to take any action, or permit any other person or entity within the General Partner’s control to take any action or fail to take any action and it will use its best efforts not to permit any tenant or occupant of the Project to engage in any activity, which would result in the Project or the Land containing or being affected by any Hazardous Materials in violation of any Environmental Laws, or would result in any Hazardous Materials being released from the Project in violation of any Environmental Laws. It shall comply strictly and in all respects with all requirements of the Environmental Laws. It further covenants and agrees that it will promptly notify the Investor Limited Partner if the General Partner gains knowledge of any of the following: (i) the presence or possible presence of any Hazardous Material on, in, affecting, or released from the Project or the Land; (ii) the violation of any Environmental Laws with respect to the Partnership, the Land or the Project; and (iii) any notice of violation of or requesting action pursuant to any Environmental Laws or any court documents or correspondence relating to any action, suit or proceeding in connection with Environmental Laws. For purposes of this Section, “Hazardous Material” or “Hazardous Materials” means and includes petroleum products, flammable explosive, radioactive materials, lead-based paint, methane gas, urea formaldehyde insulation, asbestos or any material containing asbestos, polychlorinated biphenyls, radon, underground storage tanks and/or any hazardous, toxic or dangerous waste, substance or material now or hereafter defined as such or any similar term, by or in the Environmental Laws but not including construction products, household cleaners and office materials of the type and quantity ordinarily used in the normal construction, operation and maintenance of properties similar to the Project so as not to be defined as Hazardous Materials by or in the Environmental Laws. For purposes of this Section, “Environmental Law” or “Environmental Laws” means and includes any federal, state, and local laws, statutes, rules, regulations and ordinances pertaining to the protection of the environment and otherwise pertaining to public health or employee health and safety, including, but not limited to, the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Comprehensive Environmental Response, Compensation and Liability Act; the Clean Air Act; the Clean Water Act; the Toxic Substance Control Act; the Safe Drinking Water Control Act; the Solid
Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; the Hazardous Water Management System, the Emergency Planning and Community Right to Know Act and the Occupational Safety and Health Act of 1970;

(f) there is no default under any agreement, contract, lease or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or, to the knowledge of the General Partner, threatened against the General Partner, the Project or the Partnership, or related to the business or assets of the Partnership or of the Project, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Partnership or of the Project;

(g) neither such General Partner nor any of its Affiliates nor the Partnership, has entered, or shall enter, into any agreement or contract for the payment of any Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guaranty of payment of any such interest charges or financing fees relating to a Loan; in no event will the General Partner or the Partnership enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of the Partners to personal liability as to the principal of or interest on the Permanent Financing (except for customary non-recourse carve-out provisions which have been Consented to by the Investor Limited Partner);

(h) the execution and delivery of this Agreement and the performance of such General Partner’s obligations hereunder have been duly authorized by all necessary corporate or other action and this Agreement constitutes the legal, valid and binding obligations of such General Partner in accordance with its terms;

(i) the execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Partnership or such General Partner or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Partnership or such General Partner is a party or by which the Partnership or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project;

(j) the facts and underlying assumptions with respect to the operation of the Project, the General Partner, Guarantor and their Affiliates provided to the Partners set forth in the Financial Projections attached as Exhibit D are accurate and reasonable, and nothing has come to the attention of the General Partner that would cause the General Partner to believe that such facts and assumptions are incorrect in any material respect;

(k) no Person affiliated with it, any of the Approved Principals, or any Decision Maker has been debarred or otherwise denied, in whole or in part, the ability or opportunity to participate in any government sponsored or financed program (including, but not limited to HUD programs) or has been convicted of a felony criminal offense;

(l) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is on the list of Specially Designated Nationals and Blocked Persons promulgated by the Department of the Treasury or on the Annex to United States Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism;
(m) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is a Person with whom dealings are prohibited under the Federal regulations and Executive Orders administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”). Such General Partner shall not permit the Partnership to knowingly engage in dealings with any Person with whom dealings are prohibited under the OFAC regulations;

(n) none of such General Partner, any of the Approved Principals, any Decision Maker, or any of their principals nor any of their Affiliates is in violation of any anti-money laundering laws and none of the foregoing is a Person designated under anti-money laundering laws as a Person with whom other U.S. Persons are prohibited from transacting business;

(o) to the extent applicable, the Partnership is in full compliance with the Financial Crimes Enforcement Network of the Department of Treasury regulations;

(p) the financial statements and other written information provided to the Investor Limited Partner with respect to the financial condition of such General Partner and affiliated Guarantors by such parties are true and accurate as of their respective dates and do not omit any material fact and any such material provided by third parties with respect to the financial condition of such General Partner and Guarantors is true and accurate to the best of knowledge of the General Partner;

(q) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements and Anti-Corruption Laws);

(r) there is no litigation or other proceeding pending or, to the best of the General Partner’s knowledge, threatened against or affecting the Partnership, the General Partner, any of the Approved Principals, any Decision Maker, or any of their principals or any of their Affiliates relating to any Anti-Corruption Laws.

(s) it has complied and will comply in all material respects with and has caused and will cause the Partnership, the General Partner, all of the Approved Principals, and each Decision Maker, and each principal and Affiliate to comply with all applicable local, state and federal laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and disclosure requirements);

(t) the Partnership will continue to use the accrual method of accounting;

(u) no Permanent Financing is or will be guaranteed or held by any Partner or any person who is a related person to such Partner within the meaning of Section 752 of the Code and the Treasury Regulations promulgated thereunder;

(v) the Project shall be managed so that the rental of all Low-Income Units in the Project comply with the tenant income limitations and other restrictions under the Rent Restriction Test and all units in the Project otherwise meet the applicable requirements of the Project Documents, including without limitation, the Extended Use Agreement and any Regulatory Agreement. More specifically, the General Partner shall operate the Project such that the Low-Income Units are set aside and leased as follows: 192 units of the Project will be rented to tenants with incomes of 60% or less of the area median income, as adjusted for family size;
(w) any sign erected at the Project setting forth the development partners and/or lenders who participated in the development of the Project must be approved by the Investor Limited Partner, whose approval will not be unreasonably withheld, conditioned or delayed;

(x) in accordance with Section 168 of the Code, the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years, respectively, using the applicable depreciation methods defined in Section 168 of the Code; provided also that, without the Consent of the Investor Limited Partner, the General Partner shall not allow the Partnership to file a tax return reflecting an allocation of cost to a class of property other than residential rental property that varies from the cost set forth in the Financial Projections and the General Partner shall not elect to forego bonus depreciation of any type (such as that available under Section 168(k)) unless directed to do so by the Investor Limited Partner;

(y) no person shall be employed by the Partnership;

(z) it has reviewed the Financial Projections attached hereto as Exhibit D and represents and warrants that the Financial Projections are accurate and reasonable;

(aa) in the event that one or more of the buildings or other structures comprising the Project is damaged or destroyed, the General Partner shall, subject to the terms of the Loan Documents, make proof of loss, pursue, adjust and compromise claims under policies of insurance providing coverage for the Project and shall cause the Partnership to restore such buildings or structures completely within a reasonable period as determined by the IRS so as to avoid loss and/or recapture of Housing Tax Credits, but in no event later than the date that is 18 months after such damage or destruction occurred; and

All of the representations, warranties and covenants contained herein shall survive the execution of this Agreement until dissolution of the Partnership. The General Partner shall indemnify and hold harmless the Investor Limited Partner against a breach of any of the foregoing representations, warranties and covenants and any damage, loss or claim caused thereby, including reasonable attorneys’ fees and costs and expenses of litigation and collection.

4.02 Duties and Obligations. The General Partner shall have the following duties and obligations with respect to the Project and the Partnership:

(a) it shall ensure that all requirements shall be met with respect to any Land Use Restrictions;

(b) it shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, the Public Use Test and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for Tax Credits, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) all governmental approvals required to permit occupancy of all of the residential units in the Project, (iii) compliance with all material provisions of the Project Documents;

(c) the General Partner shall take all actions, or refrain from taking any action, to assure that the Partnership at all times during its existence is treated as a partnership for federal income tax purposes and while conducting the business of the Partnership, the General Partner shall not act in any manner without the Consent of the Investor Limited Partner, which it knows or should have known after due inquiry will cause the termination of the Partnership for federal income tax purposes;
(d) the General Partner shall exercise good faith in all activities relating to the conduct of the business of the Partnership, including the operation and maintenance of the Project, and the General Partner shall take no 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;

(e) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for any Mortgage, and any additional security agreements executed in connection therewith;

(f) the General Partner shall, during and after the period in which it is 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;

(g) it shall comply and cause the Partnership to comply with the provisions of all applicable governmental and contractual obligations;

(h) it shall be responsible for the payment of any fines or penalties imposed by the Agency or Lender pursuant to the Project Documents and any documents executed in connection with obtaining Tax Credits (other than with respect to payments of principal or interest under the Permanent Financing) attributable to any negligence of it or its Affiliates or failure to take action despite the same being within the reasonable control of the General Partner or its Affiliate;

(i) it shall immediately notify the Investor Limited Partner of any written or oral notice of (i) any default or failure of compliance with respect to any Project Document, the Permanent Financing or any other financial, contractual or governmental obligation of the Partnership or the General Partner, or (ii) any IRS proceeding regarding the Project or the Partnership;

(j) other than items for which liability is being contested with the Consent of the Investor Limited Partner, it will cause the Partnership to pay on or before the date when the same would become delinquent, any and all real estate and ad valorem taxes, personal property taxes, assessments, water rates, sewer rents, fines, impositions and any other charges now or hereafter levied against the Project, whether foreseen or unforeseen, ordinary or extraordinary; and also any and all license fees or similar charges which may be imposed by any Authority with respect to the use and occupancy of the Project, use of walks, chutes, areas and other space beyond the lot line of the Project and on or abutting the public sidewalks and/or highways in front or adjoining the Project or pursuant to any applicable law for the use of any furnaces, compactors, incinerators, parking areas or for other matters covered by any such laws; and also any and all corporate, franchise, withholding, income, profits and gross receipts, and other taxes due by the Partnership; in each case together with any penalties and interest on any of the foregoing, and in default thereof;

(k) other than items for which liability is being contested with the Consent of the Investor Limited Partner, it will cause the Partnership to pay promptly, when and as due, all charges for utilities, whether public or private, and will not suffer or permit any construction or mechanics, laborers, material statutory or other liens to be created or to remain outstanding upon any part of the Project, and if any such lien is created, will cause the Partnership to discharge the same of record by payment or bond against such lien within 45 days after the filing thereof;

(l) it shall not cause the Partnership to commit or permit waste, nor cause or permit any building or improvement upon the Land to be removed, demolished or altered in whole or in material
part (including structural alterations) except as approved by the Investor Limited Partner, and except for alterations to update the buildings systems or to comply with any law;

(m) the General Partner shall maintain books, files and records, including tenant leasing files in compliance with the Code and the Treasury Regulations promulgated thereunder, that will adequately document the timing, amount and availability of the Tax Credit. The General Partner shall cause any files which document the initial qualification of residential units for Tax Credit to be copied and stored off-site at the General Partner’s principal place of business or at another location over which the General Partner has control for a period of not less than 21 years. With 3 days’ Notice from any Investor Limited Partner, the General Partner shall afford that Investor Limited Partner and its agents access to all such files, including files stored off-site during ordinary business hours. All such files are property of the Partnership and not of the General Partner or any other Person;

(n) upon reasonable Notice of not less than 1 business day given by the Investor Limited Partner, the General Partner shall permit the Investor Limited Partner or its designee (including any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner) (1) access to the Project for a physical inspection to take place during normal business hours, (2) the opportunity to inspect, examine and, if requested, make copies of all agreements and Tax Credit compliance data. The General Partner shall cooperate fully with all reasonable requests of the Investor Limited Partner regarding any such inspection and shall, if requested, accompany the Investor Limited Partner on any site inspection conducted for the purpose of marketing the Project to any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner;

(o) it shall not issue, sell, assign, encumber or transfer any direct or indirect ownership interest in the General Partner or member, partner, or shareholder of the General Partner, whether voluntary or involuntary, by operation of law or otherwise, without the Consent of the Investor Limited Partner as described in Section 9.01;

(p) the General Partner shall ensure that the Project shall at all times comply with the applicable requirements of all Access Laws. Notwithstanding any provisions set forth herein or in any other document, the General Partner shall not alter or permit any tenant or other person to alter the Project in any manner which would increase the General Partner’s responsibilities for compliance with the Access Laws without the Consent of the Investor Limited Partner. In connection with any such Consent, the Investor Limited Partner may require a certificate of compliance with the Access Laws from a qualified architect. The Project will be operated in a manner that fully complies with applicable accessibility and barrier-free regulations such that if an enforcement action is brought against the Partnership, the GeneralPartner will use any and all of its own resources to promptly correct recorded deficiencies;

(q) the General Partner shall cause all leases of dwelling units in the Project to contain a provision obligating tenants to notify the Management Agent immediately of any suspected water leaks, moisture problems or mold in dwelling units or common areas of the Project;
ARTICLE V
PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP

5.01 Partners, Capital Contributions and Interests.

(a) The General Partner, its principal office and place of business, its initial Capital Contribution and its Percentage Interest are as follows:

ZP Montgomery Pines Housing, LLC $00.01 00.01%
1730 E. Republic Road, Suite F
Springfield, Missouri 65804

(b) The Investor Limited Partner, its principal office and place of business, its Capital Contribution and Percentage Interest are as follows:

Raymond James Preservation Opportunities Fund III L.L.C.
$99.99 99.99%
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

5.02 Additional Capital Contributions.

The Partners shall make additional Capital Contributions in such amounts, and at such times, as they shall mutually agree.

ARTICLE VI
CAPITAL ACCOUNTS

6.01 Capital Accounts. A separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Treasury Regulation Section 1.704-1(b)(2)(iv).

6.02 Current Balances. The Partners agree that the current balances of the General Partner and the Investor Limited Partner, in total, are equal to the balances of the assignors of the partnership interests in the Partnership acquired by the General Partner and the Investor Limited Partner, as adjusted, divided among the Partners in accordance with their Percentage Interests.

ARTICLE VII
ALLOCATIONS AND DISTRIBUTIONS

7.01 Allocation of Profit and Loss and Tax Credits.

(a) Profit and Loss shall be allocated to the Partners in accordance with their Percentage Interests.
(b) “Profit” and “Loss” each mean, for each fiscal year of the Partnership or other period, the Partnership's taxable income or loss for such fiscal year or other period, 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), adjusted as follows: (1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss hereunder shall be added to such taxable income or loss; (2) 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 Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; (3) any expenses of the Partnership not deductible for federal income tax purposes and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; and (4) items of income, gain, loss or deduction allocated pursuant to Sections 7.02, 7.04, 7.06 or 7.07 hereof shall be disregarded in determining Profit and Loss. After taking into account the foregoing adjustments to taxable income or loss, if the result is an excess of income and gains over expenses and deductions, the Partnership shall be treated as having "Profit," and if the result is an excess of expenses and deductions over income and gains, the Partnership shall be treated as having "Loss."

(c) Tax Credit shall be allocated to the Partners in accordance with their Percentage Interests.

(d) In the event there is a recapture of Tax Credit previously allocated to the Partners, the responsibility for the recapture of such Tax Credit shall be allocated in accordance with the requirements of the Code and the Treasury Regulations.

7.02 Special Allocations.

(a) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Partner, or any loan between Partner and the Partnership, any income or deduction of the Partnership attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Partner.

(b) In the event that any Operating Deficit Loan is made pursuant to Section 8.08(a), any deductions or losses of the Partnership attributable to the use of those funds shall be specially allocated to the General Partner and any income generated by any principal repayment or by the forgiveness or cancellation of any such loans shall be specially allocated to the General Partner.

(c) In any year in which the General Partner receives an incentive management fee pursuant to Section 7.03, such fee shall be treated as a guaranteed payment. If and to the extent that such fee, for any reason, cannot be treated as a guaranteed payment, then the General Partner shall be allocated an amount of gross income of the Partnership in an amount equal to the incentive management fee.

(d) Depreciation deductions shall be allocated to the Partners in accordance with their Percentage Interests.

(e) Nonrecourse Deductions shall be allocated to the Partners in accordance with their Percentage Interests. Partner Nonrecourse Deductions shall be allocated to the Partners who bear the economic risk of loss with respect to the liability to which such deductions are attributable in accordance with Treasury Regulation Section 1.704-2(i)(1).
7.03 Distributions of Net Cash Flow. Subject to the approval of the Lender, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(a) First, an amount equal to the payment due and owing under Section 8.08(b) shall be distributed to the Investor Limited Partner in satisfaction of such obligation;

(b) next, any other amounts due and owing to the Investor Limited Partner pursuant to this Agreement;

(c) next, repayment of any Partner Loan made by the Investor Limited Partner;

(d) next, an amount equal to the payment necessary to maintain the Operating Reserve Minimum in accordance with Section 8.12;

(e) next, to the payment of amounts due with respect to any Operating Deficit Loan(s) or Partners Loan made by a General Partner until such Loan(s) is repaid;

(f) next, to the Partners in accordance with their respective Percentage Interests until the distributions made under this clause (f) for such fiscal year are equal to the Projected Distributions for such year set forth in the Financial Projections;

(g) finally, 80% to the Investor Limited Partner and 20% to the General Partner as an incentive management fee; provided, however, that the aggregate amount payable to the General Partner for any fiscal year pursuant to this clause (g) cannot be greater than 10% of the aggregate amount distributed for such period pursuant to clauses (f) and (g), and distributions pursuant to this clause (g) shall be reduced accordingly.

Unless otherwise Consented to by the Investor Limited Partner, no Net Cash Flow shall be paid to the General Partner as a return of equity contributed to the Partnership.

The Partnership shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Lender, distribute Net Cash Flow quarterly beginning July 1, 2017, in the manner provided in this Section 7.03; within 30 days of the end of each calendar quarter. For purposes of this Section 7.03, distribution shall be deemed to be made with respect to such quarter even though made after the quarter has ended.

7.04 Allocation of Gains and Losses. Gains and losses recognized by the Partnership upon a Capital Transaction, including the sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated in the following manner:

(a) Gains shall be allocated (i) first, to the Partners with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Partners’ respective negative Capital Accounts in the Partnership; provided, that no gain shall be allocated under this Section 7.04(a)(i) to a Partner once such Partner's Capital Account is brought to zero; and (ii) second, gain in excess of the amount allocated under (i) shall be allocated to the Partners in the amount and to the extent necessary to increase the Partners’ respective Capital Accounts so that the proceeds distributed under Section 7.05(d) will be distributed in accordance with the Partners’ respective Capital Accounts.
(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Partners’ Capital Accounts; and (ii) second, any remaining loss to the Partners in accordance with the manner in which they bear the economic risk of loss associated with such loss under Section 752 of the Code and the Treasury Regulations promulgated thereunder, or, if none, to the Partners in accordance with their Percentage Interests.

7.05 Distribution of Proceeds from Capital Transactions. Except as may be required under Section 12.03(b), the proceeds resulting from the liquidation of the Partnership assets pursuant to Section 12.03, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to any Loan and all expenses of the Partnership incident to any such sale or refinancing), excluding (1) debts and liabilities of the Partnership to Partners or any Affiliates, and (2) all unpaid fees owing to the General Partner under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the General Partner if the distribution is not pursuant to the liquidation of the Partnership) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates by the Partnership for Partnership obligations, provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Investor Limited Partner or its Affiliates, an amount equal to any amounts owed under this Agreement including, without limitation any amounts owed to the Investor Limited Partner as a result of any Partner Loan made under Section 11.04; (ii) amounts due with respect to Operating Deficit Loans; and (iii) any other such debts and liabilities, including, without limitation, any Partner Loan made under Section 8.10;

(d) to the Members in accordance with their Percentage Interests until the Actual Return to the Investor Limited Partner is equal to the Projected Return; and

(e) the balance of such remaining sum, 20% thereof in the aggregate to the General Partner and 80% thereof in the aggregate to the Investor Limited Partner.

7.06 Variation of Allocations to Preserve and Protect Partners’ Intent.

(a) It is the intent of the Partners that each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article VII, the General Partner hereby is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article VII to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article VII would cause the determinations and allocations of each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 7.06 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article VII and no amendment of this Agreement or approval of any Partner shall be required.
(b) In making any allocation (the “new allocation”) under Section 7.06(a), the General Partner is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations promulgated thereunder, (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Article VII necessary in order to assure that, either in the then current year or in any preceding year, each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(c) If the General Partner is required by Section 7.06(a) to make any new allocation in a manner less favorable to the Investor Limited Partner than is otherwise provided for in this Article VII, then the General Partner is authorized and directed, only after having been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Investor Limited Partner as nearly as possible to the allocations thereof otherwise contemplated by this Article VII.

(d) New allocations made by the General Partner under Section 7.06(a) and Section 7.06(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the General Partner to the Partnership and the Investor Limited Partner, and no such allocation shall give rise to any claim or cause of action by the Investor Limited Partner.

7.07 Regulatory Allocations.

(a) Notwithstanding any other provision of this Agreement, no allocation of loss or deduction (or item thereof) shall be made by the Partnership to a Partner if such allocation would cause or increase a negative Capital Account balance of the Partner otherwise receiving such allocation (excluding the portion of such deficit balances that must be restored to the Partnership upon liquidation by such Partner, if any, and the amount that such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g)(1)(ii) and 1.704-2(i)(5)).

(b) If there is a net decrease in partnership minimum gain (as defined in Treasury Regulation Section 1.704-2(b)(2)) during a Partnership taxable year, each Partner will be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner's share of such decrease, determined under Section 1.704-2(g) of the Treasury Regulations. A Partner shall not be subject to this mandatory allocation of income or gain to the extent that any of the exceptions provided in Treasury Regulation Section 1.704-2(f)(2)-(5) applies. All allocations pursuant to this Section 7.07(b) shall be in accordance with Treasury Regulation Section 1.704-2(f). This provision is a “minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(f) and shall be construed as such.

(c) If there is a net decrease in partner nonrecourse debt minimum gain (as defined in Treasury Regulation Section 1.704-2(i)) during a Partnership taxable year, each Partner shall be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner’s share of such net decrease, determined under Section 1.704-2(i)(4) of the Treasury Regulations. However, in accordance with Section 1.704-2(i)(4) of the Treasury Regulations, the preceding sentence shall not apply to the extent that any of the exceptions provided therein are applicable. All allocations pursuant to this Section 7.07(c) shall be in accordance with Treasury Regulation Section 1.704-2(i)(4). This provision is a “partner nonrecourse debt minimum gain chargeback” within the meaning of Treasury Regulation Section 1.704-2(i)(4) and shall be construed as such.
(d) In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code) the deficit balance in each such Partner's Capital Account as quickly as possible, provided that an allocation pursuant to this Section 7.07(d) shall be made if and only to the extent that such Partner would have a deficit Capital Account after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.07(d) were not in the Agreement. This provision is a “qualified income offset” within the meaning of Treasury Regulation Section 1.704-1(b)(2)(ii)(d) and shall be construed as such.

(e) 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 to the Partnership upon liquidation, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations Sections 1.704-2(g)(1)(ii) 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 7.07(e) 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 VII have been tentatively made as if this Section 7.07(e) and Section 7.07(d) were not in the Agreement.

(f) The allocations made pursuant to this Article VII shall be made in accordance with the requirements of Treasury Regulations Sections 1.704-1 and 1.704-2, including the ordering rules of Section 1.704-2(j).

(g) In the event that income, loss or items thereof are allocated to one or more Partners pursuant to this Section 7.07, subsequent income, loss or items thereof shall be allocated (subject to the provisions of this Section 7.07) to the Partners so that, to the extent possible in the judgment of the General Partner, the net amount of allocations to each Partner under this Article VII over the term of the Partnership shall be equal to the amount that would have been allocated had Section 7.07 not been applied.

7.08 Deficit Restoration Obligation. Notwithstanding anything to the contrary contained in this Agreement, the Investor Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Limited Partner’s delivery of a Notice of election to the General Partner no later than the due date of the tax return (determined without regard for extension) for the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that such Investor Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of such Investor Limited Partner’s Interest. This deficit restoration election shall be optional to the Investor Limited Partner and shall not be enforceable by any party.

7.09 Allocations Among General Partners. In the event that there is more than one General Partner, allocations of income, gain, loss, deduction, credit and distribution shall be divided among them in accordance with their Percentage Interests or as they may otherwise agree, but in all events consistent with the requirements of the Code and the regulations thereunder and in a manner that does not affect the allocations to the Investor Limited Partner.
7.10 **Accounting and Tax Rules; Tax Effect of Allocations.**

(a) All items of income, gain, loss, deduction and credit for all purposes of this Agreement shall be determined in accordance with the accrual accounting method.

(b) In any year in which a Partner sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute partner, the share of all items of income, gain, loss, deduction and credit, all Net Cash Flow, and all cash proceeds distributable under Section 7.05 which are attributable to the Interest sold, assigned or transferred shall be divided between the assignor and the assignee based on the “interim closing of the books” method.

(c) The allocation of all items of income, gain, loss and deduction and credit to any Partner under this Article VII shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such items, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under Section 751 of the Code.

(d) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Ordinary Income Amount") shall be allocated on a dollar for dollar basis to those Partners to whom the items of Partnership deduction or loss giving rise to the Ordinary Income Amount had been previously allocated.

(e) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall be allocated, solely for tax purposes, 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 fair market value. If any Partnership property has been revalued on the books of the Partnership and the Capital Accounts of the Partners adjusted as provided in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, subsequent allocations of income, gain, loss, and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its adjusted book value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Partnership for its allocations actually made or to be made by the Partnership, under Section 704(c) of the Code and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the General Partner, with the Consent of the Investor Limited Partner, in a manner that reasonably reflects the purpose and intention of this Agreement.

(f) If any Partner's Interest in the Partnership is reduced but not eliminated because of the admission of new Partners or otherwise, or if any Partner is treated as receiving any items of property described in Section 751(a) of the Code, the Partner's Interest in such items of Section 751(a) property that was property of the Partnership while such Person was a Partner shall not be reduced, but shall be retained by the Partner so long as the Partner has an Interest in the Partnership and so long as the Partnership has an Interest in such property.

(g) For purposes of determining the Partners' respective shares of "excess nonrecourse liabilities" of the Partnership, within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Partners' interest in profits shall be equal to their Percentage Interests.
The Partners are aware of the income tax consequences of the allocations made pursuant to this Article VII and hereby agree to be bound by the provisions of this Article VII in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

ARTICLE VIII

RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER

8.01 Management of the Partnership.

(a) Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use best efforts to carry out the purpose of the Partnership. In so doing, the General Partner shall take all actions necessary or appropriate to protect the interests of the Investor Limited Partner and of the Partnership. The General Partner shall devote such time as is necessary to the affairs of the Partnership.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Lender and/or Agency rules and regulations and the provisions of the Project Documents, the General Partner (acting for and on behalf of the Partnership), in extension and not in limitation of the rights and powers given 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 business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Partnership. In furtherance and not in limitation of the foregoing provisions, except as otherwise set forth in this Agreement, the General Partner is specifically authorized and empowered to execute and deliver, on behalf of the Partnership, the Regulatory Agreement, the Extended Use Agreement, the Loan Documents, the Mortgage, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto, as shall be required in connection with the Permanent Financing, including, but not limited to, executing any mortgage, note, 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. Except as otherwise set forth in this Agreement, all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. No person dealing with the General Partner shall be required to determine its authority to make any undertaking on behalf of the Partnership, nor to determine any facts or circumstances bearing upon the existence of such authority.

(c) In the event that there is more than one General Partner, the obligations of the General Partner hereunder shall be the joint and several obligations of each General Partner and the rights and powers of the General Partner hereunder shall be exercised by a majority of them (by number and without regard to their relative interests in the Partnership). In the event that there is an even number of General Partners and there is a deadlock regarding a potential action, any General Partner may call a meeting of the Partners pursuant to Section 16.03 and put the proposed action to a vote of the Partners. Any General Partner shall have the authority to carry out an action approved by a vote of the Partners.

8.02 Limitations Upon the Authority of the General Partner.

(a) The General Partner shall not have any authority to:
(i) perform any act to its knowledge in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, this Agreement or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by the Investor Limited Partner under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) elect, on behalf of the Partnership, the 20-50 Set-Aside Test as the Minimum Set-Aside Test;

(v) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(vi) borrow from the Partnership or commingle Partnership funds with funds of any other Person;

(vii) change the nature of the business or purpose of the Partnership;

(viii) perform any act that would subject a Limited Partner to liability as a General Partner; or

(ix) do any act which would make it impossible to carry on the ordinary business of the Partnership.

(b) The General Partner shall not, without the Consent of the Investor Limited Partner, (which Consent shall not be unreasonably withheld, conditioned or delayed, except for those matters described in (i), (iii), (iv), (v), (vi), (viii), (ix), (xiii) and (xvii) below for which Consent may be given or withheld in the sole and absolute discretion of the Investor Limited Partner) have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Partnership or any portion of the Land upon which the Project is built or grant easement or dedicate a portion of the Land;

(ii) develop any currently undeveloped portion of the Land upon which the Project is built;

(iii) (A) amend, modify or renew the terms of any material document executed in connection with the Permanent Financing, (B) obtain, or enter into any commitment for, a loan other than the Permanent Financing, or a Partner Loan allowed pursuant to the terms of this Agreement, (C) increase or decrease the amount of any Loan (or make application(s) for such an increase or decrease), or (D) refinance any Loan;

(iv) incur any liability or obligation on behalf of the Partnership other than in the ordinary course of business or borrow in excess of $10,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except borrowings under
Section 8.10 or Section 11.04, and except as and to the extent provided for in an approved budget pursuant to Section 14.04;

(v) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vi) execute or deliver any assignment for the benefit of creditors, file or consent to the filing of a petition in Bankruptcy with respect to the Partnership or file or consent to any plan of reorganization in Bankruptcy or consent to any lifting of the automatic stay;

(vii) replace the Management Agent or substantially modify the terms of the Management Agreement;

(viii) replace the Accountants or change any accounting method or practice of the Partnership;

(ix) construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or make any modification to the capital budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget except (a) repairs, replacements and remodeling under emergency conditions, or (b) reconstruction paid for from insurance proceeds; provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed so long as adequate funds are available from draws from the Replacement Reserve that do not require Investor Limited Partner Consent;

(x) make any modification to the operating budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget; provided, that expenditures for line items of up to 110% of the budgeted amount shall not be deemed to be inconsistent with the budget and, further provided, that the Investor Limited Partner’s Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed if the proposed operating expense is reasonably required for the operation of the Project;

(xi) consent to the settlement of any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than the proceedings such as tenant evictions and rent collections in the ordinary course of business);

(xii) initiate any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than tenant eviction or similar tenant proceedings in the ordinary course of business) or confess a judgment against the Partnership in an amount in excess of $10,000;

(xiii) settle any audit with the IRS concerning the adjustment or readjustment of any partnership tax item, extend any statute of limitations, or initiate or settle any judicial review or action concerning the amount or character of any partnership tax item;

(xiv) amend, modify, terminate or renew in any material manner any Project Document;
(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the Project;

(xvi) pledge its Interest or the Partnership’s right to receive Capital Contributions, or otherwise encumber Partnership assets except as may be consented to by the Investor Limited Partner;

(xvii) make, amend, revoke or refrain from making any tax election required of or permitted to be made by the Partnership under the Code;

(xviii) loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other person;

(xix) pay, directly or indirectly, any salary, fees or other compensation to a General Partner or its Affiliates;

(xx) invest assets of the Partnership or cause the Partnership to invest its assets, other than in the Project or in Permitted Temporary Investments; or

(xxi) invest assets of the Partnership, or cause the Partnership to invest its assets, in (i) a security, (ii) a derivative, (iii) a contract of sale of a commodity for future delivery, or (iv) an option on any of the items described in (i), (ii) or (iii) above.

8.03 Management Purposes. In conducting the business of the Partnership, the General Partner shall be bound by the Partnership’s purposes set forth in Article III.

8.04 Delegation of Authority. The General Partner may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve.

8.05 General Partner or Affiliates Dealing with Partnership.

(a) The General Partner or any Affiliate may act as Management Agent on such terms and conditions permitted by any applicable Lender and/or Agency requirements, and may receive compensation at the highest rates approved and permitted by the Lender and Investor Limited Partner at any time not exceeding amounts set forth under Section 8.09(a).

(b) The General Partner or any Affiliates thereof 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 herein, if (i) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Partnership, (ii) the goods or services to be furnished shall be reasonable for and necessary to the Partnership, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Partnership as would be obtainable in an arm’s-length transaction, (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the General Partner or any Affiliate shall be compensated by the Partnership for its services and (v) such contracts and dealings are fully and specifically disclosed to the Investor Limited Partner in writing.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on 30 days’ notice. Any payment made to the General Partner or any Affiliate for such
goods or services shall be fully disclosed to the Investor Limited Partner in the reports required under Section 14.03. Neither the General Partner nor any Affiliate shall, by the making of lump-sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05(c).

8.06 Other Activities. The General Partner’s Affiliates may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions. Neither the General Partner nor any of its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the General Partner pursuant to this Section 8.07 shall not apply in the case of the breach of any express obligation of the General Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as General Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any General Partner or any of its Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by the General Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the General Partner or any breach of fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any personal liability to the General Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the General Partner or Affiliate(s) thereof or on account of the payment thereof).

8.08 General Partner Guaranties and Indemnities.

(a) Operating Deficit Guaranty.

(i) In the event that, at any time, an Operating Deficit shall exist which cannot be funded from the Operating Reserve, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit. Any such funds provided shall be in the form of a loan to the Partnership (the “Operating Deficit Loan(s)”). An Operating Deficit Loan shall be made in accordance with the provisions of Section 8.10; provided, however, that an Operating Deficit Loan shall bear no interest.

(ii) The General Partner shall not be required to advance any amounts as Operating Deficit Loans under this Section 8.08(a) if and to the extent that such advance would cause the balance outstanding as Operating Deficit Loans to exceed $100,000.

(b) Tax Credit Guaranty. If, for any reason, there is a Tax Credit Recapture Event that is due to an event occurring after May 15, 2017:
(i) If the Partnership or the Investor Member has a tax liability in respect thereof in respect of such an event, then the General Partner shall make a Capital Contribution sufficient to pay such tax liability, including any interest and/or penalties thereon, and such contribution shall be used, as applicable, (i) to pay the tax obligation of the Partnership, or (ii) to be distributed to the Investor Limited Partner as a reimbursement of its tax obligation.

(ii) If there is an indemnity obligation to the former partners of the Partnership, the General Partner shall be responsible for such obligation. The General Partner shall pay such reimbursement obligation or shall be responsible for any reimbursement obligation to the provider of an insurance policy or bond obtained by the General Partner.

(c) Environmental Indemnification. The General Partner shall at all times indemnify and hold harmless the Investor Limited Partner against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investor Limited Partner with respect to any remediation costs incurred by the Partnership, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder or on account of any violation of the General Partner’s representations, warranties, covenants or obligations as set forth in Section 4.01(e).

(d) Securities Indemnification. The General Partner will indemnify and hold the Partnership, the Investor, the Investor Limited Partner and the partners, members, or shareholders thereof, and their respective Affiliates and agents, free and harmless from any injury, loss or damage (including, but not by way of limitation, reasonable attorneys’ fees, court costs, and amounts paid in settlement of any claims, which settlement has been mutually agreed to by it and the party against whom such claim has been made) resulting from the claims of any Person with respect to any liability arising under the Securities Act of 1933 or the Securities Exchange Act of 1934 or the laws or regulations of any state or other jurisdiction, which claims are based upon alleged fraud, deceit, or untrue statement or alleged untrue statement of a material fact, or the omission or alleged omission to state a material fact required to be stated or necessary to make the statements not misleading, with respect to or based upon information furnished or statements made by the General Partner to the Investor Limited Partner, the Investor, their Affiliates or agent(s), in connection with the acquisition by the Investor Limited Partner of its Interest in the Partnership or the offer or sale of interests in the Partnership or in the Investor Limited Partner.

(e) Indemnification for General Partner Actions or Inaction. The General Partner shall defend, indemnify and hold harmless the Partnership and the Investor Limited Partner from any liability, loss, damage, fees, costs and expenses, judgments or amounts paid in settlement incurred by reason of any demands, claims, suits, actions or proceedings arising out of the General Partner’s or any designated Affiliate’s gross negligence, intentional misconduct, fraud, breach of fiduciary duty or breach of this Agreement, including without limitation, any breach by the General Partner or any designated Affiliate of any representation, warranty, covenant or agreement set forth in Section 4.01 or 4.02 or elsewhere in this Agreement, including all reasonable legal fees and costs incurred in defending against any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. The foregoing indemnification shall be a recourse obligation of the General Partner and shall survive the dissolution of the Partnership and/or the death, retirement, incompetency, bankruptcy or withdrawal of the General Partner.
8.09 Management Agent.

(a) Selection of Management Agent. The Partnership, with the approval of the Agency and/or the Lender, if required, shall engage Management Agent or such other person, firm or company as the General Partner may select, and as the Investor Limited Partner may approve, which approval shall not be unreasonably withheld, conditioned or delayed (hereinafter referred to as “Management Agent”) to manage the operation of the Project. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State or through a reputable property management educational organization (such as an Accredited Management Organization designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Lender, if required, but in no event will the annual management fee be greater than 6% of the annual Gross Effective Income. The Management Agent shall be required to prepare monthly accrual-basis operating statements with respect to the Project which statements shall be provided to the General Partner no later than 10 days following the end of each month and which statement shall disclose any event or occurrence with respect to the Project which is asserted by an Authority to be in violation of any federal, state or local statute or regulation. The contract between the Partnership and the Management Agent and the management plan for the Project shall be in a form acceptable to the Agency and/or the Lender, if required, and reasonably acceptable to the Investor Limited Partner; such contract shall have an initial term of 1 year and shall be renewable annually thereafter unless notice of nonrenewal is given by either party not more than 30 days prior to the expiration of the then current term and shall provide, among other things, (i) for termination by the General Partner with no more than 30 days’ notice; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that if the Management Agent is an Affiliate of the General Partner, the Management Agent will accrue 50% of the management fee to the extent necessary at any time to prevent a default under the Permanent Financing or an Operating Deficit; and (iv) other commercially reasonable terms including the provision of a fidelity bond and insurance coverage consistent with the specifications set forth in the Insurance Guidelines. Management Agent is approved by the parties hereto as the initial Management Agent.

(b) Removal of the Management Agent. The General Partner (i) may, upon receiving the Consent of the Investor Limited Partner, not to be unreasonably withheld, conditioned or delayed, and receiving any required approval of any Lender, dismiss or not renew the Management Agent as the entity responsible for the Project under the terms of the contract between the Partnership and the Management Agent, and (ii) shall not renew the contract of the Management Agent if the Investor Limited Partner makes a reasonable request to not renew such contract, and (iii) at the request of the Investor Limited Partner, shall immediately remove the Management Agent in the event that: (1) the Investor Limited Partner has determined to remove the General Partner pursuant to Section 9.04 or has determined that grounds for removal under Section 9.04 exist, or (2) the Management Agent is declared Bankrupt, is dissolved, is insolvent, or makes an assignment for the benefit of its creditors, or (3) for three consecutive months, the actual rental revenue collected in each month is less than 85% of the potential monthly rental revenue (which is defined as posted project monthly rents multiplied by the number of units in the Project), or (4) for three consecutive months, the Partnership is not Current (measured in each case as of the last day of each month), or (5) there has been a default in a Permanent Loan or the occurrence of a Tax Credit Recapture Event, if either event was the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (6) there has been a material default under the Management Agreement that has not been cured within a reasonable time, or (7) the Partnership has been issued a citation or given a similar notice by a government agency of a building code violation that has not been cured in a reasonable time, or (8) the Agency has filed an IRS
Form 8823 with respect to the Project and any noncompliance alleged therein has not been cured in a reasonable time and is the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (9) the Management Agent or any Affiliate thereof has been convicted or plead guilty to a felony, or (10) there is any intentional misconduct by the Management Agent or any negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Partnership and/or any material provision of the Regulatory Agreement and/or the Extended Use Agreement applicable to the Project, or the approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would, in the opinion of counsel to the Investor Limited Partner, be likely to give rise to a Tax Credit Recapture Event.

(c) Replacement of the Management Agent. Upon the termination of the contract with the Management Agent or the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which, if the removed Management Agent was an Affiliate of the General Partner, is not an Affiliate of the General Partner, shall be named by the General Partner, subject to the approval of the Agency and the Lender, if required, and the Consent of the Investor Limited Partner. Notwithstanding anything to the contrary contained herein, in the event there exists a conflict between the terms of this Agreement and that of the Management Agreement, the terms of this Agreement shall control.

8.10 Loans to the Partnership by General Partner or Others. With the prior written Consent of the Investor Limited Partner first obtained (which may be granted or withheld in its sole discretion) in the event that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Partnership may borrow such funds as are needed from any General Partner or other Person or organization, as the General Partner, the Investor Limited Partner and the Lender, if so required, may agree. Unless the Investor Limited Partner and the Lender, if so required, agree otherwise, such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not have a fixed maturity date that is prior to the end of the Compliance Period, (iii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iv) shall be payable solely from the assets of the Partnership (including the proceeds of any claim against the General Partner under this Agreement, including without limitation claims for capital contributions, payments under the Operating Deficit Guaranty and indemnifications) but not from the assets of any Partner, and (v) shall be repaid prior to final maturity as a Partner Loan as provided in Section 7.05, but any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Section 7.05 or 12.01 shall be repaid as provided in Section 7.05.

8.11 Replacement Reserve. A replacement reserve account (the “Replacement Reserve”) with a lending institution acceptable to the Investor Limited Partner has been established and has a current balance of $209,048. The Partnership shall be obligated to make a pro rata payment to the Partnership’s Replacement Reserve each month equal to (on an annualized basis) the greater of (i) the amount required by the Lender and (ii) $350 per unit (the “Reserve Minimum Payment”).

37
Any interest earned on the Replacement Reserve shall become a part thereof.

Unless otherwise approved by the Investor Limited Partner (and the Lenders if necessary), draws from the Replacement Reserve shall only be used to pay costs with respect to the Project that are capital in nature and result in the production of depreciable assets with a useful life exceeding 2 years. By way of example and not limitation, amounts from the Replacement Reserve may fund replacement of assets such as window treatments, carpeting and appliances but should not be used for interior painting and similar maintenance expenses. The Investor Limited Partner shall receive a copy of any draw from the Replacement Reserve. Except for emergency expenditures necessary for protection of person or property or expenditures that would not cause aggregate draws in any one fiscal year to exceed $10,000, the Investor Limited Partner shall receive such draw in proposed form in advance and the withdrawal from the Replacement Reserve shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

Repairs, replacements or improvements funded from the Replacement Reserve shall be constructed, installed and completed in a workmanlike manner, free and clear from all liens. Evidence of such completion shall be provided to the Investor Limited Partner upon request.

8.12 Operating Reserve.

The General Partner shall establish an Operating Reserve (the “Operating Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Operating Reserve shall be funded as of the date hereof in an amount equal to $25,000 from a Capital Contribution of the Investor Limited Partner. Such Operating Reserve shall be maintained for the duration of the term of the Partnership and shall be used to provide working capital and to pay for Operating Deficits incurred by the Partnership; provided however, that all withdrawals from the Operating Reserve that would cause aggregate draws in any one fiscal year to exceed $10,000 shall be made only with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary contained herein, should the balance in the Operating Reserve fall below $25,000 (the “Operating Reserve Minimum”), distributions shall be made from Net Cash Flow as provided in Section 7.03 on each Payment Date to maintain a minimum balance equal to the Operating Reserve Minimum.

8.13 Capital Expenditure Reserve

The General Partner shall establish a Capital Expenditure Reserve (the “Capital Expenditure Reserve”) with a lending institution acceptable to the Investor Limited Partner, and such Capital Expenditure Reserve shall be funded as of the date hereof in an amount equal to $100,000 from a Capital Contribution of the Investor Limited Partner. Such Capital Expenditure Reserve shall be used, along with Replacement Reserves, to make Capital Expenditures with respect to the Project with the Consent of the Investor Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

8.14 Options to Purchase/Order Sale

(a) During the period commencing on the end of the Compliance Period for the Project and ending one year later, the General Partner shall have the option to cause an Affiliated Company (defined below) that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a price (the “Purchase Price”) equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which
appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(i) An Affiliated Company shall mean a limited partnership or limited liability company controlled by an Affiliate of the General Partner that will apply for the Housing Tax Credits under Section 42 of the Code or similar subsidy for low- or moderate-income housing; provided, however, that an Affiliate of Raymond James Tax Credit Funds, Inc. is given a right of first refusal to provide equity funding to such entity.

(ii) The Partnership will cooperate with such Affiliated Company to apply for subsidies for low- or moderate-income housing, including without limitation, providing necessary evidence of site control and the Partners agree and understand that such an application may be made prior to the period during which the option can be exercised.

(iii) The option granted under this clause (a) shall terminate in the event of a removal of the General Partner.

(b) If the General Partner has not exercised the option within the one year period described in Section 8.14(a) above, the Investor Limited Partner shall have an option to cause an Affiliate of Raymond James Tax Credit Funds, Inc. that will agree to commit to operating the Project for the benefit of low- or moderate-income persons for a period of not less than 15 years to purchase the Project from the Partnership at a Purchase Price equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Investor Limited Partner, which appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project; (B) an amount sufficient to pay all federal, state and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Investor Limited Partner under the Agreement.

(c) Notwithstanding the foregoing, at any time after the earlier of (i) the second unsuccessful application for Housing Tax Credits with respect to the Project made after the date hereof, or (ii) the 17th anniversary of the first day of the first taxable year of the applicable Compliance Period, if the General Partner has not exercised the option under (a) above or the Investor Limited Partner has not exercised its right under (b) above, then the Investor Limited Partner may request that the Partnership sell the Project subject to the Extended Use Agreement (a “Continued Compliance Sale”).

(d) After receipt of a request for a Continued Compliance Sale, the General Partner shall use its best efforts to find a third-party purchaser for the Project and to cause the Partnership to consummate a sale of the Project subject to the Extended Use Agreement and on terms Consented to by the Investor Limited Partner, which terms shall include a purchase price at least equal to the minimum price established in accordance with Section 42(ii)(7) of the Code plus any outstanding amounts owed to the Investor Limited Partner pursuant to this Agreement. If a third-party purchaser makes an offer that the Investor Limited Partner is willing to accept, the General Partner shall have the option to acquire the Project on the same terms and conditions offered by the third-party purchaser. If such efforts are not successful on terms reasonably satisfactory to the Investor Limited Partner within 6 months, the Investor Limited Partner shall have the right thereafter to locate a purchaser for the Project. If the Investor Limited Partner locates such a purchaser, then the General Partner shall be obligated to consent to the sale.
of the Project subject to the Extended Use Agreement to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Partnership as the best offer, if any, located by the General Partner; provided that the General Partner shall not be required to incur any third-party, out-of-pocket expenses to effectuate such sale.

**ARTICLE IX**

**WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER**

9.01 Withdrawal of the General Partner.

(a) A General Partner may not withdraw from the Partnership or sell, transfer or assign or permit the sale, transfer or assignment of its Interest, in whole or in part, nor shall any holder of an interest in a General Partner (directly or indirectly) sell, transfer or otherwise dispose of such interest except with the prior Consent of the Investor Limited Partner, and of the Agency and the Lender, if required. Transfers of interests in the General Partner may not be made without the Consent of the Investor Limited Partner which may be given or withheld in the exercise of its sole discretion, except that Consent shall not be unreasonably withheld if (i) such transfer, when aggregated with all prior transfers made as of the date hereof, represents the transfer of less than 50% of the voting power in the General Partner, and (ii) immediately after such transfer, the Approved Principals, in the aggregate, continue to own more than 50% of the voting power in the General Partner.

(b) In the event that a General Partner withdraws from the Partnership or sells, transfers or assigns its entire Interest in accordance with the provisions of Section 9.01(a), he or it shall be and shall remain liable for all obligations and liabilities incurred by him or it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

9.02 Admission of a Successor or Additional General Partner. A Person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the General Partner or its successor (except pursuant to Sections 9.03 and/or 9.04) and the Investor Limited Partner, and consented to by the Agency, and the Lender, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Project Documents, by executing counterparts thereof, if requested by the Lender or the appropriate party thereto and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and an amended Certificate and, if required, an amendment to this Agreement evidencing the admission of such Person as a General Partner shall have been filed and all other actions required in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, partnership, limited liability company, trust or other entity, it shall have provided the Partnership with evidence satisfactory to Counsel for the Partnership of its authority to become a General Partner, to do business in the State and to be bound by the terms and provisions of this Agreement; and
(d) Counsel for the Partnership shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes.

9.03 Events of Withdrawal of a General Partner.

(a) In the event of the Bankruptcy of a General Partner or the withdrawal, death or dissolution of a General Partner or an adjudication that a General Partner is incompetent (which term shall include, but not be limited to, insanity) the business of the Partnership shall be continued by the other General Partner(s); provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent General Partner is then the sole General Partner, or if such General Partner withdraws from the Partnership in contravention of the provisions of Section 9.01(a), then the Partnership shall be dissolved if and to the extent required by law, unless within 90 days after receiving Notice of such Bankruptcy, withdrawal, death, dissolution or adjudication of incompetence, a Majority in Interest of the other Partners elects to designate a successor General Partner and continue the Partnership upon the admission of such successor General Partner to the Partnership.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner and its Interest shall without further action be converted to that of a Class B Limited Partner; provided, however, that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner, such General Partner shall cease to be a General Partner only upon the earlier of (i) the removal of such General Partner and the designation of a successor General Partner in accordance with this Agreement, or (ii) Notice to the Investor Limited Partner of the Bankruptcy, death, dissolution or declaration of incompetence of such General Partner. Except as set forth above, such conversion of a General Partner Interest to a Class B Limited Partner Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the General Partner’s obligations under Section 8.08 herein) of the Bankrupt, deceased, dissolved or incompetent General Partner existing prior to the Bankruptcy, death, dissolution or incompetence of such person as a General Partner (whether or not such rights, obligations or liabilities were known or had matured). A Class B Limited Partner shall have the economic rights of the General Partner but no management, control, agency or voting rights.

(c) If, at the time of the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, the Bankrupt, deceased, dissolved or incompetent General Partner was not the sole General Partner of the Partnership, the remaining General Partner or General Partners shall immediately (i) give Notice to the Investor Limited Partner of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved or incompetent General Partner and its having ceased to be a General Partner. Such action or actions by the remaining General Partner or General Partners shall, in the event that permission of a bankruptcy court is necessary, be deemed to have been taken subject to Section 9.03(d) below. The remaining General Partner or General Partners are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Partners and the Partnership and to file such documents as may be required to effectuate the provisions of this Section 9.03.

(d) The Partners, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree that in the event a General Partner should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (for purposes of this Section 9.03, the “Bankruptcy Code”), or in the event that any involuntary petition is
filed against a General Partner, then, in such event, any other Partners shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Partner pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent a General Partner from filing for protection under the Bankruptcy Code.

(e) The Partners acknowledge and agree that this Agreement is a contract under which an Investor Limited Partner is excused from accepting performance from a General Partner, its assignee, representative or trustee, in the event that such General Partner makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such General Partner and not dismissed within 90 days. The effect of this paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(c)(2)(A) of the Bankruptcy Code and that the Investor Limited Partner, by its refusal to consent to an assumption or assignment of this Agreement by a General Partner, shall be able to prevent such assumption or assignment.

(f) In the event that a General Partner makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said General Partner, then, in such event, any other Partner may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Partnership has its principal place of business, and the General Partner hereby agrees not to oppose or object to such application or motion in any way.


(a) The Investor Limited Partner, so long as it is a Partner, shall have the right to remove a General Partner (or a Class B Limited Partner whose interest has been converted from that of a General Partner) (i) for any intentional misconduct or failure to exercise reasonable care by such General Partner with respect to any material matter in the discharge of its duties and obligations as General Partner (provided that such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership), or (ii) upon the occurrence of any of the following:

(i) such General Partner shall have violated any material provisions of the Project Documents or other document required in connection with any Loan or any material requirements of the Lender, and/or Agency applicable to the Project (including without limitation, misapplication of any funds drawn under a loan), which violation has not been explicitly waived in writing by the Lender, or the Agency, as applicable, or cured within any applicable cure period;

(ii) such General Partner shall have violated any of its guaranty or indemnity obligations pursuant to Section 8.08, or violated any material provision of applicable law;

(iii) such General Partner shall have violated any material provision of this Agreement (other than its guaranty or indemnity obligations pursuant to Section 8.08) which violation has not been explicitly waived by the Investor Limited Partner, or cured within 10 days (for a monetary default) or 30 days (for a nonmonetary default) after Notice thereof, and such violation results in, or is likely to result in, a material detriment to the Investor Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership;
(iv) a default shall have occurred or with the passage of time is likely to occur or is not likely to be cured under the Permanent Financing, which default is not cured within any applicable cure period;

(v) such 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 Investor Limited Partner to:

(A) cause the termination of the Partnership for federal income tax purposes; or

(B) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation;

(vi) an event of Bankruptcy has occurred with respect to such General Partner and/or a Guarantor thereof;

(vii) such General Partner or Guarantor thereof (or any Decision Maker of either) has been convicted by a court of competent jurisdiction of a felony criminal offense or such General Partner or Guarantor thereof has pleaded guilty to such an offense;

(viii) such General Partner or an Affiliate thereof has committed fraud or engaged in willful misconduct with respect to the Partnership or an Affiliate of the Partnership; or

(ix) such General Partner has misappropriated Partnership funds, has misapplied the proceeds of loan or capital draws for its benefit or that of an Affiliate, has taken unauthorized advances of Partnership funds or has made unauthorized use of tenant security deposits.

Notwithstanding anything to the contrary set forth in this Section 9.04, if the right of the Investor Limited Partner to remove a General Partner is solely due to a Decision Maker’s conviction or guilty plea under Section 9.04(a)(viii) above, the Investor Limited Partner shall not have such removal right if, within 3 days of the conviction or guilty plea by the Decision Maker, the General Partner or Guarantor causes such Person to be removed from his or her position as a Decision Maker of such entity.

(b) The Investor Limited Partner shall give Notice to all Partners of its determination that a General Partner shall be removed. If the Investor Limited Partner has determined to remove a General Partner, such General Partner shall have 10 days after receipt of such Notice to cure any monetary default and 20 days to cure any nonmonetary default or other reason for such removal, in which event it shall remain as General Partner. In the case of a nonmonetary default that cannot reasonably be cured within 20 days, the time for cure shall be extended for a maximum of 40 additional days so long as the effort to cure is begun within such initial 20 day period and pursued diligently thereafter and such default does not place the Project or the Partnership in immediate jeopardy. If, at the end of the applicable cure period, the General Partner has not cured any default or other reason for such removal, it shall cease to be a General Partner and the powers and authorities conferred on it as General Partner under this Agreement shall cease and the Interest of such General Partner shall be transferred to a designee of the Investor Limited Partner which, without further action, shall become a General Partner; in such event, upon becoming a General Partner, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents. Notwithstanding the foregoing, if the event giving rise to
the determination that a General Partner be removed is as set forth in Sections 9.04(a)(vii)-(x) above or if foreclosure action against the Project has begun, then there shall be no opportunity to cure any such default and removal may be effective on the date of Notice. In the event that the Investor Limited Partner has determined to cause itself or its designee to be admitted as General Partner, such admission shall occur on such date as is determined by the Investor Limited Partner, which may be on the date of the Notice to the General Partner (if required) or at any time thereafter.

(c) In the event of removal of a General Partner,

(i) on and after the date of removal, such General Partner shall have no authority to exercise the power of the General Partner under this Agreement or of a manager under the Act and, except as described below, shall not be responsible for the ongoing obligations of the General Partner hereunder, such as the obligations to manage the business of the Partnership, including without limitation the obligations to prepare budgets and reports;

(ii) such General Partner shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner, including but not limited to the obligations and liabilities of the General Partner set forth in Article VII and Sections 8.08 (including amounts owing under Section 8.08 and attributable to the period after removal); provided however, that (A) if amounts otherwise payable to the General Partner (or their respective Affiliates) as fees are applied to meet the obligations of the General Partner as stated in Section 8.08 of this Agreement, such application shall serve to reduce any such liabilities of the General Partner or any successor, (B) the General Partner shall not be liable for any loss or damage to the Partnership or the Investor Limited Partner caused solely by an event occurring after removal of the General Partner;

(iii) the Partnership shall not be obligated to repay any Operating Deficit Loans or Partners Loans made by such General Partner to the Partnership or to pay any accrued but unpaid fees payable to such General Partner or any Affiliate thereof;

(iv) the Partnership may apply any other fee payments owed to such General Partner or its Affiliates to compensate the Partnership and the Investor Limited Partner for damages incurred by the Partnership and the Investor Limited Partner as result of or relating to the events which gave rise to removal of such General Partner and for the reasonable costs and expenses incurred in connection with such removal;

(v) the remaining or successor General Partner shall cause the Partnership to redeem the removed General Partner’s Interest for $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;

(vi) the General Partner shall indemnify the Investor Limited Partner and the Partnership for any and all costs, damages and legal fees incurred by them (individually or collectively) in connection with the removal of such General Partner under Section 9.04 hereof; and

(vii) the Guarantors shall continue to remain liable under the Unconditional Guaranty, except to the extent specifically provided therein.
ARTICLE X

INVESTOR LIMITED PARTNER TRANSFERS

10.01 Transfer of Investor Limited Partner’s Interest.

(a) The Investor Limited Partner may at any time and without the Consent of any other Partner transfer, sell, assign or pledge its Interest to any Affiliate or third party. The Investor Limited Partner or its assignee shall give Notice of such transfer, sale or assignment to the General Partner prior to or within a reasonable time after such transfer, sale or assignment (but no such Notice shall be required in the case of a pledge or collateral assignment by the Investor Limited Partner of its Interest).

(b) The General Partner shall promptly cooperate with any reasonable request by the Investor Limited Partner in connection with the transfer, sale, assignment or pledge of its Interest, including the payment of any transfer taxes due in connection with such a transfer (in all cases but the first transfer of the Interest that results in a transfer tax liability, from funds provided by the Investor Limited Partner or its assignee), and by entering into any amendments to this Agreement or the exhibits hereto that such transferee, purchaser, assignee or pledgee may reasonably request provided that the same do not increase the obligations or restrict the authority of the General Partner, or otherwise materially adversely affect the essential economic or other interests of the Partners hereunder.

(c) The Investor Limited Partner whose Interest is being transferred shall pay such third party, out-of-pocket, reasonable expenses, including legal fees and costs and accounting costs (as the latter relates to any termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code), as may be incurred by the Partnership and the General Partner in connection with such transfer.

(d) Nothing in this Agreement shall limit the authority of an Investor Limited Partner which is an entity to cause or permit the sale, transfer and/or assignment of equity interests within itself, in the sole discretion of that Investor Limited Partner, and no such sale, transfer or assignment shall be deemed to constitute a transfer of the Interest of such Investor Limited Partner for any purpose hereof; provided, however that the Investor Limited Partner shall be obligated to pay reasonable accounting costs incurred by the Partnership in the event of a termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code as a result of such sale, transfer or assignment.

10.02 Rights of Assignee of Interest.

(a) Except as otherwise provided in Section 10.03, an assignment of an Investor Limited Partner’s Interest or a portion thereof shall not entitle the assignee to become a partner of the Partnership, and the assignee shall only be entitled to receive, in accordance with any agreement that it may have with the Investor Limited Partner, all or a portion of the Profits, Losses, items of income, gain, expense, loss or credit, and distributions of the Partnership otherwise allocable to the Investor Limited Partner in respect of such Interest or portion thereof, and the assignee shall not have any other rights of a Partner of the Partnership, under this Agreement or otherwise. For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Partnership, an assignment of the Investor Limited Partner’s Interest shall be effective as of the effective date set forth in the instrument of assignment; provided, however, that neither the Partnership nor the General Partner shall have any liability for any distribution made to the assignor after the effective date of the assignment but prior to receipt by the General Partner of a fully executed copy of the instrument of assignment.
(b) Except as provided in this Article and as required by operation of law, the Partnership shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Limited Partner of its Interest until the Partnership has received actual Notice thereof.

(c) Any Person who is the assignee of all or any portion of an Investor Limited Partner’s Interest, but does not become a Substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article X to the same extent and in the same manner as any Investor Limited Partner desiring to make an assignment of its Interest.

10.03 Admission of Substitute Investor Limited Partner.

(a) Subject to the other provisions of this Article X, an assignee of the Interest of an Investor Limited Partner (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) any Consent of the General Partner required pursuant to this Section 10.03 and any Consent of the Lender and/or the Agency that is required pursuant to the Loan Documents or applicable law shall have been given; any required Consent of the General Partner may be evidenced by the execution by the General Partner of an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner pursuant to the requirements of the Act;

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing an acceptance of assignment, a counterpart of this Agreement or an appropriate amendment hereto, and such other documents or instruments as the General Partner may reasonably require in order to effect the admission of such Person as an Investor Limited Partner;

(iii) an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner shall have been filed for recording pursuant to the requirements to the Act, if required for admission; and

(iv) if the assignee is not a natural person and the General Partner so requests, the assignee shall have provided the General Partner with evidence satisfactory to Counsel for the Partnership of its authority to become an Investor Limited Partner under the terms and provisions of this Agreement.

(b) No assignee of the Interest of the Investor Limited Partner shall be admitted as a Substitute Limited Partner unless either (i) the assignee is an Affiliate of the Investor Limited Partner, or (ii) the General Partner, in its reasonable discretion, shall have Consented thereto, and the Lender, if required, also shall have consented thereto.

(c) The Investor Limited Partner may at any time and without the Consent of any other Partners (but subject, if applicable, to obtaining any required Consent of the Lender) authorize its assignee to be admitted to the Partnership as the Substitute Limited Partner in its place and stead.

(d) The General Partner shall cooperate with the Person seeking to become a Substitute Limited Partner by preparing the documentation required by this Section and making all official filings and publications. The Partnership shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate evidencing the admission of any Person as an
Investor Limited Partner, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Limited Partner of the conditions contained in this Article X to the admission of such Person as an Investor Limited Partner of the Partnership. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Limited Partner.

10.04 Withdrawal of the Investor Limited Partner. The Investor Limited Partner shall have the right, exercised by giving Notice to the Partnership at any time following the end of the Compliance Period, to withdraw from the Partnership, whereupon the Investor Limited Partner shall cease to be a Partner, shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners and shall forfeit any balance in its Capital Account.

ARTICLE XI

RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER

11.01 Management of the Partnership. No Investor Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Investor Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Investor Limited Partner shall have any power or authority with respect to the Partnership except insofar as the Consent of any Investor Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to limit any right, power or authority of the Investor Limited Partner set forth herein.

11.02 Limitation on Liability of Investor Limited Partner. The liability of each Investor Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Investor Limited Partner be personally liable for any obligations of the Partnership, except as and to the extent provided in the Act. No Investor Limited Partner shall be obligated to make loans to the Partnership.

11.03 Other Activities. Any Investor Limited Partner and any Affiliate thereof may engage in or possess interests in other business ventures of every kind and description for its own account, including without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

11.04 Loans to the Partnership by Investor Limited Partner. In the event that the Investor Limited Partner reasonably determines that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Investor Limited Partner may loan the Partnership such funds as are needed, subject to the approval of any Lender, if so required. Such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iii) shall be payable solely from the assets of the Partnership, including without limitation, the proceeds of any claim against the General Partner under this Agreement such as claims for capital contributions, payments under the Operating Deficit Guaranty and
indemnifications (but shall not be recourse to any Partner and shall not increase the amount of any liability of any Partner to the Partnership or the Investor Limited Partner hereunder), and (iv) shall be repaid prior to its stated maturity date as a Partner Loan to the extent funds are available as set forth in Section 7.03, or with respect to any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01, as provided in Section 7.05. The Investor Limited Partner shall not have a right to make loans pursuant to this Section 11.04 if the funds required by the Partnership are actually provided by the Permanent Financing, or amounts paid under the Operating Deficit Guaranty; however, the right of the Investor Limited Partner to make Partner Loans shall be superior to the right of the General Partner to make or obtain loans under Section 8.10.

11.05 Liability for Acts and Omissions. Neither the Investor Limited Partner nor its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the Investor Limited Partner pursuant to this Section 11.05 shall not apply in the case of the breach of any express obligation of the Investor Limited Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as Investor Limited Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Investor Limited Partner or any of their respective Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by an Investor Limited Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the Investor Limited Partner or any breach of fiduciary duty as Investor Limited Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but no Partner shall have any personal liability to the Investor Limited Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Investor Limited Partner or Affiliate(s) thereof or on account of the payment thereof).

ARTICLE XII

SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the earlier of the expiration of the term of the Partnership, or upon:

(a) the sale or other disposition of all or substantially all of the assets of the Partnership;

(b) the election by the General Partner, with the consent of a Majority in Interest of the other Partners; or

(c) any other event causing the dissolution of the Partnership under the laws of the State unless a Majority in Interest of the Partners (or such greater number as is required by law) elects to continue the Partnership within the period allowed by law.

12.02 Reconstitution of the Partnership. Upon the dissolution of the Partnership pursuant to Section 12.01(c), the parties hereby agree that the Partnership may be reconstituted if a Majority in Interest of the Partners elects to do so and such reconstitution is not prohibited by law. In that
event, the business of the Partnership shall not be wound up, but the assets and liabilities of the Partnership shall, to the extent possible, be transferred to a new partnership formed by a general partner designated by a Majority in Interest of the Partners and governed by this Agreement, with such modifications as the general partner may propose with the approval of a Majority in Interest of the Partners.

12.03 Winding Up and Distribution.

(a) Upon the dissolution of the Partnership pursuant to Section 12.01 (except as provided in Section 12.02), (i) a certificate of cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Partnership business shall be wound up and its assets liquidated as provided in this Section 12.03 and the net proceeds of such liquidation, except as provided in Section 12.03(b) below, shall be distributed in accordance with Section 7.05.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance with Section 7.05, and the Partners believe that distributions in accordance with positive Capital Account balances, after allocations of gains and losses pursuant to Section 7.04, will generally effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Partners’ respective Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in Section 7.05, the Liquidator shall, notwithstanding the provisions of Sections 7.02 and 7.04, allocate the Partnership’s gains, profits and losses in a manner that will cause, as nearly as possible in accordance with applicable requirements of the Code and the Treasury Regulations, the Capital Account balances of the Partners to be in the ratios that would allow the distribution of liquidation proceeds to the Partners to be in accordance with Section 7.05. Nevertheless, in all events, distributions in liquidation (after taking into account all pre-liquidation distributions made pursuant to Section 7.03 or 7.05) shall be made in accordance with positive Capital Account balances no later than the end of the taxable year of such liquidation or, if later, within 90 days of such liquidation.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership’s property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

12.04 Obligation of Partners to Restore Deficit. In the event that the Partnership is liquidated within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), if the General Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the General Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). Similarly, in the event the Partnership is so liquidated, if a Class B Limited Partner whose Interest was converted from that of a
General Partner has a deficit balance (after giving effect to all contributions, distributions and allocations), then such Class B Limited Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). In the case where the Investor Limited Partner has made an election under Section 7.08 to be obligated to restore a limited deficit balance, then, in the event that the Partnership is so liquidated, if the Investor Limited Partner’s Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Investor Limited Partner shall make Capital Contributions in the amount equal to the lesser of (i) such deficit, or (ii) the limited amount the Investor Limited Partner is obligated to restore pursuant to the Notice given under Section 7.08. In all other cases, no Limited Partner shall have any obligation to restore any deficit balance in its Capital Account. The foregoing provisions of this Section 12.04 are intended to satisfy the requirements of Treasury Regulation Section 1.704-1(b)(3) and shall be interpreted consistently therewith.

ARTICLE XIII

BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Partnership, including tenant files and information relating to the status of the Project and information with respect to the sale by the General Partner or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or its duly authorized representative, at any and all reasonable times. Any Partner, or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Partners.

13.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with GAAP, a balance sheet, a profit and loss statement, and a cash flow statement. A full detailed statement shall be furnished to all Partners, showing such assets, properties, and net worth and the profits and losses of the Partnership for the preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership. Notwithstanding anything to the contrary contained herein, the Investor Limited Partner shall have the discretion to dismiss the Accountants for cause if such Accountant fails to provide, or untimely provides, or inaccurately provides, the information required in this Agreement.

13.04 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or a Limited Partner, the Partnership shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Partnership property if, in the sole opinion of the Investor Limited Partner, such election would be most advantageous to the Investor Limited Partner. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.
13.05 Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. All Partnership accounts shall be determined on the accrual basis.

13.06 Tax Matters Partner.

(a) The General Partner hereby is designated as the tax matters partner within Section 6231(a)(7) of the Code (the “Tax Matters Partner”) of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in Treasury Regulations promulgated under Section 6231 of the Code, provided that, from and after the date of any event or occurrence described in Section 9.04(a), the Investor Limited Partner shall ipso facto have the authority to act as the Tax Matters Partner of the Partnership unless the Investor Limited Partner shall at any time give Notice to the General Partner that notwithstanding such event or occurrence the Investor Limited Partner directs the General Partner to continue to act as the Tax Matters Partner. Each Partner, by its execution of this Agreement, Consents to such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within 5 calendar days after the receipt of any correspondence or communication relating to the Partnership or 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 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.

(c) The Tax Matters Partner shall not without the Consent of the Investor Limited Partner, not to be unreasonably withheld or delayed:

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

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(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) (within the meaning of Section 6231(a)(3) of the Code);

(v) Intervene in any action brought by any other Partners for judicial review of a final adjustment; or
(vi) Take any other action not expressly permitted by this Section 13.06 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) 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 Investor 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 Investor 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).

(e) The Partnership shall indemnify and reimburse the Tax Matters Partner for all expenses, including legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the General Partner. To the extent that the Partnership does not have sufficient funds to pay such expenses, the General Partner shall have the obligation to provide funds for such purpose. Notwithstanding the foregoing, the provisions on liability and indemnification of the General Partner set forth in Section 8.07 shall be fully applicable to the Tax Matters Partner in its capacity as such.

(f) The Partners acknowledge the amendment of the Code affecting the federal income tax audits of entities, such as the Partnership, that are treated as partnerships for federal income tax purposes, made by the Bipartisan Budget Act of 2015, PL 114-74 (the “2015 Budget Act”), effective January 1, 2018, and agree as follows:

(i) The Partners intend that the General Partner designate itself as the “partnership representative” under Section 6223 of the Code as in effect beginning January 1, 2018, and that the General Partner take any and all action required under the Code or the tax regulations adopted pursuant to Section 7805 of the Code, as in effect from time to time, to designate the “partnership representative.”

(ii) The General Partner, in its capacity as “partnership representative,” shall be bound by the obligations and restrictions imposed on the Tax Matters Partner pursuant to this Section 13.06. By way of example and not limitation, the General Partner shall, within 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 as described in Section 13.06(b)(ii) above, shall not take any of the actions described in Section 13.06(c) above without consent of the Investor Limited Partner, and shall consult with the Investor Limited Partner as to the matters described in Section 13.06(d) above.

(iii) The General Partner, in its capacity as “partnership representative,” shall be entitled to indemnification and reimbursement in the manner, and to the extent, that the Tax Matters Partner would be entitled to indemnification and reimbursement as described in Section 13.06(e) above.

(iv) Upon the promulgation of Regulations implementing subchapter C of Chapter 63 of the Code (as revised by the 2015 Budget Act), the Partners will evaluate and consider options available with respect to preserving the allocation of responsibility
and authority described in this Section 13.06, while conforming with the applicable provisions of the revised partnership audit procedures. The General Partner and the Investor Limited Partner agree to work together in good faith to amend this Agreement if the parties determine that an amendment is required to maintain the intent of the parties with respect to the obligations and limitations of the “partnership representative.”

(v) The General Partner shall make or not make, or cause the Partnership to make or not make, the following elections applicable under the amendments made by the 2015 Budget Act at the direction of the Investor Limited Partner: (1) the election under Section 6226 to avoid an imputed underpayment by passing through adjustments to the Partners, (2) the election to apply an earlier effective date of the amendments made by the 2015 Budget Act, or (3) the election out of the provisions of Subchapter C of Chapter 63 of the Code, being Sections 6221 et. seq.

ARTICLE XIV
REPORTS

14.01 Tax Returns and Related Reports - Due February 15.

The Partnership's federal income tax returns shall be prepared by the Accountants. No later than February 15 of each year, the General Partner shall furnish the Limited Partners with copies of the completed federal income tax return, including a copy of each Limited Partner's Form K-1, the qualifying occupancy summary, and such supporting schedules as may be reasonably requested by the Limited Partner. The General Partner shall not file any such tax returns until the Investor Limited Partner has advised it that it has reviewed the returns and does not object to the filing of the returns, which review the Investor Limited Partner shall complete not less than 10 days before the due date of the returns. The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in tax returns notwithstanding any review of said tax returns by the Investor Limited Partner.

14.02 Annual Financial Statements - Due March 1.

On or before March 1 of each year, the General Partner shall send to the Investor Limited Partner all of the following with respect to the preceding calendar year, in a form reasonably acceptable to the Investor Limited Partner:

(a) A balance sheet as of the end of the Partnership's fiscal year and statements of operations, Partner's capital (showing separately the capital of the General Partner and each Limited Partner, and showing as separate line items the Partnership's assets that are depreciable over 3, 5, 7, 15, 27.5 and 40 years), and a statement of cash flows and a statement of cash from operations, all for the year then ended, all of which shall be audited and prepared according to GAAP and accompanied by the Accountants' report thereon. Notwithstanding depreciation methods used for tax purposes, the financial statements of the Partnership shall reflect, and the Accountants' report shall state, that the Project is being depreciated for book purposes over a 40 year useful life with respect to real property and over the longest useful life that is consistent with GAAP with respect to personal property, unless otherwise requested by the Investor Limited Partner. The financial statements of the Partnership shall also reflect that, in accordance with Section 7.02(c), amounts paid to the General Partner as incentive management fees shall be treated as deductible to the Partnership or gross income allocable to the General Partner.

(b) The Accountants, or a third-party compliance auditor approved by the Investor Limited Partner, shall provide a separate report on agreed upon procedures for the purposes of verifying that the Project meets IRS compliance rules regarding income certification. The report shall state that
they have chosen at random 20% of the project’s tenant files and performed all of the following agreed upon procedures:

(i) Reviewed the terms of the lease and confirm it is in compliance with Section 42 of the Code and the Treasury Regulations promulgated thereunder;

(ii) Confirm income and asset verification forms are in the tenant file;

(iii) Confirm correct calculation of move-in income and confirm documentation supporting the calculation is in the file;

(iv) Where required, confirm proper annual re-certification of income documentation is in the file;

(v) Confirm proper documentation of student status; and

(vi) Confirm that the rents charged do not exceed limits applicable under Section 42 of the Code and the Treasury Regulations promulgated thereunder.

(c) Copies of the Partnership's insurance certificates with endorsements naming the Investor Limited Partner as a person to be given notice of cancellation or premium due.


On or before each January 31 of each year, the General Partner shall prepare and deliver to the Investor Limited Partner a report, in a form provided by the Investor Limited Partner on or about December 1 of the preceding year and in substance reasonably satisfactory to the Investor Limited Partner, addressing such aspects of the business of the Partnership that may reasonably be considered of a material nature. Such reports shall include, but not necessarily be limited to:

(a) Copies of any reports relating to the Project submitted by the Agency to the IRS, the Partnership or the General Partner within the previous twelve months;

(b) The occupancy levels of the Project during the preceding fiscal year;

(c) Maintenance performed or required to be performed and the sources of funds therefore;

(d) If there are any Operating Deficits or anticipated Operating Deficits, the manner in which such deficits will be funded and the actions being taken or proposed by the General Partner to correct any operating difficulties being experienced by the Partnership; and,

(e) A certification from the General Partner that the General Partner and the Partnership are each qualified as a corporation, limited liability company, or limited partnership (as applicable) in the jurisdiction in which each was formed (and is duly qualified in the jurisdiction where the Project is located if not formed in such jurisdiction) and that, as of the date of such certification, each has filed all required annual reports, paid all fees, and paid all franchise taxes due on or prior to the date hereof in such jurisdictions. Evidence of the good standing of the Partnership and the General Partner in such jurisdiction(s) shall be attached thereto.
14.04 **Annual Budgets.**

On or before November 1 of each year, the General Partner shall provide the Investor Limited Partner with (i) an operating budget in form and substance acceptable to the Investor Limited Partner comparing the budgeted income/costs for the following calendar year to the actual income/costs and the budgeted income/costs for the current year, and (ii) a capital expenditures budget in form and substance acceptable to the Investor Limited Partner setting forth the planned capital expenditures to be made in the following calendar year and the source of such expenditures (e.g., operating revenues or draws from the Replacement Reserve). In the event the Investor Limited Partner does not accept any proposed budget submitted hereunder, (i) the Partnership shall continue to operate under the existing approved operating budget and (ii) capital expenditures shall be subject to Investor Limited Partner approval on a case-by-case basis until a new budget is approved by the Investor Limited Partner.

14.05 **Insurance Reports – Annually.**

Upon expiration or cancellation of any insurance policy required to be maintained pursuant to the Insurance Guidelines found in Exhibit C to this Agreement, the General Partner shall provide the Investor Limited Partner with evidence of renewal or replacement of such policy together with copies of endorsements naming the Investor Limited Partner as a person to be given not less than 30 days’ notice of premium due, lapse, expiration, cancellation or non-renewal.

14.06 **Quarterly Financial Statements.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall send to the Investor Limited Partner the following, neither of which need to be audited, but both of which shall be in a form acceptable to the Investor Limited Partner:

(a) An accrual basis balance sheet of the Partnership as of the end of the quarter showing assets and liabilities including working capital and reserve balances; and

(b) A statement of operations of the Partnership on an accrual basis and acceptable to the Investor Limited Partner for the quarter just ended, including without limitation schedules showing aging of accounts payable and accounts receivable.

14.07 **Rent Roll and General Partner Certificate.**

Within 30 days after the end of each fiscal quarter in which any units are occupied by tenants, the General Partner shall provide the Investor Limited Partner with a rent roll and a certificate in the form attached as Exhibit F hereto. The rent roll should include the following information for all tenants:

Building Number, Unit Number, Number of Bedrooms, Tenant Name or Vacant, Move In Date, Move Out Date (if applicable), Tenant Rent, Gross Rent

If the General Partner is unable to make all of the statements set forth in Exhibit F, he or it shall attach a schedule to the certificate stating which of the statements they are unable to make and describing the actions that are currently being taken to remedy the situation.

14.08 **Monthly Reports.**

The General Partner shall provide, within 30 days after the end of each month, accrual-basis unaudited financial statements that display each month individually and a year to date total.
14.09 Event Reports.

As soon as practicable, but no later than 15 days after any one of the following events shall have occurred, the General Partner shall send the Investor Limited Partner a detailed report of such event:

(a) there is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;

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

(c) the General Partner has received any notice of a material fact which may substantially affect future Net Cash Flow, including, without limitation, a material casualty loss;

(d) there occurs an investigated criminal incident at the Project;

(e) any failure of the Partnership to comply with applicable laws or regulations or the receipt of any written allegation of such a failure from any government agency;

(f) receipt of an IRS Form 8823 or any notice of any IRS audit of the Partnership; or

(g) any claim or suit filed against the Partnership or the Project, other than claims or suits involving disputes related to eviction and nonpayment of rent;

(h) the General Partner has received any notice of any investigation by a governmental authority (including news accounts or other publicity regarding potential investigations), prosecution, conviction or guilty plea of any kind of the General Partner, a Guarantor, or the Management Agent or any Affiliate of any of the foregoing; or

(i) the General Partner becomes aware of any violation of Anti-Corruption Laws, or circumstances likely to give rise to such a violation.

14.10 Other Reports.

If requested by the Investor Limited Partner, the General Partner will provide the Investor Limited Partner with copies of any other periodic reports provided by the Partnership to the Lenders and such other reports and information relating to the Partnership, the General Partner or the Guarantors as may reasonably be requested by the Investor Limited Partner.

In particular, in the event that the Project is experiencing operating difficulties (for example, Net Operating Income for any three month period is at less than 115% of the Partnership’s annualized Must-pay Debt Service, including without limitation, any Permanent Financing), the Investor Limited Partner shall be entitled to receive monthly information regarding the Project, including without limitation accrual operating and financial statements and rent rolls.

14.11 Costs of Preparation; Penalties for Late Reports.

The preparation of all Partnership books, records, accounts and reports will be at the expense of the Partnership.
To the extent that any item described in this Article XIV above is not provided within 10 days after Notice from the Investor Limited Partner that it is overdue, a per day penalty of $100 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to $200 per day thereafter. All penalties shall be paid by the General Partner from their own funds and not funds of the Partnership.

To the extent that the reporting requirements set forth in any of the provisions of this Article XIV are not met, the Investor Limited Partner, in its reasonable discretion, may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the Consent of the Investor Limited Partner; provided, however, that if the General Partner and the Investor Limited Partner cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Investor Limited Partner in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Partnership.

ARTICLE XV
AMENDMENTS

15.01 Amendment by All Partners.

This Agreement may be amended by written agreement of the General Partner and the Investor Limited Partner (and any Special Limited Partner if and to the extent that the rights or obligations of the Special Limited Partner hereunder are affected by such amendment).

15.02 Amendment by Investor Limited Partner Only.

This Agreement may also be amended in a writing executed by all Investor Limited Partners (without the Consent or signature of any General Partner or Special Limited Partner) if (i) such amendment is specifically authorized by the terms of this Agreement (for example, pursuant to Section 7.08), or (ii) the proposed amendment does not affect any obligation or right of the General Partner or Special Limited Partner hereunder and does not reduce any obligation of any Investor Limited Partner (for example, any amendment to allocate voting rights or allocations among two or more Investor Limited Partners). The other Partners shall immediately be provided a copy of any amendment adopted pursuant to this Section 15.02.

ARTICLE XVI
VOTING AND MEETINGS

16.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Partners and received by the General Partner or the Person entitled to receive such Consent at or prior to the doing of the act or thing for which the Consent is solicited.

16.02 Submissions to Investor Limited Partner. The General Partner shall give the Investor Limited Partner Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and Consent of the Investor Limited Partner. Such Notice shall include any information required by the relevant provision or by law.

16.03 Meetings; Submission of Matter for Voting. Subject to the provisions of Section 11.01, the Investor Limited Partner shall have the authority to convene meetings of the Partnership and to submit matters to a vote of the Partners to the extent authority for such matter is not
expressly delegated to the General Partner in this Agreement. The vote of each Partner shall be weighted in accordance with its Percentage Interest and a vote of a Majority in Interest of the Partners shall be binding on the Partnership and the General Partner.

ARTICLE XVII

GENERAL PROVISIONS

17.01 **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

17.02 **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Agreement, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State, excluding any choice of laws provision that would cause the law of another jurisdiction to apply.

17.03 **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.

17.04 **Separability of Provisions.** Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this 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 which are valid.

17.05 **Entire Agreement.** This Agreement, including the exhibits hereto, sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the governance of the Partnership and the conduct of its Partnership business, and there are no representations, promises, agreements or understandings, oral or written, express or implied, with respect to such governance or business among them other than as set forth or incorporated herein.

17.06 **Liability of the Investor Limited Partner.** Notwithstanding anything to contrary contained herein, neither the Investor Limited Partner nor any of its members nor any of its partners, general or limited, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Limited Partner under this Agreement and the recourse of the Partnership and the General Partner shall be strictly limited to the Interest of the Investor Limited Partner. In the event that the Investor Limited Partner shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Limited Partner, shall be against the Interest of the Investor Limited Partner and there shall be no recourse liability to the Investor Limited Partner or any of its members or partners for any deficiency.

17.07 **Notices.** Notices shall be sent to the following addresses or to such new address as may be specified for a Partner pursuant to a Notice given by such Partner to all other Partners:
To the Investor Limited Partner:

Raymond James Preservation Opportunities Fund III L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716
Email Address: Steve.Kropf@RaymondJames.com
Attention: Steven J. Kropf, President

With copies to:
Brad M. Tomtishen
Nuyen, Tomtishen and Aoun, P.C.
2001 Commonwealth Blvd.
Suite 300
Ann Arbor, Michigan 48105
Email Address: bmt@ntalaw.com

To the General Partner:

ZP Montgomery Pines Housing, LLC
1730 E. Republic Road, Suite F
Springfield, Missouri 65804
Attention: Vaughn C. Zimmerman
Email Address: vzimmerman@wilhoitproperties.com

With copies to:
Cynthia Bast
Locke Lord LLP
600 Congress Avenue, Suite 2200
Austin, Texas 78701
Email Address: clbast@lockelord.com

17.08 **Power of Attorney.** The Investor Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Partners and the Partnership as shall be legally necessary and sufficient to effect all of the provisions of Section 9.04: *provided, however,* that the Investor Limited Partner shall not exercise such power of attorney unless the documents necessary to effect such provisions of Section 9.04 has been submitted to the General Partner prior to exercise. The General Partner shall not grant any other power of attorney without the Consent of the Investor Limited Partner.

17.09 **Remedies Cumulative; No Waiver.** Remedies hereunder shall be cumulative, forbearance in enforcing remedies shall not constitute a waiver of such remedies and waiver by any party for any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

17.10 **Interpretation.** This Agreement has been negotiated at arms’ 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.

NO FURTHER TEXT ON THIS PAGE
IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Second Amended and Restated Agreement of Limited Partnership of Greens Parkway Partners LP as of the date first written above.

GENERAL PARTNERS:

ZP Montgomery Pines Housing, LLC.
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member

[Signatures continue on following page]
INVESTOR LIMITED PARTNER:

Raymond James Preservation Opportunities Fund III L.L.C.,
a Florida limited liability company

By: RJPOF III L.L.C.
a Florida limited liability company
Its: Managing Member

By: Raymond James Tax Credit Funds, Inc.
a Florida corporation
Its: Sole Member/Manager

By: [Signature]

Steven J. Kroft, President

Principal Business Address:
880 Carillon Parkway
St. Petersburg, Florida 33716
**EXHIBITS**

<table>
<thead>
<tr>
<th>EXHIBIT A.</th>
<th>Legal Description of Property</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXHIBIT B.</td>
<td>Unconditional Guaranty</td>
</tr>
<tr>
<td>EXHIBIT C.</td>
<td>Insurance Guidelines</td>
</tr>
<tr>
<td>EXHIBIT D.</td>
<td>Financial Projections</td>
</tr>
<tr>
<td>EXHIBIT E.</td>
<td>General Partner Pledge and Security Agreement</td>
</tr>
<tr>
<td>EXHIBIT F.</td>
<td>Quarterly General Partner Certificate</td>
</tr>
<tr>
<td>EXHIBIT G.</td>
<td>Affidavit of Non-Foreign Status</td>
</tr>
</tbody>
</table>
EXHIBIT A

DESCRIPTION OF PROPERTY

All that certain 21.640 acre (942,653 square foot) tract of land situated in the J.M. Everett Survey, Abstract Number 197, Montgomery County, Texas, and being all of a called 21.6403 acre tract of land as described by a general warranty deed to Greens Parkway Partners, LP recorded under Montgomery County Clerk's File (M.C.C.F.) Number 2004-057685, said 21.640 acre tract being more particularly described by metes and bounds as follows: (All bearings are based on description of the residue of a called 65.632 acre tract described by deed to Bennett J. Roberts, Jr. recorded under M.C.C.F. Number 8439228)

Beginning at a 3/4 inch iron pipe found at the intersection of the southeasterly right-of-way (R.O.W.) line of U.S. Highway Number 59 (US 59) with the south line of the William Massey Survey, Abstract Number 387, same being the north line of the said Everett Survey, at the southwest corner of a call 55.589 acre tract described in a deed to Kenneth R. Melber. Trustee, in M.C.C.F. Number 9664530 for the northwest corner of the herein described tract, and from which a Texas Department of Transportation (TXDOT) disk bears South 07 Degrees 09 Minutes 44 Seconds West, a distance of 0.92 feet;

Thence, with the south line of the Massey Survey and the north line of the Everett Survey and the herein described tract, North 88 Degrees 46 Minutes 44 Seconds East. a distance of 1,356.40 feet to a 3/4 iron pipe found at the northwest corner of a call 10.00 acre tract described in a deed to Avenue Group, L.L.C. in M.C.C.F. Number 2002-040915 for the northeast corner of the herein described tract, and from which a concrete monument found for the southeast corner of said Massey Survey, same being the southwest corner of the William Smith Survey, Abstract Number 540, bears North 88 Degrees 44 Minutes 49 Seconds East, a distance of 23.91 feet;

Thence, with the west line of said 10.00 acre tract and the east line of said 21.6403 acre tract and the herein described tract, South 00 Degrees 07 Minutes 17 Seconds West, at 277.93 pass a 3/4 inch iron pipe found, at 732.18 feet pass a 1-1/4 inch iron pipe found, at 736.07 feet pass a 1-1/4 inch iron pipe found at on exterior corner of the residue of a called 65.632 acre tract described by deed to Bennett J. Roberts, Jr. recorded under M.C.C.F. Number 8439228, and continue, in all, a distance of 1,041.87 feet to a 5/8 inch iron rod with plastic cap stamped "BENCHMARK ENGR" found for the southeast corner of the herein described tract;

Thence, North 89 Degrees 53 Minutes 08 Seconds West, along the south line of said 21.6403 acre tract, a distance of 526.04 feet to a 5/8 inch iron rod with plastic cap stamped "BENCHMARK ENGR" found for the southwest corner of the herein described tract;

Thence, North 00 Degrees 07 Minutes 17 Seconds East, along an interior line of said 21.6403 acre tract, a distance of 305.66 feet to a 5/8 inch iron rod with plastic cap stamped "BENCHMARK ENGR" found for an interior corner of the herein described tract;

Thence, North 89 Degrees 53 Minutes 08 Seconds West, along on interior line of said 21.6403 acre tract, a distance of 235.00 feet to a 5/8 inch iron rod with plastic cap stomped "BENCHMARK ENGR" found for an exterior corner of the herein described tract;

Thence, North 00 Degrees 07 Minutes 17 Seconds East, along an interior line of said 21.6403 acre tract, a distance of 361.49 feet to a 5/8 inch iron rod with plastic cap stamped "BENCHMARK ENGR" found for an interior corner of the herein described tract;
Thence, South 88 Degrees 46 Minutes 44 Seconds West, along on interior line of said 21.6403 acre tract, a distance of 684.44 feet to a 5/8 inch iron rod with plastic cap stamped "BENCHMARK ENGR" found in the southeasterly R.O.W. line of said U.S. Highway 59 at the northwest corner of the residue of said 65.632 acre tract for an exterior corner of the herein described tract;

Thence, with the southeasterly R.O.W. line of said U.S. Highway 59 and the westerly line of the herein described tract, North 14 Degrees 04 Minutes 59 Seconds East, a distance of 370.00 feet to the Place of Beginning and containing 21.640 acres of land.
EXHIBIT B

UNCONDITIONAL GUARANTY
**UNCONDITIONAL GUARANTY**

This **UNCONDITIONAL GUARANTY AGREEMENT** (“Guaranty”), dated as of May 15, 2017, is given by ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, Vaughn C. Zimmerman, Justin Zimmerman, Leah Zimmerman, Zimmerman Properties, LLC, a Missouri limited liability company, Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated and Zimmerman Investments, LLC, a Missouri limited liability company (each a “Guarantor”, and collectively the “Guarantors”), for the benefit of Greens Parkway Partners LP, a Texas limited partnership (the “Partnership”) and Raymond James Preservation Opportunities Fund III L.L.C., a Florida limited liability company (the “Investor Limited Partner”), with reference to the following facts:

A. The Partnership has been formed to own and operate that certain Project, as defined in ARTICLE II of the Second Amended and Restated Agreement of Limited Partnership (the “Partnership Agreement”) dated as of even date herewith. (Capitalized terms used in this Guaranty and not otherwise defined herein shall have the meanings specified in the Partnership Agreement.)

B. The Project is intended to constitute a “qualified Low-Income housing project” (as defined in Section 42(g)(1) of the Internal Revenue Code).

C. ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas, is the General Partner in the Partnership.

D. Vaughn C. Zimmerman are each direct or indirect members or shareholders of the General Partner and will materially benefit from the transactions described in the Partnership Agreement.

E. The Investor Limited Partner is the sole investor limited partner in the Partnership.

F. As a material inducement to the Investor Limited Partner in entering into the Partnership Agreement, the Guarantors have executed this Guaranty effective concurrently with the Investor Limited Partner’s execution of the Partnership Agreement, which Guarantors expressly acknowledge the Investor Limited Partner would not have executed in the absence of this Guaranty.

**NOW, THEREFORE,** as a condition precedent to the Investor Limited Partner becoming a limited partner in the Partnership, the undersigned Guarantors hereby agree as follows:

1. **Guaranty.** Each Guarantor jointly and severally guarantees to the Partnership and the Investor Limited Partner the full and timely performance and payment of all of the obligations of the General Partner under the Partnership Agreement.

2. **Payments Due.** Any payment pursuant to Section 1 of this Guaranty (“Guaranty Payments”) is due within 10 days of written demand therefor made by the General Partner or the Investor Limited Partner, each of which (acting alone) shall have the authority to make such demand.

3. **Nature of Guaranty.**

   3.1 The Partnership and the Investor Limited Partner are the intended beneficiaries of all of the Guarantors’ obligations under this Guaranty and, in the event the Guarantors fail to fulfill any of their obligations hereunder, the Partnership and the Investor Limited Partner shall have direct recourse against any or all of the Guarantors to the extent of such unfulfilled obligations. Either the Partnership or the Investor Limited Partner, acting alone, shall have the right to bring and prosecute a separate action or
actions against any one or more of the Guarantors regardless of whether an action is brought against another
Guarantor or whether another Guarantor is joined in any such action(s). Each Guarantor hereby
acknowledges and agrees that it shall not be a condition precedent to the enforcement of this Guaranty by
the Partnership or the Investor Limited Partner against any Guarantor that recourse first be sought against
any other Guarantor, any principal, or pursue any other remedy available to the Partnership or the Investor
Limited Partner.

3.2 The respective liability of each of the Guarantors hereunder is absolute and unconditional,
and is independent of and not in consideration of or contingent upon the obligations of any other person or
entity, whether under this Guaranty or otherwise. No defense of any nature available to the General Partner
to any obligation guaranteed by the terms of this Guaranty (other than payment and performance in full)
shall excuse any Guarantor from its obligations under this Guaranty; and each Guarantor shall be fully
liable hereunder for each of the obligations hereunder even if any obligation of the General Partner under
the Partnership Agreement is or becomes unenforceable against the General Partner for any reason,
including (without limitation) the bankruptcy of the General Partner.

3.3 Each Guarantor waives the benefit of any statute of limitations affecting such Guarantor’s
liability hereunder or the enforcement thereof to the fullest extent permitted by law.

3.4 The obligations of each Guarantor under this Guaranty shall not be impaired by any act or
omission to act, with or without notice to the Guarantors or any of them, by the Partnership or the Investor
Limited Partner, or by reason of any other circumstance which might otherwise constitute a discharge or
defense of a guarantor. Without limiting the foregoing, either the Partnership or the Investor Limited
Partner may, from time to time, at its sole discretion and without notice to the Guarantors or any of them,
take any or all of the following actions without discharging or in any way impairing any of the obligations
of the Guarantors hereunder: (a) retain, obtain, or release a security interest in any property to secure any
obligation of the General Partner guaranteed hereunder, any Guaranty Payment hereunder, or any other
obligation hereunder; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in
addition to the Guarantors, with respect to any Guaranty Payment; or (c) resort to any Guarantor(s) for
payment of any Guaranty Payment. The obligations of each Guarantor hereunder shall also be unaffected
by: (i) any amendment to or modification of the Partnership Agreement or other Project Documents; (ii) any
extensions of time for performance required thereby; (iii) any exculpatory provision in any of Project
Documents; or (iv) the release of any party from performance or observance of any of the agreements,
covenants, terms or conditions contained in any of the Project Documents, whether by agreement of the
Partnership or the Investor Limited Partner, error, operation of law, or otherwise.

3.5 No set-off, counterclaim or any defense of any kind or nature which any Guarantor has or
may have against the Partnership or the Investor Limited Partner shall limit or in any way affect the
obligations of that or any other Guarantor hereunder, except only (a) payment in fact, or (b) the fraud, gross
negligence or intentional misconduct of the Investor Limited Partner.

3.6 No delay on the part of the Partnership or the Investor Limited Partner in exercising any
right under this Guaranty shall operate as a waiver of such right or any other right of the Partnership or the
Investor Limited Partner hereunder; nor shall any delay, omission or waiver on any one occasion be deemed
a bar to a waiver of the same or any other right on any future occasion.

3.7 Except where specifically stated herein that funds advanced by a Guarantor shall constitute
a loan to the Partnership, all funds made available by any Guarantor to the Partnership pursuant to this
Guaranty shall not be reimbursable, shall not be credited to the Capital Account of any Partner, and shall
not otherwise change the Interest of any Partner.
3.8 In the event of the removal of a General Partner pursuant to Section 9.04 of the Partnership Agreement, the Guarantors shall remain liable for all obligations of ZP Montgomery Pines Housing, LLC (whether or not removed), but shall not be liable with respect to the obligations of any successor General Partner.

4. **Waivers.** Each of the Guarantors waives notice of the acceptance of this Guaranty, presentment, demand, protest, notice of protest, and notice of dishonor with respect to this Guaranty (but not notice of demand under this Guaranty).

5. **Representations.** Each Guarantor hereby represents and warrants as of the date hereof that:

5.1 Nothing exists to impair the effectiveness of such Guarantor’s liability and obligations hereunder, nor the immediate taking effect of this Guaranty as to such Guarantor.

5.2 This Guaranty is a valid, legal and binding obligation of such Guarantor, subject only to the application of bankruptcy and insolvency laws and general principles of equity.

5.3 It is an entity of the type specified, which is duly formed, validly existing and in good standing under the laws of the State; it is duly qualified to transact business in the State; it has the power to enter into and perform all agreements on its part herein contained; it has been authorized to enter into this Guaranty by all necessary and proper corporate, partnership or other applicable action; the execution and delivery by it of this Guaranty does not, and its performance of the undertakings by it herein contained will not, contravene or constitute a material default under any agreement, indenture, commitment, provision of its applicable organizational documents or other requirements of law to which it is a party or by which it is or may be bound or governed.

5.4 There is no litigation or other proceeding pending or, to the best of the respective Guarantor’s knowledge, threatened against or affecting such Guarantor or any of its properties which, if adversely determined, would have a materially adverse effect on the Guarantor or its financial condition, properties, business, or operations, or which would prevent or interfere with the Guarantor’s entering into this Guaranty or performing its obligations hereunder.

5.5 It is not in default with respect to any order, writ, injunction, decree or other directive of any court or other governmental or regulatory authority having jurisdiction over such Guarantor.

5.6 The financial statements for such Guarantor which have been presented to the Investor Limited Partner in connection with the transactions contemplated herein are true and correct and fairly present the financial condition of such Guarantor for the period covered thereby; there have been no materially adverse changes in such Guarantor’s financial condition since the date(s) thereof; and such Guarantor has not entered into any commitments or contracts which are not reflected therein which may have a materially adverse effect upon that Guarantor’s financial condition, business or operations.

6. **Financial Statements.** Each Guarantor agrees that it will provide to the Investor Limited Partner, within 30 days after the request of the Investor Limited Partner, updated unaudited financial statements, including a balance sheet, an income statement, a statement of changes in financial position, and such other statements as the Investor Limited Partner may reasonably request, prepared in accordance with GAAP, consistently applied, and certified as true and complete, without qualification, by the appropriate financial officer of such Guarantor or, if required by the Investor Limited Partner, by an independent certified public accountant acceptable to the Investor Limited Partner, together with such supporting documentation as the Investor Limited Partner may reasonably request. If audited financial statements are
prepared for any Guarantor for any period, the Guarantor shall furnish a copy of the same to the Investor Limited Partner.

7. **Events of Default.** Each of the following events, after the expiration of any grace period specified with respect thereto without the same having been cured, shall constitute an “Event of Default” hereunder, whatever the reason for the same, and whether it shall be voluntary, involuntary, be effected by operation of law, or be pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or non-governmental body:

7.1 Failure of the Guarantors, collectively, to make any Guaranty Payment required under Section 2 within 10 days of written demand therefor.

7.2 Default by any Guarantor in the performance or observance of any non-monetary agreement or covenant contained in this Guaranty (other than a covenant or agreement or default in the performance or observance which is elsewhere in this Section 7 specifically addressed) and the continuance of such default for a period of 30 days following written notice from the Partnership or the Investor Limited Partner.

7.3 Any representation or warranty made by any Guarantor under this Guaranty or in any other agreement, report, certificate, financial statement or other instrument referred to herein and furnished to the Partnership or the Investor Limited Partner in connection herewith shall prove incorrect or misleading in any material respect when made or when deemed to have been made or remade.

7.4 The filing by any Guarantor of a petition for the appointment of a trustee with respect to itself or any of its property; or the commencement by any Guarantor of a voluntary case in bankruptcy or insolvency or seeking compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors; or the making by any Guarantor of an assignment for the benefit of creditors.

7.5 The failure of any Guarantor to obtain the dismissal, within 90 days after service upon it of any case commenced against such Guarantor (a) for the appointment of a trustee for such entity or person, or any of its property, or (b) in bankruptcy or insolvency or for compromise, adjustment or other relief under the laws of the United States or of any state relating to the relief of debtors.

7.6 The making, or an attempt to make, by any Guarantor of a fraudulent conveyance within the meaning of the Uniform Fraudulent Conveyances Act.

8. **Remedies.** If an Event of Default shall have occurred and be continuing, either the Partnership or the Investor Limited Partner may proceed hereunder against any Guarantor, with or without exhausting any other remedies either may have, and with or without resorting to any security held by the Partnership or the Investor Limited Partner. This is a guaranty of payment and performance, and not of collection.

9. **Subordination.** So long as any Guarantor has any outstanding or undischarged obligations under this Guaranty, that Guarantor agrees that any and all claims it may have against the General Partner or any other third party with respect to the Partnership is and shall remain subordinated to all claims of the Partnership and the Investor Limited Partner hereunder. Any amounts received by such Guarantor with respect to any such subordinated claims shall be held by the Guarantor as trustee for the Partnership and the Investor Limited Partner on account of the obligations of the Guarantor hereunder and, upon demand, shall be paid over to the Partnership or the Investor Limited Partner, as the Guarantor may be directed.
10. **Attorneys’ Fees.** Following an Event of Default, if it becomes necessary for the Partnership or the Investor Limited Partner to exercise its rights hereunder, whether suit be brought or not, the Guarantors shall be jointly and severally liable for all costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner, including costs and reasonable attorneys’ fees incurred by the Partnership and/or the Investor Limited Partner in any bankruptcy proceedings, and in any appellate or post-judgment proceedings. In the further event that the Partnership or the Investor Limited Partner obtains a final judgment against the Guarantors upon this Guaranty, the judgment shall bear interest at the highest rate permitted under applicable law.

11. **Invalidity.** If any of the provisions of this Guaranty, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty or the application of such provision or provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every other provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

12. **Successors and Assigns.** This Guaranty shall be binding upon any successors of each of the Guarantors, and shall run to the benefit of the Partnership, the Investor Limited Partner, and their respective successors and assigns. Notwithstanding the foregoing, the Guarantors shall not have the right to assign their obligations hereunder without the written consent of the Investor Limited Partner, which consent may be withheld in the sole and absolute discretion of the Investor Limited Partner.

13. **Notices.** All notices, consents, demands, requests, or other communications which may or are required to be given hereunder shall be in writing and shall be sent by overnight courier, or United States mail, registered or certified, return receipt requested, postage and fees fully prepaid, to the Partnership at the address of the Partnership’s principal office, to Investor Limited Partner c/o 880 Carillon Parkway, St. Petersburg, Florida 33716, Attention: Steven J. Kropf, President or at such other address as the Investor Limited Partner may designate by notice to the Guarantors, and to each Guarantor at the address specified next to such Guarantor’s signature hereon with a copy to Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: clbast@lockelord.com). Any party may change its address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the other parties of its new address for such purpose. Actual receipt of any written notice shall constitute notice in all events.

14. **Applicable Law.** This Guaranty shall be construed and enforced in accordance with the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply, and all claims relating to or arising out of this Guaranty, or the breach thereof, whether sounding in contract, tort or otherwise, shall likewise be governed by the laws of the State of Texas, excluding any choice of laws provision that would cause the law of another jurisdiction to apply. Each Guarantor hereby irrevocably submits and consents to the jurisdiction of the courts of the State of Texas and of the Federal District Court for the Southern District of Texas in connection with any action, suit or other proceeding arising out of or relating to this Guaranty or any action taken or omitted hereunder, and waives personal service of any summons, complaint or other process and agrees that the service thereof may be made by certified or registered mail directed to such person at such person’s address for purposes of notices hereunder. Should any party so served fail to appear or answer within the time prescribed by law, that party shall be deemed in default and judgment may be entered against that party for the amount or other relief as demanded in any summons, complaint or other process so served in any such action, suit or proceeding hereunder.

15. **Headings.** Captions and paragraph headings contained herein are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Guaranty.
16. **Entire Agreement.** This Guaranty and the other documents specifically referred to herein contains the entire agreement between the parties hereto with respect to the subject matter hereof, superseding all prior oral and written agreements or understandings with respect thereto and may not be changed, modified, discharged or terminated other than by an agreement in writing signed by the parties hereto.

17. **Jury Trial Waiver.** Each Guarantor, to the extent permitted by law, waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise, between the Partnership, the Investor Limited Partner and the Guarantors, or any of them, arising out of, in connection with, related to, or incidental to the relationship established among the parties in connection with this Guaranty, the Partnership Agreement, or any other agreement or document executed or delivered in connection herewith or the transactions related hereto.

18. **Counterparts.** This Guaranty may be executed in multiple counterparts, all of which together constitute one and the same instrument.

19. **Advice of Counsel.** Each Guarantor represents and acknowledges that it has consulted with legal counsel of its choice regarding the terms, conditions and waivers set forth in this Guaranty, and that its counsel has advised such Guarantor of the true legal consequences of each provision of this Guaranty, including the rights the Guarantor would have in the absence of the waivers contained herein.

[signature page follows]
IN WITNESS WHEREOF, each of the Guarantors has executed and the Partnership and the Investor Limited Partner have acknowledged this Guaranty as of the date first written above.

"Guarantors"

ZP Montgomery Pines Housing, LLC
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC
a Missouri limited liability company
Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
Its: Managing Member
Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804
Attention: Vaughn C. Zimmerman
Telephone: 417-883-1632
Email Address: vzzimmerman@wilhoitproperties.com

STATE OF MISSOURI ) ) ss.
COUNTY OF Greene )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Montgomery Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 10th day of May 2017.

RACHELE HUETT
Notary Public – Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #18215569

My commission expires July 27, 2019

B-7

[signatures continue on following pages]
STATE OF MISSOURI
) ss.
COUNTY OF Greene )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 10th day of May 2017.

By:

[Signature]

Notary Public

My commission expires:

---

STATE OF MISSOURI
) ss.
COUNTY OF Greene )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Justin Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 10th day of May 2017.

By:

[Signature]

Notary Public

My commission expires:

[signatures continue on following pages]
By: 

Leah Zimmerman 

Address: 1730 East Republic Road, Suite F 
Springfield, Missouri 65804 

Telephone: 417-885-1632 

Email Address: jzimmerman@wilhoitproperties.com 

STATE OF MISSOURI ) ) ss. 
COUNTY OF Greene ) 

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Leah Zimmerman, a resident of Missouri, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 10th day of May, 2017. 

RACHELE HUETT 
Notary Public - Notary Seal 
STATE OF MISSOURI 
Greene County 
My Commission Expires July 27, 2019 
Commission #15219556 

Notary Public 

My commission expires: ____________________ 

[signatures continue on following pages]
Zimmerman Properties, LLC
a Missouri limited liability company

By: Zimmerman Investments, L.L.C.
a Missouri limited liability company

Its: Managing Member

By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated

Its: Managing Member

Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804

Telephone: 417-883-1632

Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI )
COUNTY OF Greene )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C., a Missouri limited liability company, which is the Managing Member of Zimmerman Properties, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 16th day of May, 2017.

RACHELE HUETT
Notary Public

My commission expires July 27, 2019

[signatures continue on following pages]
STATE OF MISSOURI
COUNTY OF Greene

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, as Trustee of Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 10th day of May, 2017.

RACHELE HUETT
Notary Public
My Commission Expires July 27, 2019
Commission #19219669

[signatures continue on following pages]
Zimmerman Investments, L.L.C.
a Missouri limited liability company

By:

Vaughn C. Zimmerman, Trustee of the
Vaughn C. Zimmerman Revocable Trust
Under Trust Agreement dated May 5,
1995, as restated

Its: Managing Member

Address: 1730 E. Republic Road, Suite F
Springfield, Missouri 65804

Telephone: 417-883-1632

Email Address: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI

) ss.

COUNTY OF Greene )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, L.L.C. a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument. Witness my hand and notarial seal this 10th day of May, 2017.

RACHELE HUETT
Notary Public – Notary Seal
STATE OF MISSOURI
Greene County
My Commission Expires July 27, 2019
Commission #15219699

Notary Public

My commission expires: ____________________

B-12
EXHIBIT C

INSURANCE GUIDELINES

REQUIREMENTS FOR ALL POLICIES

*Greens Parkway Partners LP* must be the sole named insured. (Umbrella Liability Policy may include multiple entities as the named insured)

*Raymond James Preservation Opportunities Fund III L.L.C.* and its successors and assigns must be named as an additional insured.

*Raymond James Preservation Opportunities Fund III L.L.C.* must be named as a certificate holder. All evidences of insurance, certificates of insurance, binders, and Notices shall be addressed and forwarded to:

Raymond James Tax Credit Funds, Inc.
Attention: Insurance Liaison
880 Carillon Parkway
St. Petersburg, Florida 33716

The insurer writing the policy must have a general policy rating of at least “A-” and a financial performance index rating of at least VII or better from Best’s Key Rating Guide. Policies for Management Agent Liability and Workmen’s Compensation Insurance may have a performance index rating of at least VI or better from Best’s Key Rating Guide.

Evidence of Insurance must be issued on ACORD Form 25, 27 or 28.

The current policy term must not expire until a minimum of 30 days post closing.

Raymond James Tax Credit Funds, Inc. must receive 30-day notice of cancellation of the policy. Additionally, the words “endeavor to” and “but failure to” are to be deleted from the language regarding notice of cancellation.
PARTNERSHIP RELATED COVERAGES
For All Properties

LIABILITY RELATED COVERAGES

Coverage required:

Partnership Commercial General Liability insurance in an amount no less than $1,000,000 per occurrence and $2,000,000 in aggregate, with an additional Umbrella/Excess form of liability coverage in the amount of $5,000,000. Maximum deductible of $10,000.

The policy shall have a waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism.”

PERMANENT PROPERTY INSURANCE

Permanent Property Insurance shall be provided for all existing improvements.

Coverage required:

“All Risks” form of blanket property insurance including windstorm coverage (including hurricane and hail) covering all real and personal property. Such insurance shall be written on a Replacement Cost Basis and shall include an Agreed Amount Clause or Waiver of Coinsurance. The amount of insurance shall be the full insurable replacement cost of the property with the Declared Building Value shown on the certificate in the amount equal to or greater than the replacement costs of all improvements. Ordinance and Building Laws Endorsement shall be included for all Projects. Policy should include the A, B, & C coverages with B & C at a coverage amount no less than 10% of replacement cost. Deductible not to exceed 1) $5,000 for properties less than 81 units, 2) $10,000 for properties 81 units or more. Boiler and Machinery Coverage – only if applicable to the property. Waiver of terrorism exclusion and indicate “Terrorism coverage has no sublimit and includes both domestic and foreign acts of terrorism”. All Property Insurance shall permit waiver of subrogation by the Insured prior to loss.

RENTAL LOSS INSURANCE

Rental Loss Insurance shall be provided for all properties.

Blanket coverage in the amount of at least twelve (12) months rental income at full occupancy.

FLOOD INSURANCE

If the Project is in Flood Zone A, V or D, flood insurance coverage must be provided for all improvements within the flood zone.

Coverage of 100% of full replacement costs with a maximum deductible of 2% of Total Insured Value per building.
SEISMIC / EARTHQUAKE INSURANCE

If the property is located in seismic zone 3 or above per the designation by the 1997 Uniform Building Code Map, it is required that a qualified engineer perform a Probable Maximum Loss Study (PML). Assuming a 475-year cycle for a 90% Total Loss factor. PML ratings of less than 19.99% do not require insurance. PML ratings between 20.00% and 29.99% require insurance. PML ratings above 29.99% may not be acceptable investments and must be discussed with the Raymond James Tax Credit Funds, Inc. representative.

Seismic/Earthquake Insurance shall be provided for all improvements on properties if required as noted above. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

SINKHOLE / MINE SUBSIDENCE INSURANCE

Required if the property is in an area prone to sinkholes or mines as determined by the Geotechnical engineer or local municipality.

Sinkhole / Mine Subsidence Insurance shall be provided for all improvements. Coverage required:

Full replacement cost with maximum deductible of 5% of total insured value.

MANAGEMENT AGENT

Management Company Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under management.

Coverage required:

Except as provided below, the Management Agent shall maintain and provide evidence of insurance for:

1. Commercial General Liability including Umbrella/Excess form of liability coverage in an amount no less than $1,000,000.

2. Fidelity Bond in an amount no less than an amount equal to two-months gross rental income written with a company reasonably acceptable to the Partnership, provided the purchase of the Fidelity Bond in the required amount is commercially reasonable.

3. Automobile Liability Insurance covering owned, hired and non-owned autos for limits no less than $1,000,000 per occurrence for bodily injury, property damage and physical damage (collision and comprehensive), naming the Partnership and the Fund as additional insured’s under such policy for vehicles used exclusively for the Property.

4. Workers’ Compensation Insurance, to the extent of the statutory limits required by applicable law, and Employer’s Liability Insurance in the minimum amount of $500,000.

Management Agent shall cause all contractors, sub-contractors and suppliers performing work or providing supplies to maintain insurance coverage at such parties’ expense in the following amounts, as statutorily required, or as listed below whichever is greater:
- Worker’s Compensation – Statutory Amount;
- Employer’s Liability (if required) - $1,000,000 minimum;
- Comprehensive General Liability including contractual liability in the following minimum amounts:
  1. $500,000 bodily injury per person $2,000,000 per occurrence; and
  2. $1,000,000 combined single limit;
- Business Auto Liability - $1,000,000 bodily injury and property damage combined single limit, per accident, to cover all owned, leased, hired or non-owned vehicles.
ADDITIONAL PARTNERSHIP RELATED COVERAGES
During any Period of Renovation

The following coverages are for all properties undergoing renovation and are in addition to coverages applicable to all properties.

**BUILDER’S RISK**

Builder’s Risk Insurance shall be provided for all properties with construction activity. Insurance can be waived if permanent property insurance coverage includes construction activities.

Coverage required shall be:

- “Risks of direct physical loss”
- Agreed Amount.
- Non-Reporting, completed value form.
- 100% of the replacement value of the completed project.
- Cover all buildings machinery, equipment, supplies, temporary structures and all other property of any nature which is to be used in fabrication, erection, installation and completion of the project until it is completed and accepted by the Owner.
- Cover “resulting” loss or damage, the expense for debris removal and provide permission by the insurer for occupancy and use of the premises.
- Maximum deductible up to $10,000.

If in Flood Zone A, V or D, flood coverage must be provided either with Builder’s Risk policy or separate flood insurance.

**GENERAL CONTRACTOR**

General Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

The General Contractor shall provide Commercial General Liability insurance covering claims arising out of Contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, and “XCU” property when appropriate. The amount of liability insurance shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage. Automobile liability coverage (including coverage for liability assumed under any contract in the minimum amount of $1,000,000), and Workers’ Compensation and Employers’ Liability coverage (per statutory requirements by applicable law with a minimum floor of $500,000).
PRIME CONTRACTORS

Prime Contractor Liability Insurance and Workmen’s Compensation Insurance shall be provided for all properties under construction.

Coverage required:

1. Each prime contractor (other than the General Contractor) having a direct contract with the lower tier Partnership shall maintain Commercial General Liability insurance covering claims for bodily injury and property damage arising out of (i) contractor’s operations, independent contractors, products/completed operations with broad form property damage, liability assumed under contract on a broad form blanket basis, “xcu” property damage if hazard exists.
   The amount of liability insurance including Umbrella Liability shall be no less than $1,000,000 per occurrence and $2,000,000 including Umbrella/Excess Liability coverage.

2. Automobile Liability (including coverage for liability assumed under contract with a minimum coverage of $1,000,000).

3. Workers’ Compensation and Employers’ Liability (per statutory requirements by applicable law with a minimum floor of $500,000).

ARCHITECT

Architects and Engineers Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $300,000.

ENVIRONMENTAL CONSULTANT

Environmental Consultant’s Professional Liability (Errors and Omissions) insurance shall be provided covering each professional entity for an amount not less than $2,000,000.
Attached are the Financial Projections dated May 15, 2017 that are hereby approved by the General Partner and the Investor Limited Partner and are comprised of the following schedules:

**CASH FLOW FLOOR**
Greens Parkway Partners, LP - Montgomery Pines

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## Projected Return

**Greens Parkway Partner, LP - Montgomery Pines**

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<th>Distribution of Sales Proceeds</th>
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Projected Return 12.25%
### Projected Return

**Greens Parkway Partner, LP - Montgomery Pines**

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Total: (2,495,387) 4,490,556 944,313 2,939,482

**Projected Return** 12.25%
This GENERAL PARTNER PLEDGE AND SECURITY AGREEMENT (this “Agreement”), made as of May 15, 2017, by ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas (“Pledgor”), having an office at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804, for the benefit of Raymond James Preservation Opportunities Fund III L.L.C., a Florida limited liability company (the “Investor Limited Partner”) its successors and/or assigns, (“Pledgee”), having an office at 880 Carillon Parkway, St. Petersburg, Florida 33716.

Recitals

WHEREAS, Pledgor is the General Partner in Greens Parkway Partners LP, a Texas limited partnership (the “Partnership”), and the Partnership is governed by its Second Amended and Restated Agreement of Limited Partnership dated as of even date herewith (the “Partnership Agreement”) (capitalized terms not otherwise defined herein shall have the definitions given them in the Partnership Agreement).

WHEREAS, Pledgee is a limited partner of the Partnership; and

WHEREAS, in order to secure the full payment and performance by Pledgor of all of Pledgor’s obligations, duties, expenses and liabilities under or in connection with the Partnership Agreement as such Partnership Agreement may be now or hereafter amended, modified or restated (such obligations, duties, expenses and liabilities under and in connection with the Partnership Agreement and all other sums of any kind which may or shall become due thereunder are collectively referred to herein as the “Obligations”), Pledgor is entering into this Agreement for the benefit of Pledgee.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree as follows:

1. Definitions.
   (a) “Collateral” shall mean:

   (i) All of Pledgor’s right, title and interest in the Partnership, whether now owned or hereafter acquired, including, without limitation, its partnership interest in the Partnership and its right to receive distributions, allocations and payments under the Partnership Agreement, as such Partnership Agreement may be modified from time to time with the consent of the Pledgee;

   (ii) All fees and charges to be paid by the Partnership to the Pledgor, whether now owned or hereafter acquired, whether arising under the Partnership Agreement or otherwise;

   (iii) All indebtedness of the Partnership to Pledgor of any kind or description, including without limitation, Pledgor’s right to receive payment of Partners Loans or other loans to the Partnership;

   (iv) All products and proceeds, whether cash proceeds or noncash proceeds, and products of any and all of the foregoing.
(b) “Event of Default” shall mean an event of default described in Paragraph 8 herein.

2. Pledge of Collateral and Grant of Security Interest. Pledgor does hereby unconditionally and irrevocably assign, pledge, convey, transfer, deliver, set over and grant unto Pledgee, its successors and assigns, as security for Pledgor’s complete and timely payment and performance of the Obligations, a continuing first priority security interest under the Uniform Commercial Code of the State of Missouri in the Collateral. Pledgor hereby further grants to the Pledgee all rights in the Collateral as are available to a secured party of such collateral under the Uniform Commercial Code of the State of Missouri³ (being the principal place of business of Pledgor and the location of Pledgor’s chief executive office) and, concurrently herewith, shall deliver to Pledgee UCC-1 Financing Statements suitable for filing in the State of Missouri with respect to the Collateral and agrees, upon request, to deliver any other documents which Pledgee may reasonably request with respect thereto.

3. Delivery to Pledgee.

(a) Pledgor agrees to execute and to cause all other necessary parties, and any successors and assigns thereof, to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effect the conveyance, transfer, and grant to Pledgee of each and all of Pledgor’s right, title and interest in and to the Collateral as security for the Obligations.

(b) If required by Pledgee, Pledgor agrees and covenants to execute an amendment to the Partnership Agreement in such form as Pledgee may require to reflect the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership. Pledgor further agrees to execute and to cause the other partners of the Partnership (other than the Pledgee) to execute and deliver to Pledgee such other agreements, instruments and documentation as Pledgee may reasonably request from time to time to effectuate the conveyance, transfer, assignment and grant to Pledgee of all of Pledgor’s right, title and interest in and to the Collateral and to evidence the substitution of the Pledgee in place of Pledgor as a General Partner in the Partnership.

4. Proceeds and Products of the Collateral.

(a) Unless and until there occurs an Event of Default, Pledgee agrees to forbear in exercising its right to receive all benefits pertaining to the Collateral, and the Pledgor shall be permitted to exercise all rights and to receive all benefits of the Collateral, including, without limitation, the right to exercise all voting, approval, consent and similar rights of Pledgor pertaining to the Collateral, payments due under, proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral and retain and enjoy the same, provided, however, that Pledgor shall not cast any vote or give any approval, consent, waiver or ratification or take any action which would be inconsistent with or violate any provision of this Agreement.

(b) Pledgor acknowledges and agrees with the Pledgee, that, unless Pledgee otherwise consents, in Pledgee’s sole discretion, Pledgor shall not exercise any voting, approval, consent or other rights with respect to the Collateral at any time after (i) the occurrence of an Event of Default, and (ii) delivery of Notice from the Pledgee instructing Pledgor not to exercise any such voting, approval, consent or other rights with respect to the Collateral; provided, however, that Pledgor shall exercise any such right it may have under the Partnership Agreement with respect to the business affairs of the Partnership as is reasonably necessary to protect and preserve the Collateral.

³ Use caution that the state designated here is the state of formation of the Pledgor.
Upon or at any time after the occurrence of an Event of Default, Pledgee, at its option to be exercised in its sole discretion, may exercise all rights and remedies granted under this Agreement, including, without limitation, the right to require the obligors under the Collateral to make all payments due under and to pay all proceeds, whether cash proceeds or noncash proceeds, and products of the Collateral to Pledgee. Upon the giving of any such Notice, the security constituted by this Agreement shall become immediately enforceable by the Pledgee, without any presentment, further demand, protest or other notice of any kind, all of which are hereby expressly and irrevocably waived by Pledgor. Pledgor hereby authorizes and directs each respective obligor under the agreements constituting the Collateral, that upon receipt of Notice from Pledgee of an Event of Default by Pledgor hereunder, to assign, set over, transfer, distribute, pay and deliver any and all Collateral or said payments, proceeds or products of the Collateral to Pledgee, at such address as Pledgee may direct, at such time and in such manner as Collateral and such payments, proceeds and products of the Collateral would otherwise be distributed, transferred, paid or delivered to Pledgor. The respective obligors under the agreements constituting the Collateral shall be entitled to conclusively rely on such Notice and make all such assignments and transfers of the Collateral and all such payments with respect to the Collateral and pay all such proceeds and products of the Collateral to Pledgee and shall have no liability to Pledgor for any loss or damage Pledgor may incur by reason of said reliance.

5. No Assumption. Notwithstanding any of the foregoing, whether or not an Event of Default shall have occurred, and whether or not Pledgee elects to foreclose on its security interest in the Collateral as set forth herein, neither the execution of this Agreement, receipt by Pledgee of any of Pledgor’s right, title and interest in and to the Collateral and the payments, proceeds and products of the Collateral, nor Pledgee’s foreclosure of its security interest in the Collateral, shall in any way be deemed to obligate Pledgee to assume any of Pledgor’s obligations, duties, expenses or liabilities under the Collateral or any agreements constituting the Collateral, as presently existing or as hereafter amended, or under any and all other agreements now existing or hereafter drafted or executed (collectively, the “Pledgor’s Liabilities”), unless Pledgee otherwise agrees to assume any or all of Pledgor’s Liabilities in writing. In the event of foreclosure by Pledgee of its security interest in the Collateral, Pledgor shall remain bound and obligated to perform its Pledgor’s Liabilities and Pledgee shall not be deemed to have assumed any of Pledgor’s Liabilities, except as provided in the preceding sentence. In the event the entity or person acquiring the Collateral at a foreclosure sale elects to assume Pledgor’s Liabilities, such assignee shall agree to be bound by the terms and provisions of the applicable agreement.

6. Indemnification. Pledgor hereby agrees to indemnify, defend and hold Pledgee, its successors and assigns harmless from and against any and all damages, losses, claims, costs or expenses (including reasonable attorneys’ fees) and any other liabilities whatsoever that Pledgee or its successors or assigns may incur by reason of this Agreement or by reason of any assignment of Pledgor’s right, title and interest in and to any or all of the Collateral.

7. Representations; Warranties and Covenants. In addition to the representations made by Pledgor in the Partnership Agreement, Pledgor makes the following representations and warranties, which shall be deemed to be continuing representations and warranties in favor of Pledgee, and covenants and agrees to perform all acts necessary to maintain the truth and correctness, in all material respects, of the following:

(a) Pledgor owns the Collateral free and clear of any claim, lien or encumbrance.

(b) Pledgor has delivered to Pledgee true and complete copies of the Partnership Agreement, and any other agreements pertinent to the Collateral, and such agreements are currently in full force and effect and have not been amended or modified except as disclosed to Pledgee in writing.
(c) Pledgor has the full right and title to its interest in the Collateral and has the full power, legal right and authority to pledge, convey, transfer and assign such interest. None of the Collateral is subject to any existing or subsequent assignment, claim, lien, pledge, transfer or other security interest of any character, or to any attachment, levy, garnishment or other judicial process or to any claim for set-off, counterclaim, deduction or discount. Pledgor shall not, without the prior written consent of Pledgee, which consent may be granted or denied in Pledgee’s sole reasonable discretion, further convey, transfer, set over or pledge to any party any of its interests in the Collateral. Pledgor agrees to (i) warrant and defend its title to the Collateral and the security interest created by this Agreement against all claims of all persons (other than Pledgee and persons claiming through Pledgee), and (ii) maintain and preserve the Collateral and such security interests.

(d) Pledgor ZP Montgomery Pines Housing, LLC’s Employer Identification Number is 81-2832445, and its principal place of business is located at 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

(e) Pledgor agrees that it shall not, without at least 30 days’ prior Notice to Pledgee, move or otherwise change its principal place of business.

(f) Pledgor shall not exercise any voting rights, or give any approvals, consents waiver or other ratifications in respect to the Collateral which would violate or contravene, or which would cause or otherwise authorize Pledgor to violate or contravene, any provision of this Agreement.

8. Event of Default. Each of the following shall constitute an Event of Default hereunder:

(a) An Event of Default that is grounds for removal under Section 9.04 of the Partnership Agreement, and such default shall not have been cured within any applicable cure period provided therein; or

(b) Any warranty, representation or statement of the Pledgor in this Agreement proves to have been false in any material respect when made or furnished; or

(c) There occurs the issuance of a writ, order of attachment or garnishment with respect to any of the Collateral and such writ, order of attachment or garnishment is not dismissed and removed within 15 days thereafter; or

(d) A material breach or violation of any covenant or agreement contained herein shall have occurred, which is not cured within 10 days after Notice has been given to Pledgor by Pledgee.

Any Event of Default under this Agreement shall be an Event of Default by Pledgor under the Partnership Agreement.

9. Remedies.

(a) Upon the occurrence of an Event of Default, Pledgee may by giving Notice of such Event of Default, at its option, do any one or more of the following:

(i) Declare all of the Obligations secured hereby to be immediately due and payable, whereupon all unpaid principal and interest on said Obligations and other amounts declared due and payable shall become immediately due and payable without presentment, demand, protest or notice of any kind; and
(ii) Take possession of all or any of the Collateral, collect, and apply against the Obligations, all payments due, proceeds, whether cash proceeds or noncash proceeds, and products from any obligor under the agreements constituting the Collateral, that would otherwise be paid to the Pledgor; and

(iii) Either personally, or by means of a court-appointed receiver, take possession of all or any of the Collateral and exclude therefrom Pledgor and all others claiming under Pledgor, and thereafter exercise all rights and powers of Pledgor with respect to the Collateral or any part thereof. In the event Pledgee demands, or attempts to take possession of any of the Collateral in the exercise of any rights under this Agreement, Pledgor promises and agrees to promptly turn over and deliver complete possession thereof to Pledgee; and

(iv) Without Notice to or demand upon Pledgor, make such payments and do such acts as Pledgee may deem necessary to protect its security interest in the Collateral, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder, and in exercising any such powers or authority to pay all expenses incurred in connection therewith; and

(v) Require Pledgor to take all reasonable actions necessary to deliver such Collateral to Pledgee, or an agent or representative designated by it. Pledgee, and its agents and representatives, shall have the right to enter upon any or all of Pledgor’s premises and property to exercise Pledgee’s rights hereunder; and

(vi) Foreclose upon this Agreement as herein provided or in any manner permitted by law, and exercise any and all of the rights and remedies conferred upon Pledgee by the Partnership Agreement, or in any other document executed by Pledgor in connection with the Obligations secured hereby, either concurrently or in such order as Pledgee may determine; and sell or cause to be sold in such order as Pledgee may determine, as a whole or in such parcels as Pledgee may determine, the Collateral, without affecting in any way the rights or remedies to which Pledgee may be entitled under the other such instruments; and

(vii) Sell or otherwise dispose of the Collateral at public sale, without having the Collateral at the place of sale, and upon terms and in such manner as Pledgee may determine. Pledgee may be a purchaser at any sale; and

(viii) Exercise any remedies of a secured party under the Uniform Commercial Code of the State of Missouri or any other applicable law; and

(ix) Exercise any remedies available to Pledgee under the Partnership Agreement, including, but not limited to, the removal of the Pledgor as a General Partner of the Partnership and exercise of any rights of offset in favor of the Pledgee as a General Partner of the Partnership; and

(x) Notwithstanding anything to the contrary contained in this Agreement at any time after an Event of Default, the Pledgee may, by delivering Notice to the Partnership and to the Pledgor, succeed, or designate its nominee or designee to succeed, to all right, title and interest of Pledgor (including, without limitation, the right, if any, to vote on or take any action with respect to Partnership matters) as a General Partner of the Partnership in respect of the Collateral. The Pledgor hereby irrevocably authorizes and directs the Partnership on receipt of any such Notice (a) to deem and treat the Pledgee or such nominee or designee in all respects as a General Partner (and not merely an assignee of a General Partner) of the Partnership, entitled to
exercise all the rights, powers and privileges (including the right to vote on or take any action with respect to Partnership matters pursuant to the Partnership Agreement, to receive all distributions, to be credited with the capital account and to have all other rights, powers and privileges appertaining to the Collateral to which Pledgor would have been entitled had the Collateral not been transferred to the Pledgee or such nominee or designee), and (b) to file an amended certificate of limited partnership, if required, admitting the Pledgee or such nominee or designee as General Partner of the Partnership in place of Pledgor; and

(xi) The rights granted to the Pledgee under this Agreement are of a special, unique, unusual and extraordinary character. The loss of any of such rights cannot reasonably or adequately be compensated by way of damages in any action at law, and any material breach not otherwise cured by Pledgor of any of Pledgor’s covenants, agreements or obligations under this Agreement will cause the Pledgee irreparable injury and damage. In the event of any such breach, the Pledgee shall be entitled, as a matter of right, to injunctive relief or other equitable relief in any court of competent jurisdiction to prevent the violation or contravention of any of the provisions of this Agreement or to compel compliance with the terms of this Agreement by Pledgor. The Pledgee is absolutely and irrevocably authorized and empowered by Pledgor to demand specific performance of each of the covenants and agreements of Pledgor in this Agreement. Pledgor hereby irrevocably waives any defense based on the adequacy of any remedy at law which might otherwise be asserted by Pledgor as a bar to the remedy of specific performance in any action brought by the Pledgee against Pledgor to enforce any of the covenants or agreements of Pledgor in this Agreement.

(b) Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Pledgee shall give Pledgor at least 10 days’ prior Notice of the time and place of any public sale of the Collateral subject to this Agreement or other intended disposition thereof to be made. Such Notice shall be conclusively deemed to have been delivered to Pledgor at the address set forth in paragraph 7(d) of this Agreement, unless Pledgor shall notify Pledgee in writing of its change of its principal place of business and provide Pledgee with the address of its new principal place of business.

(c) The proceeds of any sale under Subparagraphs 9(a)(vi) and (vii) above shall be applied as follows:

(i) To the repayment of the costs and expenses of retaking, holding and preparing for the sale and the selling of the Collateral (including actual legal expenses and attorneys’ fees) and the discharge of all assessments, encumbrances, charges or liens, if any, on the Collateral prior to the lien hereof (except any taxes, assessments, encumbrances, charges or liens subject to which such sale shall have been made);

(ii) To the payment of the whole amount then due and unpaid of the Obligations;

(iii) To the payment of all other amounts then secured hereby; and

(iv) The aggregate surplus, if any, shall be paid to Pledgor in a lump sum, without recourse to Pledgee, or as a court or competent jurisdiction may direct.

(d) Pledgee shall have the right to enforce one or more remedies hereunder under this Agreement and under the Partnership Agreement, successively or concurrently, and such action shall not operate to estop or prevent Pledgee from pursuing any further remedy which it may have, and any
repossession or retaking or sale of the Collateral pursuant to the terms hereof shall not operate to release Pledgor until full payment of any deficiency has been made in cash.

(e) PLEDGOR ACKNOWLEDGES THAT PLEDGEE MAY BE UNABLE TO EFFECT A PUBLIC SALE OF ALL OR ANY PART OF THE COLLATERAL AND MAY BE COMPELLED TO RESORT TO ONE OR MORE PRIVATE SALES TO A RESTRICTED GROUP OF PURCHASERS WHO WILL BE OBLIGATED TO AGREE, AMONG OTHER THINGS, TO ACQUIRE THE COLLATERAL FOR THEIR OWN ACCOUNT, FOR INVESTMENT AND NOT WITH A VIEW TO THE DISTRIBUTION OR RESALE THEREOF. PLEDGOR FURTHER ACKNOWLEDGES THAT ANY SUCH PRIVATE SALES MAY BE AT PRICES AND ON TERMS LESS FAVORABLE THAN THOSE OF PUBLIC SALES, AND AGREES THAT SUCH PRIVATE SALES SHALL BE DEEMED TO HAVE BEEN MADE IN A COMMERCIALLY REASONABLE MANNER AND THAT PLEDGEE HAS NO OBLIGATION TO DELAY SALE OF ANY COLLATERAL TO PERMIT THE ISSUER THEREOF TO REGISTER IT FOR PUBLIC SALE UNDER THE SECURITIES ACT OF 1933. PLEDGOR AGREES THAT PLEDGEE SHALL BE PERMITTED TO TAKE SUCH ACTIONS AS PLEDGEE DEEMS REASONABLY NECESSARY IN DISPOSING OF THE COLLATERAL TO AVOID CONDUCTING A PUBLIC DISTRIBUTION OF SECURITIES IN VIOLATION OF THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE, AS NOW ENACTED OR AS THE SAME MAY IN THE FUTURE BE AMENDED, AND ACKNOWLEDGES THAT ANY SUCH ACTIONS SHALL BE COMMERCIALLY REASONABLE. IN ADDITION, PLEDGOR AGREES TO EXECUTE, FROM TIME TO TIME, ANY AMENDMENT TO THIS AGREEMENT OR OTHER DOCUMENT AS PLEDGEE MAY REASONABLY REQUIRE TO EVIDENCE THE ACKNOWLEDGMENTS AND CONSENTS OF PLEDGOR SET FORTH IN THIS PARAGRAPH.

10. Attorneys Fees. Pledgor agrees to pay to Pledgee, without demand, reasonable and actual attorneys’ fees and all costs and other expenses which Pledgee expends or incurs in collecting any amounts payable by Pledgor hereunder or in enforcing this Agreement against Pledgor whether or not suit is filed.

11. Further Documentation. Pledgor hereby agrees to execute, from time to time, one or more financing statements and such other instruments as may be required to perfect the security interest created hereby, including any continuation or amendments of such financing statements, and pay the cost of filing or recording the same in the public records specified by Pledgee.

12. Waiver and Estoppel. Pledgor represents and acknowledges that it knowingly waives each and every one of the following rights, and agrees that it will be estopped from asserting any argument to the contrary: (a) any promptness in making any claim or demand hereunder; (b) any defense that may arise by reason of the incapacity, lack of authority, death or disability of Pledgor or the failure to file or enforce a claim against Pledgor’s estate (in administration, bankruptcy or any other proceeding); (c) any defense based upon an election of remedies by Pledgee which destroys or otherwise impairs any or all of the Collateral; (d) the right of Pledgor to proceed against Pledgee or any other person, for reimbursement; and (e) all duty or obligation of the Pledgee to perfect, protect, retain or enforce any security for the payment of amounts payable by Pledgor hereunder.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY TO THIS AGREEMENT SEVERALLY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM BROUGHT BY ANY PARTY TO THIS AGREEMENT ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THIS AGREEMENT.
No delay or failure on the part of Pledgee in the exercise of any right or remedy against Pledgor or any other party against whom Pledgee may have any rights, shall operate as a waiver of any agreement or obligation contained herein, and no single or partial exercise by Pledgee of any rights or remedies hereunder shall preclude other or further exercise thereof or other exercise of any other right or remedy whether contained in this Agreement or in any of the other documents regarding the Obligations, including without limitation the Partnership Agreement. No waiver of the rights of Pledgee hereunder or in connection herewith and no release of Pledgor shall be effective unless in writing executed by Pledgee. No actions of Pledgee permitted under this Agreement shall in any way impair or affect the enforceability of any agreement or obligation contained herein.

13. Independent Obligations. The obligations of Pledgor are independent of the obligations of any other party which may be initially or otherwise responsible for performance or payment of the Obligations, and a separate action or actions for payment, damages or performance may be brought and prosecuted by Pledgee against Pledgor, individually, for the full amount of the Obligations then due and payable, whether or not an action is brought against any other party, whether or not the Pledgee is involved in any proceedings and whether or not the Pledgee or the Pledgor or other person is joined in any action or proceedings.

14. No Offset Rights of Pledgor. No lawful act of commission or omission of any kind or at any time upon the part of Pledgor shall in any way affect or impair the rights of the Pledgee to enforce any right, power or benefit under this Agreement, and no set-off recoupment, counterclaim, claim, reduction or diminution of any obligation or any defense of any kind or nature which Pledgor has or may have against Pledgee or against any other party shall be available against Pledgee in any suit or action brought by Pledgee to enforce any right, power or benefit under this Agreement.

15. Power of Attorney. Pledgor hereby appoints Pledgee as its attorney-in-fact to execute and file, effective upon the occurrence of an Event of Default, on its behalf any financing statements, continuation statements or other documentation required to perfect or continue the security interest created hereby. This power, being coupled with an interest, shall be irrevocable until all amounts secured hereby have been paid, satisfied and discharged in full. Pledgor acknowledges and agrees that the exercise by Pledgee of its rights under this Paragraph 15 will not be deemed a satisfaction of any amounts owed Pledgee unless Pledgee so elects.

16. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY, AND ALL CLAIMS RELATING TO OR ARISING OUT OF THIS AGREEMENT, OR THE BREACH THEREOF, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, SHALL LIKELY BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CHOICE OF LAWS PROVISION THAT WOULD CAUSE THE LAW OF ANOTHER JURISDICTION TO APPLY. SUCH PARTIES FURTHER AGREE THAT IN THE EVENT OF DEFAULT, THIS AGREEMENT MAY BE ENFORCED IN ANY COURT OF COMPETENT JURISDICTION IN THE STATE OF TEXAS AND THEY DO HEREBY SUBMIT TO THE JURISDICTION OF ANY AND ALL SUCH COURT REGARDLESS OF THEIR RESIDENCE OR WHERE THIS AGREEMENT MAY BE EXECUTED.

17. Successors and Assigns. All agreements, covenants, conditions and provisions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto.
18. **Notices.** Whenever any party hereto shall desire to, or be required to, give or serve any notice, demand, request or other communication with respect to this Agreement, each such notice, demand, request or communication shall be in writing and shall be effective only if the same is delivered by personal service (including, without limitation, courier or express service) or mailed certified or registered mail, postage prepaid, return receipt requested, or sent by email to the parties at the addresses shown throughout this Agreement (with confirmation of receipt) or such other addresses which the parties may provide to one another in accordance herewith. If notice is sent to Pledgee, a copy of such notice shall also be given to Pledgee’s counsel, Nuyen, Tomtishen and Aoun, P.C., 2001 Commonwealth Blvd, Suite 300, Ann Arbor, Michigan 48105, Attention: Brad M. Tomtishen, bmt@ntalaw.com. If notice is sent to Pledgor, a copy of such notice shall also be given to Pledgor’s counsel, Cynthia Bast, Locke Lord LLP, 600 Congress Avenue, Suite 2200, Austin, Texas 78701 (Email Address: clbast@lockelord.com).

Notices delivered personally will be effective upon delivery to an authorized representative of the party at the designated address; Notices sent by mail in accordance with the above paragraph will be effective upon execution by the addressee of the Return Receipt Requested.

19. **Consent of Pledgor.** Pledgor consents to the exercise by Pledgee of any rights of Pledgor in accordance with the provisions of this Agreement.

20. **Severability.** Every provision of this Agreement is intended to be severable. In the event any term or provision hereof is declared by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the legality or validity of the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable.

21. **Amendment.** This Agreement may be modified or rescinded only by a writing expressly relating to this Agreement and signed by all of the parties.

22. **Termination.** This Agreement shall terminate, and shall be of no further force or effect, and the Collateral shall be released from any lien hereunder, upon the earlier to occur of the performance in full of the Obligations of the Pledgor or upon the mutual written consent of Pledgor and the Pledgee. Pledgor and Pledgee shall cooperate in the preparation and filing of all required documents to terminate all UCC-1s that have been filed with respect to the security interest under this Agreement.

23. **Expenses.** Pledgor shall pay all reasonable out-of-pocket fees and charges incurred by Pledgee in connection with this Agreement and the transaction contemplated by this Agreement and the documents entered into in connection therewith, including, without limitation, reasonable attorneys’ fees incurred by Pledgee.

[signature page follows]
IN WITNESS WHEREOF, the undersigned Pledgor has executed this General Partner Pledge and Security Agreement as of the date first above written.

PLEDGOR

ZP Montgomery Pines Housing, LLC,
a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC
   a Missouri limited liability company
   Its: Sole Member

By: Zimmerman Investments, LLC
   a Missouri limited liability company
   Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
   Its: Managing Member

Email: vzimmerman@wilhoitproperties.com

STATE OF MISSOURI )
COUNTY OF Greene ) ss.

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Montgomery Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the execution of the foregoing instrument.

Witness my hand and notarial seal this 10th day of May, 2017.

[Signature]
Notary Public

My commission expires: __________________________
EXHIBIT F
QUARTERLY GENERAL PARTNER CERTIFICATE

Partnership Name: Greens Parkway Partners LP

City/State: Porter, Montgomery County, Texas

For the Projects listed on the attached schedule,

_____ Yes - All of the statements listed below are true and correct.

_____ No - One or more of the statements listed below are not true and correct

If I have checked "No," I have attached a schedule stating which Project and which statement is not true and correct and describing the action the General Partner is taking, or has taken, to remedy the situation.

1. There are no significant conditions that threaten the continued successful operation of the Project – e.g., operational, physical or financial issues, casualty loss, Form 8823’s or other notices of non-compliance, delinquent real estate or other taxes, policies of insurance not being in full force and effect, receipt of notice of cancellation or non-renewal of any Project insurance policy, etc.

2. The Project is in material compliance with the provisions of the Extended Use Agreement, any Regulatory Agreement, Section 42 requirements, and tenant set asides for specific groups.

3. The Partnership is not in default under any loan, loan agreement, or any other material agreement, including any agreement with any Authority.

4. No material legal action has been instituted or threatened against either the Partnership, or a General Partner.

5. There has been no change in the financial condition of a General Partner that would adversely affect its ability to fulfill its obligations to the Partnership.

6. Neither the Partnership, a General Partner, nor any Affiliate of a General Partner has received notice that he or it is the subject of an investigation by any federal or state agency having jurisdiction over the Project.

7. The Partnership does not own, and has not owned, any financial asset other than Permitted Temporary Investments.
ZP Montgomery Pines Housing, LLC, a Missouri limited liability company authorized to transact business in Texas

By: Zimmerman Properties, LLC, a Missouri limited liability company
Its: Sole Member

By: Zimmerman Investments, LLC, a Missouri limited liability company
Its: Sole Member

By: Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
Its: Managing Member

Dated: __________________________
EXHIBIT G

AFFIDAVIT OF NON-FOREIGN STATUS
(Entity General Partner/Investor Limited Partner)
AFFIDAVIT OF NON-FOREIGN STATUS
(�ntity General Partner/Parcel Limited Partner)

Section 1445 of the Internal Revenue Code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign person. To inform the transferee (buyer) that withholding of tax is not required upon the disposition of a U.S. real property interest by Greens Parkway Partners LP, a Texas limited partnership, the undersigned hereby certifies the following on behalf of ZP Montgomery Pines Housing, LLC (the “Company”):

1. He is the Trustee of the Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated, which is the Managing Member of Zimmerman Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman Properties, LLC, a Missouri limited liability company, which is the Sole Member of the Company.

2. The Company 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).

3. The Company’s U.S. employer identification number is 81-2832445.

4. The Company’s office address is: 1730 E. Republic Road, Suite F, Springfield, Missouri 65804.

5. The address or description of the property is: See Exhibit “A” attached hereto and made a part hereof.

The undersigned 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 the Company.

[signature on following page]
ZP Montgomery Pines Housing, LLC
a Missouri limited liability company authorized to
transact business in Texas

By: Zimmerman Properties, LLC
    a Missouri limited liability company
    Its: Sole Member

By: Zimmerman Investments, LLC
    a Missouri limited liability company
    Its: Sole Member

By: [Signature]
    Vaughn C. Zimmerman, Trustee of Vaughn C. Zimmerman Revocable Trust dated May 5, 1995, as restated
    Its: Managing Member

Dated: 5-10-17

STATE OF MISSOURI                      )
    ) ss.
COUNTY OF Greene                      )

Before me, the undersigned Notary Public in the aforesaid County and State, personally appeared
Vaughn C. Zimmerman, in his capacity as Trustee of the Vaughn C. Zimmerman Revocable Trust Under
Trust Agreement dated May 5, 1995, as restated, which is the Managing Member of Zimmerman
Investments, LLC, a Missouri limited liability company, which is the Sole Member of Zimmerman
Properties, LLC, a Missouri limited liability company, which is the Sole Member of ZP Montgomery
Pines Housing, LLC, a Missouri limited liability company, and being duly sworn, acknowledged the
execution of the foregoing instrument.

Witness my hand and notarial seal this 10th day of May, 2017.

[Notary Seal]

My commission expires July 27, 2019

G-2
ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program)

Describe and attach the request made by the Applicant or Affiliate to the Third Party asking for consent:

__________________________________________________________________________________

ATTACH PDF OF THE REQUEST FROM THE APPLICANT OR AFFILIATE TO THE THIRD PARTY BEHIND THIS PAGE.
February 14, 2019

Elaisa Trendleman
Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716

RE: Section 811

Ms. Trendleman,

VCZ Development, LLC will be submitting the following applications to the Texas Department of Housing and Community Affairs (TDHCA) for consideration for Low Income Housing Tax Credits:

- ZP Redwood Apartments, LP located in Dumas, TX.
- Amber Ridge Apartments, LP located in Angleton, TX.
- Pinewood Crossing Apartments, LP located in San Antonio, TX.
- Carver Ridge Apartments, LP located in Midland, TX.

In order to score maximum points, TDHCA requires the applicant to set aside units in the Section 811 PRA program. Raymond James is the investor the following developments listed on TDHCA’s list of Qualified Existing Developments:

- Riverstone Trails
- Atascocita Pines
- Chisholm Trails
- Montgomery Pines

If any of the above developments are awarded, VCZ Development, LLC requests Raymond James approval to set aside units in the existing developments.

Thank you,

Vaughn Zimmerman
Managing Member
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(iii)

2019 Uniform Multifamily Application #19100

Existing Development Name: Montgomery Pines

iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party that they are denying an Existing Development from participation).

Describe and attach the response from the Third Party that was received by the Applicant or Owner that reflects their decision not to provide the requested consent:
The limited partner investor met and discussed the Section 811 request, and then sent the attached resolution stating they were declining adding additional Section 811 units to Montgomery Pines.

ATTACH PDF OF THE RESPONSE FROM THE THIRD PARTY THAT REFLECTS THEIR DECISION TO DENY THE REQUESTED CONSENT BEHIND THIS PAGE.
CERTIFICATION OF ALL THE PARTNERS OF GREENS PARKWAY PARTNERS LP

The undersigned, being all the partners of Greens Parkway Partners, LP, a Texas limited partnership, (the "Partnership") do hereby certify to Texas Department of Housing and Community Affairs ("TDHCA") the following:

Greens Parkway Partners, LP does hereby certify that we have received a request from TDHCA to set aside additional units in the Section 811 PRA Program in Montgomery Pines Apartments.

Greens Parkway Partners, LP does hereby certify that we have reviewed the Section 811 PRA Program Guidelines required by TDHCA.

Greens Parkway Partners, LP does hereby certify that we do not consent to additional Section 811 units in Montgomery Pines Apartments.

IN WITNESS WHEREOF, each of the undersigned partners have set their hands effective as of this ___ day of February, 2019.

General Partner:

ZP Montgomery Pines Housing, LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its Sole Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its Sole Member
By: 

Vaughn c. Zimmerman, Trustee of the Vaughn C. Zimmerman
Revocable Trust U/A dated May 5, 1995, as restated, its Managing Member

Investor Limited Partner:

Raymond James Preservation Opportunities Fund III L.L.C.,
a Florida limited liability company

By: RJPOF III L.L.C., a Florida limited liability company,
    its Managing Member
    Multi Family Finance
By: Raymond James Tax Credit Funds, Inc., a Florida corporation,
    its Sole Member/Manager
By: 

Steven J. Kropl, President
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Introduction

The purpose of this Packet is to formalize the process by which an Applicant establishes its lack of legal authority to commit Section 811 PRA Program Units in a Development as described pursuant to 10 TAC §11.9(c)(6)(A) of the Qualified Allocation Plan ("QAP").

This Packet is required only if all of the following conditions are true:

1) An Applicant is selecting points under Tenant Populations with Special Housing Needs pursuant to 10 TAC §11.9(c)(6) AND

2) An Applicant is seeking to establish its lack of legal authority where an Applicant or Affiliate Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of the QAP.

One Packet must be submitted for each Existing Development for which the Applicant or Affiliate is seeking a determination that the needed legal authority is lacking and that the Development can be excluded from consideration.

Instructions: Complete the Questionnaire on page 2 of this packet, then complete the fields on each of the subsequent form cover pages, and attach the denoted documentation for each item behind each included cover pages. Submit each Packet, including Attachments in PDF format and include bookmarks for each item. The Packet must be saved and uploaded as one standalone file to the Serv-U folder associated with each 2019 Multifamily Application.

This Packet and all supporting documentation must be uploaded to the Department’s Serv-U system at the same time as, but as a separate document from, the Application. Refer to the Multifamily Programs Procedures Manual posted at http://www.tdhca.state.tx.us/multifamily/applyfunds.htm for an explanation of the process to set-up a Serv-U Account if needed.

Questions about this Packet may be submitted to Spencer Duran: spencer.duran@tdhca.state.tx.us
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Questionnaire

2019 Uniform Multifamily Application #19100

1) Selecting Points under 10 TAC §11.9(c)(6)?
   ☐ No – STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 2

2) To obtain Points under 10 TAC §11.9(c)(6), Applicants must first attempt to meet the requirements in §11.9(c)(6)(B).
   Does the Applicant Own or Control and Existing Development that appears on the List of Qualified Existing Developments?
   ☐ No – STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 3

3) Is the Applicant seeking to establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that appears on the List of Qualified Existing Developments?
   ☐ No - STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO QUESTION 4

4) Can the Applicant provide all three of the following items listed under §11.9(c)(6)(A)(i)-(iii)?
   ☐ No - STOP. PACKET SUBMISSION NOT NEEDED
   ☑ Yes – CONTINUE TO COVER PAGES

   (i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement);

   (ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program); AND

   (iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party identified in (ii) that they are denying an Existing Development from participation).
Section 811 Project Rental Assistance (“PRA”) Program Supplement Packet

Legal Right to Withhold Cover Page §11.9(c)(6)(A)(i)

2019 Uniform Multifamily Application #19100

Existing Development Name Riverstone Trails

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement)

Describe the specific legally enforceable agreement being attached: Limited Partnership Agreement

Provide the name of the Third Party: Raymond James - Investor Limited Partner

List the specific citation in the agreement that clearly denotes the Third Party has a legal right to withhold consent:

(b) The General Partner shall not, within the Consent of the Investor Limited Parnter.....

(xiv) amend, modify, terminate or renew in any material manner any Project document;

(xv) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the project;

List the page number in the agreement that clearly denotes the Third Party has a legal right to withhold consent: Page 58-30

ATTACH PDF OF THE LEGALLY ENFORCEABLE AGREEMENT BEHIND THIS PAGE.
SUNNYVALE RIVERSTONE TRAILS APARTMENTS, LP

AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

As of December 1, 2012

THE LIMITED PARTNERSHIP INTERESTS EVIDENCED BY THIS AMENDED AND
RESTATED AGREEMENT OF LIMITED PARTNERSHIP (THE "AGREEMENT") HAVE NOT
BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER
THE SECURITIES ACT OF 1933 OR PURSUANT TO APPLICABLE STATE SECURITIES
LAWS. ACCORDINGLY, THE LIMITED PARTNERSHIP INTERESTS CANNOT BE RESOLD
OR TRANSFERRED BY ANY PURCHASER THEREOF WITHOUT REGISTRATION OF THE
SAME UNDER THE ACT AND THE BLUE SKY LAWS OF SUCH STATE(S) AS MAY BE
APPLICABLE, OR IN A TRANSACTION WHICH IS EXEMPT FROM THE REGISTRATION
REQUIREMENTS OF THE ACT AND THE BLUE SKY LAWS OR WHICH IS OTHERWISE IN
COMPLIANCE THEREWITH. IN ADDITION, THE SALE OR TRANSFER OF SUCH
LIMITED PARTNERSHIP INTERESTS IS SUBJECT TO CERTAIN RESTRICTIONS SET
FORTH IN THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, THE
RESTRICTIONS SET FORTH IN ARTICLE X HEREOF.
TABLE OF CONTENTS

ARTICLE I CONTINUATION OF PARTNERSHIP ................................................................................. 1
  1.01 Continuation ......................................................................................................................... 1
  1.02 Name ..................................................................................................................................... 1
  1.03 Principal Executive Offices; Agent for Service of Process ................................................. 2
  1.04 Term ..................................................................................................................................... 2
  1.05 Withdrawal of Withdrawing Limited Partner ........................................................................ 2
  1.06 Admission of Investor Limited Partner and the Special Limited Partner ......................... 2
  1.07 Recording of Certificate ....................................................................................................... 2

ARTICLE II DEFINED TERMS AND RULES OF INTERPRETATION ........................................... 3

ARTICLE III PURPOSE AND BUSINESS OF THE PARTNERSHIP ............................................... 19
  3.01 Purpose of the Partnership .................................................................................................. 19
  3.02 Authority of the Partnership ............................................................................................... 19

ARTICLE IV WARRANTIES AND COVENANTS AND DUTIES AND
OBLIGATIONS OF GENERAL PARTNER ...................................................................................... 20
  4.01 Representations, Warranties and Covenants ...................................................................... 20
  4.02 Duties and Obligations ......................................................................................................... 28

ARTICLE V PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF
THE PARTNERSHIP .......................................................................................................................... 32
  5.01 Partners, Capital Contributions and Interests ....................................................................... 32
  5.02 Return of Capital Contribution ............................................................................................ 45
  5.03 Withholding of Capital Contribution Upon Default .......................................................... 45
  5.04 Pledged Payments ................................................................................................................ 46
  5.05 Repurchase Obligation ......................................................................................................... 46
  5.06 Guaranteed Payments .......................................................................................................... 48
  5.07 Remedies for Default ........................................................................................................... 48

ARTICLE VI CAPITAL ACCOUNTS .................................................................................................. 50
  6.01 Capital Accounts .................................................................................................................. 50

ARTICLE VII ALLOCATIONS AND DISTRIBUTIONS ..................................................................... 50
  7.01 Allocation of Profit and Loss and Tax Credits ...................................................................... 50
  7.02 Special Allocations ................................................................................................................ 51
  7.03 Distributions of Net Cash Flow and Net Interim Income .................................................... 52
  7.04 Allocation of Gains and Losses ............................................................................................. 53
  7.05 Distribution of Proceeds from Capital Transactions ............................................................ 53
  7.06 Variation of Allocations to Preserve and Protect Partners' Intent ....................................... 54
7.07 Regulatory Allocations ................................................................. 54
7.08 Deficit Restoration Obligation ......................................................... 55
7.09 Allocations Among General Partners ............................................. 56
7.10 Accounting and Tax Rules; Tax Effect of Allocations ....................... 56

ARTICLE VIII RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL
PARTNER .......................................................................................... 57

8.01 Management of the Partnership ...................................................... 57
8.02 Limitations Upon the Authority of the General Partner .................. 57
8.03 Management Purposes .................................................................. 60
8.04 Delegation of Authority .................................................................. 60
8.05 General Partner or Affiliates Dealing with Partnership .................. 61
8.06 Other Activities .............................................................................. 61
8.07 Liability for Acts and Omissions ....................................................... 61
8.08 General Partner Guaranties and Indemnities .................................... 62
8.09 Development Fee; Other Fees to the General Partner or Its Affiliates .. 66
8.10 Withholding of Fees ........................................................................ 66
8.11 Management Agent ........................................................................ 67
8.12 Loans to the Partnership by General Partner or Others .................. 68
8.13 Replacement Reserve ....................................................................... 69
8.14 Operating Reserve ........................................................................... 69
8.15 Lease-Up Reserve ........................................................................... 69
8.16 Option to Purchase, Put Option and Right of First Refusal ............... 70

ARTICLE IX WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL
PARTNER .......................................................................................... 71

9.01 Withdrawal of the General Partner .................................................. 71
9.02 Admission of a Successor or Additional General Partner ................ 72
9.03 Events of Withdrawal of a General Partner ...................................... 72
9.04 Removal of the General Partner ...................................................... 74

ARTICLE X INVESTOR LIMITED PARTNER TRANSFERS ...................... 77

10.01 Transfer of Investor Limited Partner’s Interest ................................. 77
10.02 Rights of Assignee of Interest ......................................................... 77
10.03 Admission of Substitute Investor Limited Partner ......................... 78
10.04 Withdrawal of the Investor Limited Partner ..................................... 79

ARTICLE XI RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED
PARTNER .......................................................................................... 79

11.01 Management of the Partnership ...................................................... 79
11.02 Limitation on Liability of Investor Limited Partner ......................... 79
11.03 Other Activities ............................................................................. 80
11.04 Loans to the Partnership by Investor Limited Partner ..................... 80
ARTICLE XII SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Partnership ........................................... 81
12.02 Reconstitution of the Partnership ........................................ 81
12.03 Winding Up and Distribution ............................................. 81
12.04 Obligation of Partners to Restore Deficit .............................. 82

ARTICLE XIII BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC. ........ 83

13.01 Books and Records ......................................................... 83
13.02 Bank Accounts ............................................................. 83
13.03 Accountants ............................................................... 83
13.04 Section 754 Elections ..................................................... 83
13.05 Fiscal Year and Accounting Method .................................... 83
13.06 Tax Matters Partner ....................................................... 83

ARTICLE XIV REPORTS .............................................................. 85

14.01 Tax Returns and Related Reports - Due February 15. ............... 85
14.02 Annual Financial Statements - Due April 1 ............................ 86
14.03 Annual Business Report Due January 31 .............................. 87
14.04 Annual Budgets ............................................................. 87
14.05 Insurance Reports - Annually .......................................... 87
14.06 Quarterly Financial Statements ......................................... 88
14.07 Rent Roll and General Partner Certificate ............................. 88
14.08 Monthly Reports ............................................................ 88
14.09 Event Reports ............................................................... 89
14.10 Other Reports ............................................................... 90
14.11 Costs of Preparation; Penalties for Late Reports ..................... 90
14.12 Asset Management Fee ................................................... 90

ARTICLE XV AMENDMENTS ......................................................... 91

15.01 Amendment by All Partners .............................................. 91
15.02 Amendment by Investor Limited Partner Only ......................... 91
15.03 Consent of Construction Lender ......................................... 91

ARTICLE XVI VOTING AND MEETINGS .......................................... 91

16.01 Method of Giving Consent .................................................. 91
16.02 Submissions to Limited Partner ......................................... 91
16.03 Meetings; Submission of Matter for Voting ............................ 91

ARTICLE XVII SPECIAL LIMITED PARTNER .................................. 92

17.01 Management of the Partnership ......................................... 92
ARTICLE XVIII GENERAL PROVISIONS

18.01 Burden and Benefit ......................................................... 95
18.02 Applicable Law ............................................................ 95
18.03 Counterparts ................................................................. 95
18.04 Separability of Provisions ............................................... 95
18.05 Entire Agreement .......................................................... 95
18.06 Liability of the Limited Partner ....................................... 96
18.07 Notices ................................................................. 96
18.08 Power of Attorney ........................................................ 97
18.09 Remedies Cumulative; No Waiver ................................... 97
18.10 Interpretation .............................................................. 97
TABLE OF EXHIBITS

EXHIBIT A. Development Agreement
EXHIBIT B. Legal Description of Property
EXHIBIT C. Unconditional Guaranty
EXHIBIT D. Certificate of General Partner
EXHIBIT E. Insurance Guidelines
EXHIBIT F. Projections
EXHIBIT G. General Partner Pledge and Security Agreement
EXHIBIT H. Developer Pledge and Security Agreement
EXHIBIT I. Quarterly General Partner Certificate
EXHIBIT J. Affidavit of Non-Foreign Status
AMENDED AND RESTATE AGREEMENT OF LIMITED PARTNERSHIP

This Amended and Restated Agreement of Limited Partnership is made and entered into effective as of the 1st of December, 2012, by and among Sunnyvale Riverstone Housing, LLC, a Missouri limited liability company, as the general partner (the "General Partner"), Vaughn C. Zimmerman Revocable Trust Under Restated Trust Agreement dated December 5, 2011, as the withdrawing limited partner (the "Withdrawing Limited Partner"), RJHOF-10 L.L.C., a Florida limited liability company, as the special limited partner (the "Special Limited Partner"), and Raymond James Housing Opportunities Fund 10 L.L.C., a Delaware limited liability company, as limited partner (the "Investor Limited Partner").

WHEREAS, the General Partner executed a Certificate of Limited Partnership ("Original Certificate") for the formation of Sunnyvale Riverstone Trails Apartments, LP, a Missouri limited partnership (the "Partnership") pursuant to the terms of the State of Missouri (Revised) Uniform Limited Partnership Act, which Original Certificate was subsequently filed with the Missouri Secretary of State on July 13, 2012; and thereafter on September 13, 2012, the Partnership filed an Application for Registration of a Foreign Limited Partnership with the Texas Secretary of State authorizing the Partnership to transact business in Texas ("Texas Certificate"); and

WHEREAS, on July 13, 2012, the General Partner and the Withdrawing Limited Partner executed an Agreement of Limited Partnership of the Partnership; and

WHEREAS, the General Partner, as the General Partner, and Raymond James Housing Opportunities Fund 10 L.L.C., a Delaware limited liability company, as the Investor Limited Partner and RJHOF-10 L.L.C., a Florida limited liability company, as the Special Limited Partner wish to continue the Partnership pursuant to the Act; and

WHEREAS, the Partnership has been formed to acquire, develop, construct, own, maintain and operate a 96-unit low-income housing tax credit project, to be known as Riverstone Trails Apartments, and to be located in Sunnyvale, Texas (the "Project"); and,

WHEREAS, the parties hereto now desire to enter into this Amended and Restated Agreement of Limited Partnership to (i) continue the Partnership under the Act; (ii) withdraw the Withdrawing Limited Partner from the Partnership; (iii) admit the Investor Limited Partner and Special Limited Partner to the Partnership as limited partners; and (iv) set forth all of the provisions governing the Partnership.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Partnership pursuant to the Act, and agree that all agreements of limited partnership of the Partnership, entered into prior to the date hereof are hereby amended and restated in their entirety, as follows:

ARTICLE I

CONTINUATION OF PARTNERSHIP

1.01 Continuation. The undersigned hereby continue the Partnership as a limited partnership under the Act.

1.02 Name. The name of the Partnership is Sunnyvale Riverstone Trails Apartments, LP, a Missouri limited partnership.
1.03 **Principal Executive Offices: Agent for Service of Process.**

(a) The principal executive office of the Partnership shall be 1730 E. Republic Road, Suite F, Springfield, Missouri 65804. The Partnership may change the location of its principal executive office to such other place or places as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the principal executive office. The Partnership may maintain such other offices at such other place or places as the General Partner may from time to time deem advisable.

(b) The name and address of the Missouri agent for service of process is Robert C. Davidson, 1730 E. Republic Road, Suite F, Springfield, Missouri 65804. The name and address of the Texas agent for service of process is Paul Holden, 16188 Oak Grove Road, Buda, Texas 78610. The Partnership may change the agent for service of process to such other agent as may hereafter be determined by the General Partner. The General Partner shall promptly notify all other Partners of any change in the agent for service of process.

1.04 **Term.** The term of the Partnership commenced as of the date of the filing of the Original Certificate with the Secretary of State of the State, and shall continue perpetually unless the Partnership is sooner dissolved by law or in accordance with the provisions of this Agreement.

1.05 **Withdrawal of Withdrawing Limited Partner.** The Withdrawing Limited Partner hereby withdraws as Partner of the Partnership, and represents and warrants that it has no interest in the Partnership and is not entitled to any fees, distributions, compensation or payments from the Partnership and that it has no interest in any property or assets of the Partnership. The Partnership releases all claims against the Withdrawing Limited Partner, in its capacity as such and in no other capacity.

1.06 **Admission of Investor Limited Partner and the Special Limited Partner.** The Investor Limited Partner and the Special Limited Partner are hereby admitted as the Investor Limited Partner and the Special Limited Partner of the Partnership, and shall have all the rights afforded herein, including, without limitation, rights to fees, distributions, compensation and payments from the Partnership as hereinafter set forth.

1.07 **Recording of Certificate.** Upon the execution of this Amended and Restated Agreement of Limited Partnership by the parties hereto, the General Partner shall take all actions necessary to assure the prompt recording of an amendment to the Original Certificate and/or the Texas Certificate if required by the Act or applicable Texas law, including filing with the Secretary of State of the State and the Texas Secretary of State. All fees for filing shall be paid out of the Partnership’s assets. The General Partner shall take all other necessary action required by law to perfect and maintain the Partnership as a limited partnership under the laws of the State, to perfect and maintain the Partnership’s registration to transact business in Texas, and shall register the Partnership under any assumed or fictitious name statute or similar law in force and effect in the State and/or in Texas. Notwithstanding the foregoing, this Agreement (and any exhibits attached hereto) shall not be filed with the Secretary of State of the State or the Texas Secretary of State or published or recorded in any public forum without the Consent of the Special Limited Partner.
ARTICLE II

DEFINED TERMS AND RULES OF INTERPRETATION

In addition to the abbreviations of the parties set forth in the preamble to this Agreement, defined terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified below. References in this Agreement to Sections, unless otherwise specified, are to Sections of this Agreement. Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter and vice versa, as the context requires. Words such as "herein," "hereinafter," "hereof," "hereto," "hereby" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires. Unless otherwise indicated, the word "including" is not limiting.

"Access Laws" is defined in Section 4.02(u).

"Accountants" means Cohn Reznick LLP, or such other firm of independent certified public accountants as may be engaged by the General Partner, with the Consent of the Special Limited Partner, to prepare the Partnership income tax returns and audited financial statements.

"Act" means the Uniform Limited Partnership Act of the State, as may be amended from time to time during the term of the Partnership.

"Actual Credit" means, with respect to any tax year, the total amount of the Tax Credit actually reported by the Partnership on its tax return for that tax year and allocated to the Limited Partner, and not disallowed by any taxing authority.

"Additional Capital Contributions" means the Completion Capital Contribution and Stabilization Capital Contribution of the Investor Limited Partner paid or payable to the Partnership pursuant to Article V.

"Affidavit of Non-Foreign Status" means the Affidavit of Non-Foreign Status, in the form attached as Exhibit J.

"Affiliate" means any Person that directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with a General Partner, or with another designated person, as the context may require.

"Agency" means the Texas Department of Housing and Community Affairs, in its capacity as the designated agency of the State of Texas to allocate Housing Tax Credit, acting through any authorized representative.

"Agreement" means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

"AIA Form(s)" means such form(s) as promulgated by the American Institute of Architects.

"ALTA/ACSM Survey" means a survey in a form satisfactory to the Special Limited Partner, including, without limitation, meeting the requirements of ALTA or ACSM, as applicable.

"Approved Principals" means Vaughn C. Zimmerman.
“Architect” means Parker & Associates, an Oklahoma corporation, the architect who prepared the Plans and Specifications, designed the improvements, prepared the blueprints/construction drawings and the property specifications manual and who will perform certain duties and responsibilities through construction for the benefit of the General Partner including inspecting the progress of construction of the Project, providing “contract administrative services” as defined by the American Institute of Architects, inspecting and overseeing the Contractor’s final punch-list, certifying to the dates of Substantial and Final Completion, as more particularly set forth in the agreement between the Partnership and the Architect, a copy of which has been provided to the Special Limited Partner.

“Asset Management Fee” means the fee payable to Raymond James Tax Credit Funds, Inc. for its services in monitoring the operations of the Partnership as set forth in Section 14.12.

“Authority” or “Authorities” means any nation or government, any state or other political subdivision thereof, and any entity exercising its executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including but not limited to, any federal, state or municipal department, commission, board, bureau, agency, court, tribunal or instrumentality.

“Bankruptcy” or “Bankrupt” as to any Person means:

(a) 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, sequestator (or other similar official) for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of ninety (90) consecutive days;

(b) 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, sequestator (or other similar official) for such person or for any substantial part of 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;

(c) 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 or discharged within ninety (90) consecutive days;

(d) The admission by such Person of its inability to pay its debts as they become due;

or

(e) 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 relevant state or federal act or law, or the ruling of any court with jurisdiction over such Person.

“Bankruptcy Code” means Title 11 of the United States Code, as amended from time to time, or any corresponding provision or provisions of succeeding law.
"Breakeven Operations" means a period of time ending on the last day of three (3) consecutive months subsequent to Substantial Completion during which, in each such month, the lesser of: (a) actual Net Operating Income, or (b) Net Operating Income determined as if "Rent" equaled 93% of the rent that would be due and payable if the Project attained 100% occupancy based on rental rates then being charged for the Project, each as determined by the Accountants and reasonably approved by the Special Limited Partner, is equal to or exceeds the Partnership's Must-pay Debt Service, including without limitation, for any Permanent Financing (and if Final Closing has not yet occurred, utilizing the Must-pay Debt Service for the Permanent Financing assumed in the Projections).

Such calculation shall be evidenced by a certification of the General Partner with an accompanying unaudited balance sheet and operating statement of the Partnership and shall be subject to the approval of the Special Limited Partner. The Special Limited Partner shall be provided with all documents and records which it may reasonably require in order to verify the achievement of Breakeven Operations and shall have the right to examine and copy all books and records of the Partnership, General Partner (relating to the Partnership and/or the Project) and Management Agent (relating to the Partnership and/or the Project) in connection therewith.

"Capital Account" means the capital account of a Partner as described in Section 6.01.

"Capital Contribution" means the total amount of money or other property contributed or agreed to be contributed, as the context requires, to the Partnership by each Partner pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Partner shall include the Capital Contribution made by a predecessor holder of the interest of such Partner.

"Capital Transaction" means any transaction not in the ordinary course of the Partnership's business which is capital in nature, including without limitation the disposition of any substantial part of the Project, whether by sale (except when such sale proceeds are to be used pursuant to a plan or budget approved by all of the Partners), casualty (where the proceeds are not to be used for reconstruction), or condemnation (where the proceeds are not to be used for reconstruction). A refinancing or similar event that yields net proceeds to the Partnership shall be considered a Capital Transaction of any part of the Project.

"Certificate" means the Partnership's Certificate of Limited Partnership or any other instrument or document which is required under the laws of the State to be filed in the appropriate public offices within the State to perfect or maintain the Partnership as a limited partnership under the laws of the State, to effect the admission, withdrawal or substitution of any Partner of the Partnership, or to protect the limited liability of the Limited Partners as limited partners under the laws of the State.

"Certificates of Occupancy" means all necessary certificates of occupancy and or other local governmental approvals which allow for one hundred percent (100%) of the residential units in the Project to be immediately occupied. Where described as temporary (as opposed to final or permanent), Certificates of Occupancy may contain conditions or qualifications that are of a punch-list nature, so long as (i) there is a source of funds available to satisfy such conditions or qualifications, and (ii) such conditions or qualifications do not prohibit immediate occupancy.

"Certified Credit" means the aggregate Tax Credit that the Accountants certify in writing to the Limited Partner that the Limited Partner will be allocated during the Credit Period for all buildings in the Project, assuming full future compliance with the rent restrictions and income limitations, and other compliance requirements of the applicable codes and statutes (to the extent the Project is in compliance with such requirements at the time of the determination of Certified Credit). The calculation of the
Certified Credit shall be based, among other things, on the IRS Forms 8609s issued by the Agency for all the buildings comprising the Project, on the Cost Certification, on the number of units in the Project being occupied by Qualified Tenants and on a determination of the applicable fraction and qualified basis of the Project as provided in Section 42 of the Code, as such factors may be affected by (i) non-compliance with applicable tax laws known at the time of the determination of Certified Credits and (ii) other facts that may come to the attention of the Accountants.

"Changes in Tax Law" means amendments to the Code after the date of this Agreement and amendments to or the promulgation of new legislative regulations after the date of this Agreement, but shall not include the promulgation of final or temporary Treasury Regulations with respect to Section 42 of the Code or Subtitle A, Chapter 1, Subchapter K of the Code to the extent that such regulations correspond to final, temporary or proposed regulations which were promulgated more than two business days prior to the date of this Agreement.

"Class B Limited Partner" means a General Partner whose Interest is converted to that of a Class B Limited Partner pursuant to Section 9.03(b).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Collateral" is defined in Section 5.07.

"Compiled Balance Sheet" is defined in Section 5.01(c)(iii)(A).

"Completion Capital Contribution" is defined in Section 5.01(c)(ii).

"Compliance Period" means, with respect to any building in the Project, the "compliance period" as defined in Section 42(i)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Compliance Period begins for any building in the Project and ending on the latest date that a Compliance Period ends for any building in the Project.

"Compliance Termination Sale" is defined in Section 8.16(c).

"Consent" means the prior written consent or approval of the Special Limited Partner and/or any other Partner, as the context may require, to do the act or thing for which such consent or approval is solicited.

"Contract" or "Construction" means, with respect to the Project, the construction of those portions of the Project that are being newly constructed and/or the rehabilitation of those portions of the Project that currently exist and are being rehabilitated by the Partnership, all as generally contemplated at the time of the admission of the Limited Partner to the Partnership and described in the Plans and Specifications.

"Construction Completion Guarrant" is defined in Section 8.08(a).

"Construction Consultant" means an independent consultant/architect/engineer retained by the Special Limited Partner but compensated by the Partnership to conduct a pre-construction review of the plans and specifications and the soils report, review construction progress and confirm completion of Construction in accordance with the plans and specifications, the recommendations in the soils report, and the applicable requirements of all Access Laws.
"Construction Contract" means the construction contract in the maximum amount of $9,201,000 prior to any adjustment in respect of change orders approved in accordance with this Agreement (including all exhibits and attachments thereto) entered into between the Partnership and the Contractor as of October 23, 2012, pursuant to which the Project is to be Constructed.

"Construction Financing" means (i) the Construction Loan, and (ii) prior to Final Closing, any Permanent Financing but only if and to the extent, under the terms of the applicable Loan Documents, the proceeds of such Permanent Financing may be disbursed to pay costs of Construction prior to the Final Closing.

"Construction Lender" means Capital One, National Association or its successor and assigns in such capacity, as the maker of the Construction Loan and, where required by the context; any Permanent Lender providing Permanent Financing that is also Construction Financing.

"Construction Loan" means that certain loan from the Construction Lender in an amount not to exceed $111,511,425, having an interest rate of 5.50%, having a term of twenty-four (24) months and requiring interest-only payments during Construction with the balance due at maturity.

"Continued Compliance Sale" is defined in Section 8.16(c).

"Contractor" means Zimmerman Properties Construction, LLC, a Missouri limited liability company, which is the general construction contractor for the Project.

"Cost Certification" means that certification of the Accountants, acceptable to the Special Limited Partner in all material respects, and made as soon as practicable after the achievement of Substantial Completion, of the costs of the Project and the amount of the applicable Housing Tax Credit allocable to each Partner, based on the eligible basis and credit percentage applicable to the Project, each based on the Accountant's audit of the Partnership's accounting records and any other documentation deemed appropriate by the Accountants, as well as the amount of any other applicable Tax Credit allocable to each Partner.

"Counsel" or "Counsel for the Partnership" means Coats Rose Yale Ryman & Lee or such other attorney or law firm upon which the Special Limited Partner and the General Partner shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

"Credit Period" means, with respect to any building in the Project, the "credit period" as defined in Section 42(f)(1) of the Code, and, with respect to the Project, the period beginning on the earliest date that a Credit Period begins for any building in the Project and ending on the latest date that a Credit Period ends for any building in the Project. When the context requires, the Credit Period shall be deemed to include the year following the Credit Period if Housing Tax Credit is available in that year pursuant to Section 42(f)(2) of the Code, but shall not include later years in the Compliance Period during which Housing Tax Credit may be received under the special rule of Section 42(f)(3) of the Code.

"Credit Reduction Adjustment" is defined in Section 8.16(c)(ii).

"Current" means that at any given point in time, (i) all reserves required to be maintained by the Partnership are fully funded to the extent required at such time, and (ii) all payments for operating expenses (including the Asset Management Fee), Must-pay Debt Service, necessary maintenance,
preventive maintenance and capital improvements due and payable as of such time (assuming all expenses are paid within 30 days of invoice) have been made or the Partnership has sufficient unrestricted cash reserves to make all such payments.

"Decision Maker" means any general partner of a partnership, any managing member or manager of a limited liability company, any officer or director of a corporation, and any other individual who is authorized, empowered, or has apparent authority to make decisions on behalf of any entity.

"Defaulting Investor Limited Partner" is defined in Section 5.07.

"Department of the Treasury" means the United States Department of the Treasury or any successor government agency thereto.

"Developer" means VCZ Development, LLC, a Missouri limited liability company, in its capacity as the developer of the Project.

"Development Agreement" means the Development Agreement between the Partnership and the Developer as of even date herewith relating to the development of the Project and providing for the payment of the Development Fee, in the form set forth in Exhibit A.

"Development Budget" means the cost budget approved by the General Partner and the Special Limited Partner with respect to the costs and sources of financing for the development and Construction of the Project, attached hereto as Schedule C of the Projections attached as Exhibit F.

"Development Fee" means the fee payable by the Partnership to the Developer pursuant to Section 8.09.

"Environmental Laws" is defined in Section 4.01(o).

"Environmental Reports" means a certain Phase I Environmental Property Assessment dated October 1, 2012, prepared with respect to the Project by Kaw Valley Engineering, Inc.

"EPA" means the United States Environmental Protection Agency or any successor government agency thereto.

"Excess Development Costs" means all costs in excess of the proceeds of the Permanent Financing and Capital Contributions (as adjusted pursuant to this Agreement) which are required to (i) achieve Final Completion; (ii) achieve Final Closing; (iii) pay any applicable loan assessment fees, discounts or other expenses incurred by the Partnership as a result of the occurrence of the Initial Closing and/or the Final Closing; (iv) correct any defects in the construction or rehabilitation of the Project (including latent defects discovered after completion of Construction) to the reasonable satisfaction of the Special Limited Partner; (v) fund all reserves required by the terms of this Agreement or any Permanent Lender; (vi) pay all Development Fee that cannot be deferred pursuant to the terms of this Agreement, and (vii) pay any Operating Deficits incurred by the Partnership prior to the Stabilization Capital Contribution that cannot be paid from the Lease-Up Reserve Account.

"Extended Use Agreement" means the extended low-income housing commitment required pursuant to Section 42(b)(6) of the Code to be executed by the Partnership and delivered to the Agency at or subsequent to the Initial Closing, setting forth certain terms and conditions under which the Project is to be operated.
“Final Closing” means the occurrence of all of the following: (i) Substantial Completion, (ii) receipt and approval by the Special Limited Partner of a Cost Certification, which approval shall not be unreasonably withheld or delayed; (iii) closing of the Permanent Financing and disbursement by the Lender of all Permanent Financing proceeds, (iv) repayment of the Construction Loan or conversion of the Construction Financing to Permanent Financing, as applicable, (v) commencement of amortization as to the Permanent Financing (to the extent the Permanent Financing requires principal amortization); (vi) the achievement of Break-even Operations; (vii) compliance of the Project with the Minimum Set Aside Test and the Rent Restriction Test; (viii) achievement of Qualified Occupancy, and (ix) full funding of all then required reserves under this Agreement or pursuant to the Project Documents.

“Final Completion” means the date on which the following events have occurred: (i) Substantial Completion including all punch-list items and correction of defective and nonconforming work, (ii) a final application for payment has been submitted by the Contractor accurately reflecting the cost of the work, (iii) the Architect has issued a final certificate of payment to the Contractor, subject to contested amounts for which funds or payment assurance is available (such as bonds, title insurance or escrowed funds) that is reasonably acceptable to the Special Limited Partner, (iv) if required, final Certificates of Occupancy have been issued with respect to all units in the Project, and (v) Radon Mitigation, if required, has occurred.

“First Permanent Loan” is defined in the definition of Permanent Financing.

“Forms 8609” means Internal Revenue Service Forms 8609 issued by the State Agency and completed by the Partnership with respect to each residential building in the Project, all in compliance with the requirements of Section 14.01(b).

“40-60 Set-Aside Test” means the Minimum Set-Aside Test whereby at least 40% of the units in the Project must be occupied by individuals with aggregate incomes of 60% or less of area median income, as adjusted for family size.

“Funding Conditions” is defined in Section 5.01(f).

“GAAP” means generally accepted accounting principles.

“General Partner” means Sunnyvale Riverstone Housing, LLC, a Missouri limited liability company, and any other Person admitted as a General Partner and designated as the General Partner pursuant to this Agreement, and their respective successors pursuant to this Agreement, including particularly the provisions of Sections 8.01, 9.02 and 9.04.

“General Partner’s Special Capital Contribution” is defined in Section 5.01(a)(iii).

“Gross Effective Income” means, for any period of time, the entire amount of all receipts by the Partnership (determined on a cash basis) for the operation of the Project, including (a) tenant rentals collected pursuant to tenant leases or occupancies for such period, including without limitation, housing/tenant assistance payments, including utility reimbursements; (b) security deposits forfeited by tenants during such period and non-refundable tenant deposits made during such period; (c) laundry and garage/parking income received during such period; (d) proceeds from rental interruption insurance received during such period; (e) expense-related reimbursements or charges paid by tenants for insurance, taxes, utility charges, and other Project expenses; and (f) other income including cleaning fees, NSF check charges, late charges, and charges for credit checks; excluding, however, (i) proceeds from the sale or condemnation of any part of the Project, (ii) refinancing and other loan proceeds, (iii) Capital Contributions and loans to the Partnership, (iv) refundable security deposits prior to forfeiture; and (v) interest income.
"Guarantor" means Sunnyvale Riverstone Housing, LLC, a Missouri limited liability company, Vaughn C. Zimmerman, VCZ Development, LLC, a Missouri limited liability company, O'Brien Companies, LLC, a Texas limited liability company, Vaughn C. Zimmerman Revocable Trust Under Restated Trust Agreement dated December 5, 2011, and Kelly M. Holden.

"Hazardous Material(s)" is defined in Section 4.01(o).

"Housing Tax Credit" means the low-income housing tax credit allowed for low-income housing projects pursuant to Section 42 of the Code.

"HUD" means the United States Department of Housing and Urban Development or any successor government agency thereto.

"IRS" means the United States Internal Revenue Service or any successor government agency thereto.

"In-Balance" means, at any time when calculated, when the cumulative amount of the undisbursed Construction Financing, the undisbursed Capital Contributions of the Investor Limited Partner required to be paid in through and including Final Closing and the cash receipts from operations are sufficient in the exercise of the Special Limited Partner's reasonable judgment to pay all of the following sums: (a) all costs of construction to achieve Substantial Completion and Final Closing; (b) all costs of the initial marketing, ownership, maintenance and leasing of the Project units; and (c) all interest and all other sums accruing or payable under the Construction Financing documents. In making a determination that the financing is In-Balance, the Special Limited Partner will also consider whether the undisbursed Capital Contributions of the Investor Limited Partner, the undisbursed proceeds of the Permanent Financing and other sources of permanent financing (but not cash receipts from operations) are adequate to satisfy any outstanding balance owed under the Construction Financing at the earlier of Final Closing or maturity of the Construction Financing.

"Initial Capital Contribution" is defined in Section 5.01(c)(i).

"Initial Closing" means the date upon which this Agreement is actually executed and delivered (as opposed to its effective date as specified in the introductory paragraph of this Agreement); Initial Closing is anticipated to occur on December 26, 2012.

"Initial Reduction Amount" is defined in Section 5.01(d)(ii).

"Insurance Guidelines" means the standards for insurance coverage required for the development and operation of the Project, a copy of which is attached hereto as Exhibit E.

"Interest" means the ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which such Partner may be entitled as provided in this Agreement and in the Act, together with the obligations of such Partner to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Partner shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation specified by Section 5.01 as such Partner's Interest.

"Investor" means any Person that owns an equity interest, directly or indirectly, in the Investor Limited Partner.
"Investor Limited Partner(s)" means Raymond James Housing Opportunities Fund 10 L.L.C., a Delaware limited liability company, and/or its successors or assigns admitted as Investor Limited Partners in accordance with this Agreement, in such Persons' capacity as an Investor Limited Partner of the Partnership.

"Investor Limited Partner's Estimated Capital Contribution" means the Capital Contribution to be made by the Investor Limited Partner as set forth in Section 5.01(b), prior to adjustment as provided in this Agreement.

"Land" means the tract of land upon which the Project will be located as more fully set forth in Exhibit B.

"Lease-up Adjuster" is defined in Section 5.01(d)(i).

"Lease-Up Reserve Account" is defined in Section 8.15.

"Lender" means, collectively as the context may require, the Construction Lender and the Permanent Lenders.

"Limited Partner(s)" means, collectively, the Investor Limited Partner and the Special Limited Partner.

"Liquidator" means the General Partner or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Partnership upon its dissolution.

"Loan" means a Construction Financing or the Permanent Financing.

"Loan Documents" means any Mortgage, Note or other documents executed in connection with a Loan.

"Loss" is defined in Section 7.01(b).

"Low-Income Units" means those units which the Partnership expects will qualify for the Housing Tax Credit by virtue of being occupied at all times by Qualified Tenants.

"Majority in Interest" means, with respect to any specified group of Partners, those Partners who hold more than 50% of the Percentage Interests held by such group.

"Management Agent" means the management and rental agent for the Project designated pursuant to Section 8.11.

"Management Agreement" means the agreement between the Partnership and the Management Agent providing for the marketing, compliance and management of the Project by the Management Agent.

"Minimum Set-Aside Test" means the set-aside test selected by the Partnership pursuant to Section 42(g) of the Code with respect to the percentage of units in its Project to be occupied by tenants with incomes equal to no more than a certain percentage of area median income. The Partnership has selected or will select the 40-60 Set-Aside Test as the Minimum Set-Aside Test and will not select the 20-50 Set-Aside Test as the Minimum Set-Aside Test.
"Mortgage" means any mortgage or deed of trust to be given by the Partnership in favor of a Lender as maker of any Loan, constituting a lien on the Project and securing a Loan.

"Must-pay Debt Service" means debt service on any loan of the Partnership, including without limitation the Permanent Financing, that is due prior to final maturity of the loan and that must be paid by the Partnership to avoid default on such loan without regard to whether there is Net Cash Flow sufficient to pay such debt service.

"Net Cash Flow" means the sum of (i) all cash actually received from rents, lease payments and all other sources, but excluding (A) tenant security or other deposits (unless forfeited), (B) Capital Contributions and interest thereon (other than if used to pay for an item deducted below in determining Net Cash Flow), (C) proceeds from Capital Transactions and (D) interest on reserves not available for distribution, (ii) the net proceeds of any insurance (including rental interruption insurance), other than fire and other casualty or extended coverage and title insurance, to the extent not reinvested, and (iii) any other funds deemed available for distribution by the General Partner with the consent of the Special Limited Partner and the Lender, if required, less the sum of (i) all cash expenditures, and all expenses unpaid but properly accrued, which have been incurred in the operation of the Partnership's business including the management fee to the Management Agent but excluding any expenditures paid from any Partnership reserve account (whether or not such expenditure is deducted, amortized or capitalized for tax purposes) (ii) all Must-pay Debt Service and any other debt service on the Permanent Financing to the extent then due and payable, but not including any amounts to be paid pursuant to the Development Agreement or on account of Operating Deficit Loans, (iii) the payment of any tax liability owed by the Partnership, and (iv) all amounts deposited into any cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be required by the Lender or this Agreement or the Special Limited Partner (with respect to reasonably identified anticipated expenditures for which reserves have not otherwise been established) or as may be determined from time to time by the General Partner with the consent of the Special Limited Partner, and the Lender, if required, to be advisable for the operation of the Partnership.

Net Cash Flow shall be determined separately for each fiscal year or portion thereof commencing on the day after Final Closing and shall not be cumulative.

"Net Interim Income" means funds received by the Partnership from its operations, prior to Final Closing, which funds exceed expenses (including Must-pay Debt Service accrued and actually due and payable). Net Interim Income is to be applied as provided in Section 7.03(b).

"Net Operating Income" shall equal Rent plus Other Operating Income less Operating Expenses, where those terms have the following meanings:

(a) Rent, for any month, shall be equal to the rent from residential units that was due and payable for such month less any portion of such rent that has not actually been collected by the time the calculation of Rent is being made (excluding any amounts subsidized by the General Partner and adjusted to reflect average monthly rents for leases that include rent-free or reduced rental periods). Rent may include government subsidies of tenant rental revenue that has been actually received by the time the calculation of rent is being made, but the subsidy amount received shall be attributed to the month in which the subsidy was due rather than to the month it was paid. Rent shall not include government subsidies of a Permanent Financing (such as an interest rate credit), unless the subsidy has not been factored into the maximum annual debt service described in the definitions of such Permanent Financing. Rent shall not include rent attributable to short-term tenant leases of less than nine months, unless the tenant has actually been a resident of the Project for at least one year or unless otherwise approved by the Special Limited
Partner. Rent shall not include any amount collected that is in excess of maximum rents permitted by the Agency, any Project Document or applicable law.

(b) Other Operating Income, for any month, shall be equal to monthly collected revenue from recurring sources and shall include forfeitures of deposits, income from any laundry facilities, commercial rents, garage or parking fees, cable television and phone usage (after adjusting for any concessions). Other Operating Income shall not include interest on reserves and security deposits, non-recurring revenue, and withdrawal from reserve accounts.

(c) Operating Expenses, for any month, shall be equal to monthly accrued operating expenses (adjusted for seasonal fluctuations where appropriate and excluding nonrecurring expenses), a rateable portion of all other expenses which might reasonably be expected to be incurred during the full annual period of operation, and shall include, but not be limited to, taxes or payments in lieu of taxes, insurance costs, assessments, audit expenses, the funding of any Replacement Reserve deposits required under this Agreement or any Permanent Financing, compliance costs as required by the Agency, payment of the Management Agent's fees, any other Partnership loans or obligations not paid out of Net Cash Flow, the costs of capital improvements to the Partnership property incurred after Substantial Completion (to the extent such capital improvements are not funded from any Partnership reserves, casualty or condemnation proceeds, any Permanent Financing proceeds, Capital Contributions or the proceeds of any Capital Transactions) and a rateable portion of the greater of (x) the annual amount (as reasonably estimated by the General Partner) of those seasonal and/or periodic expenses (such as water and sewer charges, utilities and maintenance expenses which might reasonably be expected to be incurred on an unequal basis during a full annual period of operation) or (y) the annual amount of such expenses assumed in the Projections.

"Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Treasury Regulations.

"Note" means any mortgage or deed of trust promissory note given by the Partnership in favor of a Lender, evidencing a Loan.

"Notice" means a writing containing the information required by this Agreement to be communicated to a Partner and sent by express courier or telephone facsimile transmission (provided that such facsimile transmission shall be immediately followed by a "hard" original of such writing delivered by a method set forth in this definition), or by registered or certified mail, with postage prepaid and return receipt requested, to such Partner at such Partner's address as specified pursuant to Section 18.07. The date of receipt of the Notice (or the next business day if the date of receipt is not a business day) (or, in the case of registered or certified mail, the date of registry thereof or the date of the certification receipt, as applicable) shall be deemed the date of such Notice; provided, however, that any written communication containing such information sent to such Partner actually received by such Partner shall constitute Notice for all purposes of this Agreement.

"100% Qualified Capital Contribution" is defined in Section 5.01(c)(iv).

"Operating Deficit" means the amount by which the revenues of the Partnership from rental payments made by tenants of the Project (excluding security deposits until forfeited), and all other revenues of the Partnership (other than Capital Contributions, the proceeds of any loans to the Partnership and investment earnings on funds on deposit in the Replacement Reserve and other such reserve or escrow funds or accounts) for a particular period of time, is exceeded by the sum of all operating and maintenance expenses (including the Asset Management Fee), the funding of the Replacement Reserve or any other reserve required by this Agreement or any Project Document, all Must-pay Debt Service, any fees to the
Lender and/or any applicable mortgage insurance premium payments and all other Partnership obligations or expenditures (but excluding payments for Construction of the Project and fees and other expenses and obligations of the Partnership to be paid solely from Net Cash Flow or from the Capital Contributions of the Investor Limited Partner to the Partnership), during the same period of time.

"Operating Deficit Quantity Period" is defined in Section 8.08(b).

"Operating Deficit Loan(s)" is defined in Section 8.08(b).

"Operating Expenses" is defined within the definition of Net Operating Income.

"Operating Reserve" means the account established to fund Operating Deficits in accordance with Section 8.14.

"Operating Reserve Minimum" is defined in Section 8.14.

"Original Certificate" means the initial Certificate filed in connection with the formation of the Partnership.

"Other Operating Income" is defined within the definition of Net Operating Income.

"Partner" means any General Partner and any Limited Partner.

"Partner Loan" means any loan made by any Partner to the Partnership pursuant to Section 8.12 or Section 11.04.

"Partner Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(i)(2) of the Treasury Regulations.

"Partnership" means Sunnyvale Riverstone Trails Apartments, LP, a Missouri limited partnership, authorized to transact business in Texas.

"Partnership Agreement" means this Amended and Restated Agreement of Limited Partnership, as amended from time to time.

"Payment Date" means the later of the date which is ninety (90) days after the end of the Partnership's fiscal year with respect to the preceding fiscal year or the date on which the General Partner has delivered to all Partners the financial statements and information required to be delivered under Sections 14.01 and 14.02.

"Percentage Interest" means the percentage Interest of each Partner as set forth in Section 5.01.

"Permanent Financing" means the first priority mortgage non-recourse permanent loan ("First Permanent Loan") to the Partnership made by Capital One, National Association, in the maximum principal amount of $3,330,000 with an annual fixed interest rate not greater than 5.5%, a term of at least fifteen (15) years and an amortization period of thirty (30) years, annual Must-pay Debt Service not in excess of $226,888 and providing for funding in connection with the Stabilization Capital Contribution; and

If and to the extent, under the terms of the applicable Loan Documents, the proceeds of a loan included in the Permanent Financing may be disbursed to pay costs of Construction prior to the Final
Closing, such loan shall also be considered Construction Financing; provided, however, that (i) in order for Final Closing to occur, any conditions required to cause such loan to have the terms described in this definition of Permanent Financing must be satisfied (i.e., the loan must convert to Permanent Financing), and (ii) after Final Closing, such loan shall no longer be considered Construction Financing.

"Permanent Lenders" means Capital One, National Association, in its capacity as the maker of the First Permanent Loan, or its successors and assigns in such capacity, acting through any authorized representative.

"Person" means any individual, partnership, corporation, trust, limited liability company or other entity.

"Plans and Specifications" means the plans and specifications for the Project, as referenced in the Construction Contract, stamped with the seal of the Architect and/or engineer which are subject to the approval of the Special Limited Partner, any changes thereto made in accordance with the terms of this Agreement and the list of drawings compiled in connection with these plans and specifications.

"Pledged Payments" is defined in Section 5.04.

"Prime Rate" means the rate published from time to time in The Wall Street Journal as the prime rate. The Prime Rate shall change as such rate changes.

"Profit" is defined in Section 7.01(b).

"Project" means the land and any improvements thereon currently owned (or to be owned) by the Partnership located in Sunnyvale, Texas, and the 96-unit multifamily rental housing development and other improvements to be constructed, owned and operated thereon by the Partnership, and to be known as Riverstone Trails Apartments. 10 units of the Project will be rented to tenants with incomes of 30% or less of the area median income, as adjusted for family size, 39 units of the Project will be rented to tenants with incomes of 50% or less of the area median income, as adjusted for family size, and 46 units of the Project will be rented to tenants with incomes of 60% or less of the area median income, as adjusted for family size. One unit will be reserved for a manager. A description of the Land on which the Project will be located is provided in Exhibit B, attached hereto.

"Project Documents" means and includes the Plans and Specifications, any permits and licenses which are required for the construction, operation and use of the Project, the Development Agreement, the Tax Credit Application, the Construction Contract, municipal or government agency development agreements, the Radon Report, agreements with the Architect, engineers, environmental abatement consultants and contractors and other third party contractors disclosed in writing to the Special Limited Partner, any purchase option agreement executed in connection herewith, any agreement for the provision of services to the Project, the Loan Documents, the Regulatory Agreement, the Extended Use Agreement, the Management Agreement the Unconditional Guaranty, the Certification and Agreement, all agreements attached hereto and all other instruments delivered to (or required by), any Lender or the Agency and all other documents relating to the Project or executed in connection with any of the aforesaid documents and by which the Partnership is bound, as amended or supplemented from time to time.

"Projected Credit" means the Tax Credit projected to be allocated to the Investor Limited Partner, consisting of Housing Tax Credit in the amount of $816,520 for the year 2014, $1,274,567 per year for each of the years 2015 through 2023, and $458,048 for the year 2024.
"Projections" means the projections of the anticipated results of the operation of the Partnership attached hereto as Exhibit F to this Agreement and approved by the General Partner and the Special Limited Partner.

"Public Use Test" means the requirement whereby the units in the Project must be available for use by the general public.

"Purchase Price" is defined in Section 8.16(a).

"Qualified Contract" has the meaning set forth in Section 42(h)(6)(F) of the Code.

"Qualified Occupancy" means the achievement of initial occupancy by Qualified Tenants of each of the Low-Income Units in the Project that is to be included in the numerator of the applicable fraction for purposes of determining the Certified Credit. For purposes of determining Qualified Occupancy, the same Qualified Tenant may not simultaneously qualify two units.

"Qualified Tenants" means tenants under executed leases of at least nine (9) months who at the time of their initial occupancy of the Project (i) are charged rents that satisfy the Rent Restriction Test and (ii) have incomes at or below the income limits under the Minimum Set-Aside Test.

"Radon Mitigation" means each building in the Project, if a Radon Report is required, has evidenced a radon level not in excess of the Environmental Protection Agency's (the "EPA") recommended actionable level of 4.0 pCi/l, as certified by an environmental consultant selected by the General Partner and approved by the Special Limited Partner, and if the Radon Report evidenced a radon level in excess of the EPA’s recommended actionable level of 4.0 pCi/l, the General Partner has implemented a radon mitigation system meeting the EPA’s guidelines for radon prevention and/or mitigation as approved by the Special Limited Partner, in its reasonable discretion and have conducted a new Radon Report that shows levels below 4.0 pCi/l.

"Radon Report" means a radon gas test measurement report and conclusion for each building (minimum of one test per building) in the Project upon completion, unless the Project is located in a county in EPA radon map Zone 3. No Radon Report is required if the Project is located in Zone 3, as designated by the EPA. The Radon Report must come from a radon service professional (a) who meets state-specific requirements, if any, for providing such Radon Reports, and (b) who has a proficiency listing, accreditation, or certification in radon test measurement from either (1) the National Environmental Health Association (NEHA) National Radon Proficiency Program or (2) the National Radon Safety Board (NRSB).

"Recapture Amount" is defined in Section 7.10(d).

"Regulatory Agreement" means, to the extent applicable, and collectively, any regulatory agreements and/or any declaration of covenants and restrictions to be entered into between the Partnership and the Lender or any applicable Authority at or after the Initial Closing setting forth certain terms and conditions under which the Project is to be operated.

"Rent" is defined within the definition of Net Operating Income.

"Rent Restriction Test" means the test pursuant to Section 42(g) of the Code whereby the gross rent charged to tenants of the Low-Income Units in the Project cannot exceed thirty percent (30%) of the imputed income limitation of the applicable units.
"Replacement Reserve" means the cash funded reserve for replacements required by the Lender in connection with the Permanent Financing and by the Limited Partner as required pursuant to Section 8.13.

"Reserve Minimum Payment" is defined in Section 8.13.

"Restricted Period" is defined in Section 10.03(b).

"Special Additional Capital Contribution" is defined in Section 5.01(c)(vi).

"Special Limited Partner" means RJHOF-10 L.L.C., a Florida limited liability company.

"Stabilized Operations" means the date upon which all of the following events have occurred: (i) Final Completion and Final Closing, and (ii) Rent must be not less than $61,967 in each month of Stabilized Operation based on rental rates that, assuming one hundred percent (100%) occupancy, would achieve a monthly rental income of $66,631, (iii) for each of three (3) consecutive months (the last of which must end after or concurrently with Final Closing), the Project is 90% physically occupied, and (iv) for each of three (3) consecutive months (the last of which must end after or concurrently with Final Closing), the lesser of: (a) actual Net Operating Income, or (b) Net Operating Income determined as if "Rent" equaled 93% of the rent that would be due and payable if the Project attained 100% occupancy based on rental rates then being charged for the Project (each as determined by the Accountants and approved by the Special Limited Partner) is at least equal to 120% of the Partnership's Must-pay Debt Service. The requirement specified in (ii) of the preceding sentence shall not apply if the audited financial statements of the Partnership show that, for a full fiscal year beginning after Substantial Completion, Net Operating Income for such 12 month period was at least equal to 120% of the Partnership's Must-pay Debt Service for such 12 month period.

Such calculation shall be attested to by the Accountants in accordance with standards established by the American Institute of Certified Public Accountants (the form of which attestation shall be subject to approval of the Special Limited Partner), shall be subject to the approval of the Special Limited Partner and shall be evidenced by a certification of the General Partner with an accompanying unaudited balance sheet and operating statement of the Partnership. The Special Limited Partner shall be provided with all documents and records which they may reasonably require in order to verify the achievement of Stabilized Operations and shall have the right to examine and copy all books and records of the Partnership, General Partner (relating to the Partnership and/or the Project) and Management Agent (relating to the Partnership and/or the Project) in connection therewith.

"Stabilization Capital Contribution" is defined in Section 5.01(c)(v).

"State" means the State of Missouri.

"Substantial Completion" means the date on which all the following events have occurred: (i) construction or rehabilitation of the Project is substantially complete in good and workmanlike manner, lien-free and defect free (including remediation of any environmental issues), in accordance with the Plans and Specifications, the terms and provisions of this Agreement and the terms and provisions of the Project Documents, to the reasonable satisfaction of the Special Limited Partner; (ii) the Architect has issued a certificate of completion in the form of AIA Document G704 or a substantially similar form reasonably acceptable to the Special Limited Partner and the Construction Consultant has confirmed Substantial Completion; (iii) delivery and installation in the Project of all necessary and appropriate fixtures, equipment and personal property, including, without limitation, installation of all required appliances in the residential units in the Project has occurred; (iv) all required temporary or permanent Certificates of
Occupancy for all the residential units in the Project have been issued; (v) all amounts owing to the Contractor for the construction or rehabilitation of the Project have been paid-in-full (subject to holdbacks for "punch list items"); (vi) final lien waivers have been obtained (or if payments are contested, funds or payment assurance reasonably acceptable to the Special Limited Partner is available (such as bonds, title insurance or escrowed funds)); (vii) a clean down-dated Title Policy has been issued to the Partnership in a form reasonably acceptable to the Special Limited Partner with such endorsements as the Special Limited Partner may reasonably require and subject to contested liens for which bonds, title insurance or escrowed funds have been provided; and (viii) no event of default has occurred and is continuing under any of the Project Documents.

"Substitute Limited Partner" means any Person admitted to the Partnership as a Limited Partner pursuant to Section 10.03 or Section 17.09.

"Tax Credit" means the Housing Tax Credit.

"Tax Credit Allocation" means, with respect to the Project, the allocation by the Agency of Housing Tax Credit, as evidenced by the receipt by the Partnership of either a carryover allocation of Housing Tax Credit meeting the requirements of Sections 42(h)(1)(E) and (F) of the Code and applicable Treasury Regulations or IRS Forms 8609s executed by the Agency as to all buildings in the Project.

"Tax Credit Application" means the Partnership’s application to the Agency for a Housing Tax Credit Reservation.

"Tax Credit Recapture Event" means (a) the filing of a tax return or an amended return by the Partnership evidencing a reduction in the qualified basis of the Project or an event described in Section 42(f) of the Code causing a recapture of Housing Tax Credit previously allocated to an Investor Limited Partner, (b) an administrative adjustment by the Internal Revenue Service ("IRS"), evidencing a reduction or recapture of Tax Credit previously allocated to the Investor Limited Partner, unless the Partnership shall timely file a petition with respect to such adjustment with the United States Tax Court or any other court of competent jurisdiction and the collection of such assessment shall be stayed pending the disposition of such petition, (c) a decision by the United States Tax Court or any other court of competent jurisdiction upholding the assessment of such administrative adjustment against the Partnership with respect to any Tax Credit previously claimed in connection with the Project, unless the Partnership shall timely appeal such decision and the collection of such assessment shall be stayed pending the disposition of such appeal, (d) the decision of a court of competent jurisdiction affirming such decision or (e) any other event which would cause a recapture of a Tax Credit under applicable law.

"Tax Credit Reservation" means the award to the Project by the Agency of Housing Tax Credit after review of the Tax Credit Application, as evidenced by written confirmation from the Agency.

"Taxable Income Reduction Amount" is defined in Section 5.01(d)(v).

"Ten Percent Test" or "10% Test" means the test whereby the Partnership’s actual basis in the Project must be, as of the date being the earlier of one year from the date of issuance of the carryover allocation or such earlier time required by the Agency, at least ten percent (10%) of the reasonably anticipated basis of the Project.

"TIC" is defined in Section 14.08(d).

"Timing Reduction Amount" is defined in Section 5.01(d).
"Timing Shortfall" is defined in Section 5.01(d)(i).

"Title Policy" means an owner's title insurance policy issued by Hexter-Fair Title Company, insuring the Partnership's fee simple interest in and to the Land and the Project, as of the date of this Agreement or the date of acquisition of the Land and Project, if later, in an amount not less than the combined value of all projected indebtedness for the Project and the Capital Contributions, showing no encumbrances and exceptions to title other than the Construction Loan or the Permanent Financing and any other title matters approved in writing by the Special Limited Partner, and containing those endorsements as the Special Limited Partner may reasonably require.

"Treasury Regulation" means the regulations of the United States Department of the Treasury contained in Title 26 of the Code of Federal Regulations, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"20-50 Set-Aside Test" means the Minimum Set-Aside Test whereby at least 20% of the units in the Project must be occupied by individuals with aggregate incomes of 50% or less of area median income, as adjusted for family size.

"Unconditional Guaranty" means the guaranty executed by the Guarantor, as set forth in Exhibit C, pursuant to which the Guarantor has guaranteed obligations of the General Partner and the Developer.

"Upward Allocation Adjustment" is defined in Section 5.01(d)(vii).

"Upward Timing Adjustment" is defined in Section 5.01(d)(viii).

"Withdrawing Limited Partner" is defined in the recitals of this Agreement.

"Withholding Event" is defined in Section 5.03.

ARTICLE III

PURPOSE AND BUSINESS OF THE PARTNERSHIP

3.01 Purpose of the Partnership. The Partnership has been organized exclusively to own the Land and to develop, finance, Construct, own, maintain, operate and sell or otherwise dispose of the Project, in order to obtain for the Partners long-term appreciation, cash income, and tax benefits consisting of Tax Credit and tax losses over the term hereof.

3.02 Authority of the Partnership. In order to carry out its purpose, the Partnership is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Partnership, including but not limited to the following:

(a) own the Land and the Project;

(b) Construct, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Project;
(c) provide housing, subject to the Minimum Set-Aside Test and the Rent Restriction Test and consistent with the requirements of the Extended Use Agreement and the Regulatory Agreement so long as the Extended Use Agreement and the Regulatory Agreement, as applicable, remain(s) in force;

(d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Partnership;

(e) borrow money and issue evidences of indebtedness in furtherance of the Partnership business and secure any such indebtedness by mortgage, pledge, or other lien except as limited by Section 8.02(b);

(f) maintain and operate the Project and enter into any agreement for the management of the Project during its rent-up and after its rent-up period;

(g) subject to the approval of the Agency and/or the Lender, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, lease or other disposition of all or substantially all of the property of the Partnership, or for the refinancing of any Loan on the property of the Partnership;

(h) enter into the Project Documents, including those documents providing for regulations with respect to rents, profits, dividends and the disposition of property;

(i) rent dwelling units in the Project from time to time, in accordance with the provisions of the Code applicable to the Housing Tax Credit and in accordance with applicable federal, state and local regulations, collecting the rents therefrom, paying the expenses incurred in connection with the Project, and distributing the net proceeds to the Partners, subject to any requirements which may be imposed by the Extended Use Agreement, the Regulatory Agreement and/or the other Project Documents; and

(j) do any and all other acts and things necessary or proper in furtherance of the Partnership’s business.

ARTICLE IV

WARRANTIES AND COVENANTS AND DUTIES AND OBLIGATIONS OF GENERAL PARTNER

4.01 Representations, Warranties and Covenants. The General Partner hereby represents, warrants and covenants to the Partnership and to the Partners that:

(a) the Partnership is and will continue to be a valid limited partnership, duly organized, validly existing, and in good standing under the laws of the State, and is and will continue to be authorized to transact business in the State of Texas, and shall have and shall continue to have full power and authority to own the Land and to develop, Construct, own, operate and maintain the Project in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State, the laws of Texas and the laws of any other applicable jurisdiction that is necessary to protect the limited liability of the Limited Partners and to enable the Partnership to engage in its business;

(b) the execution and delivery of this Agreement by it and the performance by it of the transactions contemplated hereby have been duly authorized by all requisite actions or proceedings; it is

20
duly organized, validly existing and in good standing under the laws of the State with power to enter into this Agreement and to consummate the transactions contemplated hereby;

(c) it is a single purpose entity and shall satisfy the following requirements:

(i) it shall not engage, has not engaged and does not engage, in any business other than acting as a general partner of the Partnership.

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

(iii) it has and shall continue to pay its debts and liabilities from its own assets as the same shall become due. No Affiliate has paid any debts or liabilities on behalf of the General Partner.

(iv) it has and shall continue to maintain books, financial records and bank accounts that are separate and distinct from the books, financial records and bank accounts of any other Person including any Affiliate.

(v) it has and shall continue to maintain separate annual financial statements prepared in accordance with GAAP, consistently applied, showing its assets and liabilities separate and distinct from those of any other entity; in the event the financial statements of the General Partner are consolidated with the financial statements of any other entity, the General Partner has and shall continue to cause to be included in such consolidated financial statements: (A) a narrative description of the separate assets, liabilities, business functions, operations and existence of the General Partner to ensure that such separate assets, liabilities, business functions, operations and existence are readily distinguishable by any entity receiving or relying upon a copy of such consolidated financial statements; and (B) a statement that the General Partner’s assets and credit are not available to satisfy the debts of such other entity or any other person.

(vi) it has and shall continue to file its own tax returns and pay its own taxes required to be paid under applicable law.

(vii) it has and shall continue to (A) hold itself out as an entity separate and distinct from any other Person; (B) not identify itself or any of its Affiliates as a division or part of the other; (C) correct any known misunderstanding regarding its separate status; and (D) use separate stationery, invoices, checks, and the like bearing its own name.

(viii) it has and shall continue to conduct its business in its own name so as to avoid or correct any misunderstanding on the part of any creditor concerning the fact that any invoices and other statements of account from creditors of the General Partner are to be addressed and mailed directly to the General Partner, though this provision shall not prohibit such mail to be delivered to the General Partner c/o any other entity.
(ix) it has and intends to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

(x) it has not and shall not commingle any of its assets, funds or liabilities with the assets, funds or liabilities of any other Person or Affiliate.

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

(xii) it has not and shall not (A) assume or guarantee the debts of any other Person in a manner that includes a pledge, encumbrance, transfer or hypothecation (whether by operation of law or otherwise) of any assets or interests of the Partnership or, (B) hold itself out to be responsible for the debts of another Person in a manner that includes the pledge, encumbrance, transfer or hypothecation of any assets or interests of the Partnership (whether by operation of law or otherwise), or (C) otherwise pledge, encumber, transfer or hypothecate the assets of the Partnership for the benefit of another Person or permit the same to occur, or (D) hold the Partnership’s credit as being available to satisfy the obligations of any other Person.

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

(xiv) it is not a “tax-exempt entity” within the meaning of Section 168(h) of the Code or a “tax-exempt controlled entity” that would be treated as such a tax-exempt entity.

(d) the construction and development of the Project shall be undertaken and shall be completed in a timely, good and workmanlike manner in substantial accordance with (i) all applicable requirements of the Construction Financing and the Project Documents, (ii) all applicable requirements of all appropriate Authorities, (iii) all applicable laws, rules, building codes and requirements and (iv) the Plans and Specifications of the Project that have been or are hereafter approved by the Construction Lender, the Special Limited Partner and any applicable Authorities, as such Plans and Specifications may be changed from time to time in accordance with the provisions of Section 4.02(t).

(e) the Plans and Specifications have been reviewed and approved by the Contractor and Architect.

(f) the Construction Contract, a true and correct copy of which (including all exhibits) has been provided to the Special Limited Partner, has been entered into between the Partnership and the Contractor; no other consideration or fee is payable to the Contractor in its capacity as the Contractor for the Project other than the amounts set forth in the Construction Contract.

(g) the Land is and will be properly zoned for the Project; all consents, permissions and licenses required by all applicable Authorities for the use and Construction of the Project as set forth in the Plans and Specifications have been obtained or, when required, will be obtained, and the use and construction of the Project pursuant to the Plans and Specifications conforms and will conform to all
applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations;

(h) [Intentionally deleted].

(i) it has fully complied with all applicable, material provisions and requirements of any and all purchase and/or lease agreements, loan agreements, stormwater management agreement and other agreements with respect to the purchase of the Land and the development, financing and operation of the Project; it shall take, and/or cause the Partnership to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements;

(j) all legally required or appropriate roads, public utilities in adjoining public rights-of-way, including, without limitation, sanitary and storm sewers, telephone, water, gas and electricity, are currently available or will be available by completion of Construction and will be operating and maintained properly in compliance with all applicable legal requirements for all units in the Project at the time of first occupancy of such units and no utility service or access to the site is by private or shared improvements (except through easements insured under the Title Policy);

(k) it shall cause the insurance coverages set forth in the Insurance Guidelines, a copy of which is attached hereto as Exhibit E, insuring the Partnership and covering the Land and the Project, to be established and maintained in full force and effect during the term of the Partnership;

(l) as of the Initial Closing, the General Partner has provided a probable maximum loss study if the Project is in a seismic hazard area 3 or 4 as shown on the U.S. National Seismic Hazard Maps;

(m) to the extent that there exist, in the reasonable determination of the Special Limited Partner, any substantial delays in the construction of the Project, the General Partner shall provide the Special Limited Partner with a recovery schedule or updated schedule reflecting the new timeline for completion of the Project;

(n) during construction and upon completion of the Project, hail, wind or hurricane insurance coverage and, if the Land is ever determined to be in a flood zone by the appropriate authority, flood insurance shall be secured in form and amounts acceptable to the Special Limited Partner;

(o) based upon its actual knowledge and the Environmental Reports, the Land (along with any other real property owned by the Partnership) does not contain and is not affected by any Hazardous Material (as hereinafter defined); neither the General Partner, the Partnership, nor the Land or any portion thereof is in violation of any applicable Environmental Laws (as hereinafter defined); neither such General Partner nor the Partnership has received notice of any violations of any Environmental Laws relating to or affecting the Land, and no actions, suits or proceedings have been commenced, or are pending, or to the best knowledge of such General Partner, are threatened with respect to any Environmental Laws and which relate to the Land or the Project or any of the Partnership's other properties or assets. It has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Materials at, upon, under or within the Land or any contiguous real estate. Neither such General Partner nor, to the best of its knowledge, any other party, is or will be involved in operations at or, pursuant to such General Partner's best knowledge, near the Land, which operations would lead to (A) a determination of liability under the Environmental Laws as to the Partnership, or (B) the creation of a lien on the Land under the Environmental Laws. It covenants and
agrees that it shall not take any action or fail to take any action, or permit any other person or entity within the General Partner's control to take any action or fail to take any action and it will use its best efforts not to permit any tenant or occupant of the Project to engage in any activity, which would result in the Project or the Land containing or being affected by any Hazardous Materials in violation of any Environmental Laws, or would result in any Hazardous Materials being released from the Project in violation of any Environmental Laws. It shall comply strictly and in all respects with all requirements of the Environmental Laws. It further covenants and agrees that it will promptly notify the Special Limited Partner if the General Partner gains knowledge of any of the following: (i) the presence or possible presence of any Hazardous Material on, in, affecting, or released from the Project or the Land; (ii) the violation of any Environmental Laws with respect to the Partnership, the Land or the Project; and (iii) any notice of violation of or requesting action pursuant to any Environmental Laws or the commencement of any actions, suits, or proceedings relating to Environmental Laws and relating to or affecting the Project or the Land. It shall promptly deliver to the Special Limited Partner a copy of any notice of violation of any Environmental Laws and any court documents or correspondence relating to any action, suit or proceeding in connection with Environmental Laws. For purposes of this Section, "Hazardous Material" or "Hazardous Materials" means and includes petroleum products, flammable explosive, radioactive materials, lead-based paint, methane gas, urea formaldehyde insulation, asbestos or any material containing asbestos, polychlorinated biphenyls, radon, underground storage tanks and/or any hazardous, toxic or dangerous waste, substance or material now or hereafter defined as such or any similar term, by or in the Environmental Laws but not including construction products, household cleaners and office materials of the type and quantity ordinarily used in the normal construction, operation and maintenance of properties similar to the Project so as not to be defined as Hazardous Materials by or in the Environmental Laws. For purposes of this Section, "Environmental Law" or "Environmental Laws" means and includes any federal, state, and local laws, statutes, rules, regulations and ordinances pertaining to the protection of the environment and otherwise pertaining to public health or employee health and safety, including, but not limited to, the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Comprehensive Environmental Response, Compensation and Liability Act; the Clean Air Act; the Clean Water Act; the Toxic Substance Control Act; the Safe Drinking Water Control Act; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act; the Hazardous Water Management System, the Emergency Planning and Community Right to Know Act and the Occupational Safety and Health Act of 1970;

(p) the Project is located in a radon zone designated as Zone 3 by the EPA;

(q) the Partnership has a good and indefeasible fee simple interest in the Land and to the Project, as evidenced by issuance of the Title Policy, subject only to such defects, encumbrances and other exceptions as the Special Limited Partner shall approve in writing;

(r) at and after Final Closing, the Partnership and the Partners and their Affiliates shall have no personal liability for the repayment of the principal or payment of interest on the Permanent Financing (other than customary non-recourse carve out provisions which have been consented to by the Special Limited Partner), that the sole recourse of the Lender, with respect to the principal thereof and interest thereon shall be to the property securing the Permanent Financing, except that any Partner shall be personally responsible (i) for funds or property of the Project coming into such party's hands, which, by the terms of the Regulatory Agreement it is not entitled to retain, and (ii) for such party's own acts and deeds, or the acts and deeds of others which it has authorized, in violation of the provisions of the Regulatory Agreement;

(s) there is no default under any agreement, contract, lease or other commitment, or of any claim, demand, litigation, proceedings or governmental investigation pending or, to the knowledge of
the General Partner, threatened against the General Partner, the Project or the Partnership, or related to the business or assets of the Partnership or of the Project, which claim, demand, litigation, proceeding or governmental investigation could result in any judgment, order, decree, or settlement which would materially and adversely affect the business or assets of the Partnership or of the Project;

(t) neither such General Partner nor any of its Affiliates nor the Partnership, has entered, or shall enter, into any agreement or contract for the payment of any Loan discounts, additional interest, yield maintenance or other interest charges or financing fees or any agreement providing for the guaranty of payment of any such interest charges or financing fees relating to a Loan; in no event will the General Partner or the Partnership enter into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of the Partners to personal liability as to the principal of or interest on the Permanent Financing following Final Closing (except for customary non-recourse carve-out provisions which have been consented to by the Special Limited Partner);

(u) at Final Closing, the principal amount of the Permanent Financing shall not exceed an amount which the Special Limited Partner determines in the exercise of its reasonable discretion would result in amortized monthly payments of principal and interest that would prevent three (3) consecutive months of Stabilized Operations from being achieved prior to July 1, 2015 (based on projected revenues and operating expenses) and the General Partner will fund, under its Construction Completion Guaranty described in Section 8.08(a), any reduction in the principal amount or interest rate of the Permanent Financing necessary to cause the foregoing to be true;

(v) the execution of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate any provision of law, any order, judgment or decree of any court binding on the Partnership or such General Partner or any Affiliate(s) thereof, any provision of any indenture, agreement, or other instrument to which the Partnership or such General Partner is a party or by which the Partnership or the Project is affected, and is not in conflict with, and will not result in a breach of or constitute a default under any such indenture, agreement, or other instrument or result in creating or imposing any lien, charge, or encumbrance of any nature whatsoever upon the Project;

(w) it has not, either individually, or on behalf of the Partnership, and the Partnership has not, incurred any financial responsibility with respect to the Project prior to the date of execution of this Agreement, other than (i) those disclosed to the Special Limited Partner, or (ii) obligations which will be fully satisfied at or prior to the Initial Closing;

(x) no restrictions on the sale or refinancing of the Project, other than the restrictions to be set forth in the Project Documents and Section 42 of the Code exist as of the date hereof; and no such restrictions shall, at any time while the Limited Partner is a Partner, be placed upon the sale or refinancing of the Project;

(y) the Project is being developed in a manner which satisfies, and shall continue to satisfy, all restrictions, including tenant income and rent restrictions, applicable to projects generating Housing Tax Credit under Section 42 of the Code;

(z) the Partnership has received a valid reservation of Projected Credit with respect to the Project;
(as) the facts and underlying assumptions with respect to the development and 
operation of the Project, the General Partner, Guarantor and their Affiliates provided to the Partners in 
conjunction with the preparation of the Projections and the Development Budget are accurate and 
reasonable, and nothing has come to the attention of the General Partner that would cause the General 
Partner to believe that such facts and assumptions are incorrect in any material respect;

(bb) no Person affiliated with it has been debarred or otherwise denied, in whole or in 
part, the ability or opportunity to participate in any government sponsored or financed program (including, 
but not limited to HUD programs) or has been convicted of a felony criminal offense;

(cc) the financial statements and other written information provided to the Special 
Limited Partner with respect to the financial condition of such General Partner and affiliated Guarantors by 
such parties are true and accurate as of their respective dates and do not omit any material fact and any 
such material provided by third parties with respect to the financial condition of such General Partner and 
Guarantors is true and accurate to the best of knowledge of the General Partner;

(dd) it shall keep all sources of funding In-Balance and has adequate sources of funds 
to timely cause Substantial Completion of the Project and satisfaction of all other obligations of the 
Partnership and General Partner under this Agreement;

(ee) it shall at no time develop the Project or manage the Partnership in a manner 
which is not consistent with the award of points assigned by the Agency to the Partnership's Tax Credit 
Application, except with the prior approval of the Agency and the Special Limited Partner;

(ff) it has complied and will comply in all material respects with and has caused and 
will cause the Partnership and the General Partner to comply with all applicable local, state and federal 
laws, statutes, regulations, rules and ordinances (including, without limitation, all applicable filing and 
disclosure requirements);

(gg) it has obtained any consents or approvals of any Authority or any other Person 
which are necessary in connection with the admission of the Limited Partner to the Partnership including 
without limitation, if applicable, previous participation certification approvals from HUD and all consents 
to the admission of the Limited Partner required from (A) the Lender, (B) Authorities and (C) the current 
owner of the Land and all filings and certifications made by or on behalf of the General Partner and its 
Affiliates in order to obtain such consents or approvals are true, correct and complete and conform to the 
regulations or requirements applicable thereto;

(hh) the Partnership has used the accrual method of accounting since its formation and 
will continue to do so;

(ii) no Permanent Financing is or will be guaranteed or held by any Partner or any 
person who is a related person to such Partner within the meaning of Section 752 of the Code and the 
Treasury Regulations promulgated thereunder other than the First Permanent Loan;

(jj) the General Partner shall collect original income verification documents which are 
reviewed in connection with the screening of the initial occupants of the units comprising Qualified 
Occupancy;
(kk) the General Partner shall provide the Special Limited Partner with an executed copy of the Extended Use Agreement within fifteen (15) days of its execution and with a recorded copy of the Extended Use Agreement as soon as practicable thereafter;

(II) An election has not been made under Section 42(b)(2)(A) of the Code to lock in the applicable percentage. The Project will qualify for the minimum applicable percentage of 9% under Section 42(b)(2) of the Code.

(mm) the Project shall be managed upon Substantial Completion so that the rental of all Low-Income Units in the Project comply with the tenant income limitations and other restrictions under the Rent Restriction Test and all units in the Project otherwise meet the applicable requirements of the Project Documents, including without limitation, the Extended Use Agreement and any Regulatory Agreement. More specifically, the General Partner shall operate the Project such that the Low-Income Units are set aside and leased as follows: 10 units of the Project will be rented to tenants with incomes of 30% or less of the area median income, as adjusted for family size, 39 units of the Project will be rented to tenants with incomes of 50% or less of the area median income, as adjusted for family size, 46 units of the Project will be rented to tenants with incomes of 60% or less of the area median income, as adjusted for family size, and one unit will be reserved for a manager;

(nn) any sign erected at the Project setting forth the development partners and/or lenders who participated in the development of the Project must be approved by the Special Limited Partner, whose approval will not be unreasonably withheld, conditioned or delayed;

(oo) in accordance with Section 168 of the Code, the underlying building owned by the Partnership shall be depreciated over 27.5 years using the straight line method and the personal property and site improvements owned by the Partnership shall be depreciated over 5 and 15 years, respectively, using the applicable depreciation methods defined in Section 168 of the Code; provided also that, without the Consent of the Special Limited Partner, the General Partner shall not allow the Partnership to file a tax return reflecting an allocation of cost to a class of property other than residential rental property that varies by more than 10% from the cost set forth in the Projections and the General Partner shall elect bonus depreciation of any type (such as that available under Section 168(k)) unless otherwise directed by the Special Limited Partner;

(pp) it shall ensure that commencement of construction of the Project begins no later than January 31, 2013;

(qq) no person shall be employed by the Partnership;

(rr) neither such General Partner nor any of the principals or Affiliates of said General Partner shall be on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of the Treasury or in the Annex to United States Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism;

(ss) there will be no real estate transfer taxes due to the State or the State of Texas or any other Authority as a result of the admission of the Investor Limited Partner and the Special Limited Partner to the Partnership or any subsequent direct or indirect transfer of a membership interest in the Investor Limited Partner or Special Limited Partner;
(tt) each dwelling unit contains separate and complete facilities for living, sleeping, eating, cooking, bathing and sanitation, including, kitchen facilities with (a) a refrigerator, (b) a sink, and (c) either (i) a stove and oven or (ii) a microwave oven;

(uu) 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 Project and used on the premises);

(vv) it has reviewed the Projections attached hereto as Exhibit F and represents and warrants that the Projections are accurate and reasonable;

(ww) in the event that one or more of the buildings or other structures comprising the Project is damaged or destroyed, the General Partner shall, subject to the terms of the Loan Documents, make proof of loss, pursue, adjust and compromise claims under policies of insurance providing coverage for the Project and shall cause the Partnership to restore such buildings or structures completely within a reasonable period as determined by the Internal Revenue Service so as to avoid loss and/or recapture of Housing Tax Credits, but in no event later than the date that is 18 months after such damage or destruction occurred; and,

(xx) all of the representations, warranties and covenants contained herein shall survive the date of Final Closing and the funding date of each Capital Contribution made by the Limited Partner until dissolution of the Partnership. THE GENERAL PARTNER SHALL INDEMNIFY AND HOLD HARMLESS THE LIMITED PARTNER AGAINST A BREACH OF ANY OF THE FOREGOING REPRESENTATIONS, WARRANTIES AND COVENANTS AND ANY DAMAGE, LOSS OR CLAIM CAUSED THEREBY, INCLUDING REASONABLE ATTORNEYS' FEES AND COSTS AND EXPENSES OF LITIGATION AND COLLECTION.

4.02 Duties and Obligations. The General Partner shall have the following duties and obligations with respect to the Project and the Partnership:

(a) it shall ensure that all requirements shall be met which are necessary to obtain or achieve (i) compliance with the Minimum Set-Aside Test, the Rent Restriction Test, the Public Use Test and any other requirements necessary for the Project to initially qualify, and to continue to qualify, for Tax Credit, including all applicable requirements set forth in the Regulatory Agreement and the Extended Use Agreement, (ii) issuance of all necessary permanent, unconditional Certificates of Occupancy, including all governmental approvals required to permit occupancy of all of the residential units in the Project, (iii) Initial Closing and Final Closing, (iv) compliance with all material provisions of the Project Documents;

(b) the General Partner shall take all actions, or refrain from taking any action, to assure that the Partnership at all times during its existence is treated as a partnership for federal income tax purposes and while conducting the business of the Partnership, the General Partner shall not act in any manner without the Consent of the Special Limited Partner, which it knows or should have known after due inquiry will cause the termination of the Partnership for federal income tax purposes;

(c) the General Partner shall exercise good faith in all activities relating to the conduct of the business of the Partnership, including the development, operation and maintenance of the Project, and the General Partner shall take no 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;
(d) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, as well as (ii) the rents, revenues and profits earned from the operation of the Project, will be free and clear of all security interests and encumbrances except for any Mortgage, and any additional security agreements executed in connection therewith;

(e) it guarantees payment by the Partnership of the Development Fee pursuant to Section 5.01(a)(iii);

(f) the General Partner shall, during and after the period in which it is 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;

(g) it shall comply and cause the Partnership to comply with the provisions of all applicable governmental and contractual obligations;

(h) it has made (if applicable) and shall make such elections, or refrain from making such elections, with respect to the Housing Tax Credit, as necessary to achieve and maintain the allocated Housing Tax Credit to the Partnership, unless otherwise directed by the Special Limited Partner; any such elections (including elections made at the direction or with the Consent of the Special Limited Partner) shall not reduce the obligations of the General Partner pursuant to Section 5.01(d);

(i) it shall be responsible for the payment of any fines or penalties imposed by the Agency or Lender pursuant to the Project Documents and any documents executed in connection with obtaining Tax Credit (other than with respect to payments of principal or interest under the Permanent Financing) attributable to any negligence of it or its Affiliates or failure to take action despite the same being within the reasonable control of the General Partner or its Affiliate;

(j) it shall immediately notify the Special Limited Partner of any written or oral notice of (i) any default or failure of compliance with respect to any Project Document, the Construction Financing, the Permanent Financing or any other financial, contractual or governmental obligation of the Partnership or the General Partner, or (ii) any IRS proceeding regarding the Project or the Partnership;

(k) other than items for which liability is being contested with the Consent of the Special Limited Partner, it will cause the Partnership to pay on or before the date when the same would become delinquent, any and all real estate and ad valorem taxes, personal property taxes, assessments, water rates, sewer rents, fines, impositions and any other charges now or hereafter levied against the Project, whether foreseen or unforeseen, ordinary or extraordinary; and also any and all license fees or similar charges which may be imposed by any Authority with respect to the Project for the use and occupancy of the Project, use of walks, chutes, areas and other space beyond the lot line of the Project and on or abutting the public sidewalks and/or highways in front or adjoining the Project or pursuant to any applicable law for the use of any furnaces, compactors, incinerators, parking areas or for other matters covered by any such laws; and also any and all corporate, franchise, withholding, income, profits and gross receipts, and other taxes due by the Partnership; in each case together with any penalties and interest on any of the foregoing, and in default thereof;

(l) other than items for which liability is being contested with the Consent of the Special Limited Partner, it will cause the Partnership to pay promptly, when and as due, all charges for utilities, whether public or private, and will not suffer or permit any construction or mechanics, laborers, material statutory or other liens to be created or to remain outstanding upon any part of the Project, and if
any such lien is created, will cause the Partnership to discharge the same of record by payment or bond against such lien within forty-five (45) days after the filing thereof;

(m) it shall not cause the Partnership to commit or permit waste, nor cause or permit any building or improvement upon the Land to be removed, demolished or altered in whole or in material part (including structural alterations) except as approved by the Special Limited Partner, and except for alterations to update the buildings systems or to comply with any law;

(n) the General Partner shall maintain books, files and records, including tenant leasing files in compliance with the Code and the Treasury Regulations promulgated thereunder, that will adequately document the timing, amount and availability of the Tax Credit. The General Partner shall cause any files which document the initial qualification of residential units for Tax Credit to be copied and stored off-site at the General Partner's principal place of business or at another location over which the General Partner has control for a period of not less than 21 years. Within 3 days' notice from any Special Limited Partner, the General Partner shall afford that Special Limited Partner and its agents access to all such files, including files stored off-site during ordinary business hours. All such files are property of the Partnership and not of the General Partner or any other Person.

(o) upon reasonable notice of not less than one (1) business day given by the Special Limited Partner, the General Partner shall permit the Special Limited Partner or its designee (including any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner) (1) access to the Project for a physical inspection to take place during normal business hours, (2) the opportunity to inspect, examine and, if requested, make copies of all agreements, Tax Credit compliance data and Plans and Specifications. The General Partner shall cooperate fully with all reasonable requests of the Special Limited Partner regarding any such inspection and shall, if requested, accompany the Special Limited Partner on any site inspection conducted for the purpose of marketing the Project to any potential investor seeking to purchase an equity interest, directly or indirectly, in the Investor Limited Partner;

(p) it will give notice to the Special Limited Partner promptly upon any material, adverse change in any of the matters described in the certificate the form of which is attached hereto as Exhibit D-1 or D-2 and shall provide together with such notice an updated, true correct and complete certificate in the form of Exhibit D-1 or D-2;

(q) it shall not issue, sell, assign, encumber or transfer any direct or indirect ownership interest in the General Partner or member, partner, or shareholder of the General Partner, whether voluntary or involuntary, by operation of law or otherwise, without the Consent of the Special Limited Partner as described in Section 9.01;

(r) 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, including, if applicable making an election in accordance with Section 168(h)(6) of the Code and electing to be treated as a corporation for federal income tax purposes and not as a disregarded entity;

(s) The General Partner shall ensure that deficiencies or other conditions be observed that, while not contemplated in the approved work scope (i) may potentially create a hazardous condition for residents or passers-by or (ii) would lead to accelerated deterioration of a particular property component thereby increasing operating costs or (iii) if left unattended, will render an originally approved work scope unusable or lead to its accelerated deterioration or functional obsolescence, and that such deficiencies or
conditions will be brought to the attention of the Lender and the Special Limited Partner for discussion and possible inclusion into the approved scope of work;

(i) the General Partner shall ensure that the Project shall at all times comply with the applicable requirements of Section 504 of the Uniform Federal Accessibility Standards, where applicable and as amended, the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Accessibility Guidelines for Buildings and Facilities, as now existing or hereafter amended or adopted, the Fair Housing Act of 1988, as amended, the Fair Housing Act Design Manual implemented in connection therewith as now existing or hereafter amended or adopted, any other federal and state and local laws and ordinances related to disabled access, and all statutes, rules, regulations, and orders of governmental bodies and regulatory agencies or orders or decrees of any court adopted or enacted with respect thereto including (collectively, "Access Laws"). The Special Limited Partner may also require a certificate of compliance with the Access Laws from the Architect. Notwithstanding any provisions set forth herein or in any other document, the General Partner shall not alter or permit any tenant or other person to alter the Project in any manner which would increase the General Partner's responsibilities for compliance with the Access Laws without the Consent of the Special Limited Partner. In connection with any such Consent, the Special Limited Partner may require a certificate of compliance with the Access Laws from the Architect at Substantial Completion or Final Completion. Following construction, the Project will be operated in a manner that fully complies with applicable accessibility and barrier-free regulations such that if an enforcement action is brought against the Partnership, the General Partner will use any and all of its own resources to promptly correct recorded deficiencies;

(ii) the General Partner shall use its best efforts in representing the Limited Partner 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 Special Limited Partner with timely notice of any issues of non-compliance by the Contractor, and (iv) acting as necessary in the interest of the Limited Partner to ensure that construction of the Project will be completed as originally contemplated;

(v) in the event that at any time during the Construction of the Project, (i) Construction is, or may be, stopped or suspended for a period of thirty (30) days, or (ii) Construction has or may be delayed so that in the reasonable determination of the General Partner, (A) Substantial Completion may not be achieved by the date set forth in the Construction Contract or (B) the Projected Credit for any year during the Credit Period may not be achieved, the General Partner shall immediately send Notice of such occurrence, together with an explanation of the circumstances surrounding such occurrence, to the Special Limited Partner;

(w) if required by the Special Limited Partner, the General Partner shall cause the Construction Contract to be terminated immediately following (i) an assignment of the Developer's interest in the Development Agreement to another unrelated developer, or (ii) the termination of the Development Agreement;

(x) the General Partner shall cause all leases of dwelling units in the Project to contain a provision obligating tenants to notify the Management Agent immediately of any suspected water leaks, moisture problems or mold in dwelling units or common areas of the Project;

(y) the General Partner shall obtain the prior written Consent of the Special Limited Partner to any change orders if (1) the cost associated with any one such change is more than the lesser of $100,000 or two percent (2%) of the Construction Contract amount or if the cost of all change orders to
date exceeds five percent (5%) of the Construction Contract, (2) such change would result in materials of lesser quality being used in the Project, (3) such change represents a deviation, whether or not of lesser quality, from the original work scope agreed to by the Special Limited Partner, or (4) such change would cause a delay in the construction of the Project. In all events, the General Partner shall promptly provide copies of all change orders to the Special Limited Partner and, on a monthly basis, the General Partner shall submit to the Special Limited Partner copies of AIA Forms G-702 and G-703 (the “AIA Forms”) setting forth all change orders for that month. The AIA Forms shall be accompanied by a cover letter listing all change orders discussed in the AIA Forms and a change order log;

(z) it shall (i) retain a civil engineer for periodic inspection of site preparation activities who shall provide periodic reports on its findings to the Partnership, and (ii) take such actions as are necessary to address issues raised by the civil engineer with the Consent of the Special Limited Partner.

ARTICLE V

PARTNERS, PARTNERSHIP INTERESTS AND OBLIGATIONS OF THE PARTNERSHIP

5.01 Partners, Capital Contributions and Interests.

(a) The General Partner, its principal office and place of business, its Capital Contribution and its Percentage Interest are as follows:

(i) Sunnyvale Riverstone Housing, LLC  
1730 E. Republic Road, Suite F  
Springfield, Missouri 65804

(ii) The General Partner hereby transfers and assigns to the Partnership all of its right, title and interest in and to the Project, including the following:

(A) all contracts with architects, contractors and supervising architects with respect to the development of the Project;

(B) all plans, specifications and working drawings, heretofore prepared or obtained in connection with the Project (including the Plans and Specifications) and all governmental approvals obtained, including planning, zoning and building permits;

(C) any and all commitments with respect to the Permanent Financing and the Tax Credit;

(D) any and all rights under and pursuant to the Project Documents; and

(E) any other work product related to the Project.

For purposes of this Agreement, no specific value will be ascribed to the rights assigned pursuant to this subparagraph (a)(ii).
(iii) In the event that the Partnership has not paid all or part of the Development Fee within 12 years from the date the first building in the Project is placed in service, the General Partner shall contribute to the Partnership an amount equal to any such remaining balance the ("General Partner's Special Capital Contribution") and the Partnership shall thereupon make a payment in an equal amount to pay off the balance of the Development Fee.

(b) The Investor Limited Partner and the Special Limited Partner, their principal offices and places of business, their Capital Contributions and Percentage Interests are as follows:

Raymond James Housing Opportunities Fund 10 L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

$11,216,190 99.98%

as more specifically set forth in paragraph (c) immediately below

RJHOF-10 L.L.C.
c/o Raymond James Tax Credit Funds, Inc.
880 Carillon Parkway
St. Petersburg, Florida 33716

$1,122 as more 0.01%
specifically set forth in paragraph (c) immediately below

(c) Subject to the provisions of this Agreement, including without limitation the provisions of Sections 5.01(d), 5.03 and 5.04, the Investor Limited Partner and Special Limited Partner shall be obligated to make Capital Contributions to the Partnership in installments as follows:

(i) **Initial Capital Contribution**. Upon execution of this Agreement, satisfaction of all items set forth in the Special Limited Partner's due diligence checklist and review and approval of those items listed below, the Limited Partner shall together make an Initial Capital Contribution equal to $1,121,731 ("Initial Capital Contribution"), $1,122 of which being the Capital Contribution of the Special Limited Partner and $1,120,609 of which being the Capital Contribution of the Investor Limited Partner.

The Initial Capital Contribution shall be deposited into a designated account in the name of the Partnership with the Construction Lender, or shall be deposited with an escrow agent for disbursement as approved by the Construction Lender, to be applied as provided in Exhibit H of the Credit Support and Funding Agreement entered into by and between the Partnership and the Construction Lender, i.e., used to pay amounts set forth in the Development Budget including $228,225 of Development Fee (which is 15% of (i) total Development Fee minus (ii) the current estimated deferred Development Fee) so long as, after such payment, the Development Budget remains In-Balance.

Of such amount, a due diligence/legal cost reimbursement of $40,000 for reimbursement for third-party expenses, if any, paid by Raymond James Tax Credit Funds, Inc., including market study, background searches, Environmental Reports and costs of the Construction Consultant, shall be paid directly to Raymond James Tax Credit Funds, Inc.

(A) **General Partner's Certificate.** The Special Limited Partner shall have received (i) a certificate in the form of Exhibit D-1 executed by the General Partner, dated as of the date of the Initial Closing, and (ii) a certificate in the form
of Exhibit D-2 executed by the General Partner, dated as of a date within 15 days of any subsequent payment of a Capital Contribution installment.

(B) **Construction Financing Draw Documents.** The General Partner shall provide the Special Limited Partner with copies of all construction draw requests (and related backup materials including but not limited to invoices and/or receipts) submitted to the Construction Lender.

(C) **Civil Engineer Reports.** The civil engineer’s reports shall have been received by the Special Limited Partner and shall be acceptable to it.

(D) **Architect Letter.** The Architect shall have issued a letter stating that the building and all other permits necessary to commence Construction have been received by the Partnership.

(E) **Affidavit of Non-Foreign Status.** The Special Limited Partner shall have received an Affidavit of Non-Foreign Status (substantially in the form attached hereto as Exhibit J-1) on behalf of the Partnership.

(F) **Seller Approvals.** The Special Limited Partner will have received written evidence that the seller of the Land, RKS Sunnyvale, LLC, a Texas limited liability company, or its assign (“Seller”) has given all necessary approvals described in that certain Development Agreement between the Developer (as assigned to the Partnership) and Seller.

(ii) **Completion Capital Contribution.** Upon the later to occur of October 1, 2013 and satisfaction, review and approval by the Special Limited Partner of the items described below, the Investor Limited Partner shall make the Completion Capital Contribution in the amount of $8,973,850 (“Completion Capital Contribution”).

The Completion Capital Contribution shall be deposited into a designated account in the name of the Partnership with the Construction Lender to be applied as provided in Exhibit H of the Credit Support and Funding Agreement entered into by and between the Partnership and the Construction Lender, i.e., used to pay amounts set forth in the Development Budget, including up to 20% of (i) total Development Fee minus (ii) any estimated deferred Development Fee as set forth in a cost certification to be prepared after Construction is complete (such 20% of Development Fee to be paid currently estimated to be $304,300) so long as, after such payment, the Development Budget remains In-Balance.

(A) **Initial Capital Contribution.** All requirements for the payment of the Initial Capital Contribution have been satisfied.

(B) **Monthly Reports.** The monthly reports specified in Section 14.08.

(C) **General Partner’s Certificate.** The Special Limited Partner shall have (i) received an updated certificate in the form of Exhibit D-2 executed by the General Partner, dated not more than fifteen (15) days prior to the date of the Completion Capital Contribution, and (ii) determined that there has been no material adverse change in the facts disclosed by the due diligence it conducted
with respect to the General Partner prior to its admission to the Partnership or in the matters reported on the certificate in the form of Exhibit D-1 delivered by the General Partner as of the date of such admission, including, but not limited to, the satisfactory financial condition of the Guarantor and all sources of funding remain In-Balance.

(D) Substantial Completion. Substantial Completion of the Project shall have occurred.

(E) Title Policy. Issuance by the title insurance company of a new Title Policy acceptable to the Special Limited Partner or a current endorsement to the Title Policy extending the effective date of the Title Policy to the date of funding and showing no exceptions to the Title Policy other than the exceptions reflected on the Title Policy as of Initial Closing, except reflecting the lien created by the Permanent Financing and except as shall be reasonably acceptable to the Special Limited Partner.

(F) Permits, Licenses and Certificates of Occupancy. The Special Limited Partner shall have received a copy of any permits and licenses which are required for the operation and use of the Project and a copy of the permanent Certificate or Certificates of Occupancy, or the equivalent in the determination of the Special Limited Partner, issued by the appropriate Authorities for the Project in its entirety and a zoning letter or other evidence satisfactory to the Special Limited Partner that the Project is properly zoned.

(G) Environmental Matters. The Special Limited Partner shall have received a report in form satisfactory to the Special Limited Partner showing that any Hazardous Materials (as defined in Section 4.01(o)) or other environmental matters disclosed in the Environmental Reports which were to be eliminated, controlled or abated, including without limitation, any asbestos contamination and lead-based paint, have been properly dealt with in accordance with all Environmental Laws (as defined in Section 4.01(o)), as determined by the Special Limited Partner’s Construction Consultant.

(H) Compliance with Plans and Specifications. The General Partner shall have submitted to the Special Limited Partner a written document executed by the General Partner and the Contractor certifying that the Project has been completed in a good and workmanlike manner, with no apparent material defects (other than as set forth on a “punch list” approved by the Special Limited Partner) and with no material changes to the approved “for-construction” Plans and Specifications, except as may have been approved by the Special Limited Partner. The Architect and the Construction Consultant shall also certify that the Project has been built substantially in accordance with the Plans and Specifications and recommendations of the soils engineer, that the Project meets the requirements of applicable laws with regard to health, safety and access for disabled persons (e.g., Americans with Disabilities Act, HUD accessibility guidelines issued pursuant to the Fair Housing Act, etc.), that the Project has been built in accordance with the approved site plan and that there is no interference with required setbacks, easements or other appurtenances. If the Construction Consultant report obtained by the Special Limited Partner requires corrective action before the Construction
Consultant can certify that the improvements are complete, the cost of any subsequent inspection by the Construction Consultant shall be paid by the General Partner.

(I) **Contractor's Pay-Off Letter.** The Partnership shall have received (i) a letter from the Contractor to the effect that the Partnership is not in default under the Construction Contract, that all amounts due under the Construction Contract have been paid except to the extent to be paid simultaneously with the making of the Completion Capital Contribution, subject only to holdbacks for "punch list" items reasonably approved by the Special Limited Partner (which approval may include the Special Limited Partner’s determination that sufficient funds have been escrowed or otherwise are available to pay for such "punch list" items) and (ii) lien waivers from the Contractor and major subcontractors, or in the event that the items set forth in clauses (i) and (ii) cannot be obtained due to a dispute with the Contractor, then the General Partner shall have certified to the Special Limited Partner that a bona fide dispute exists with the Contractor regarding the amount of money to be paid to the Contractor and provided evidence reasonably acceptable to the Special Limited Partner that the Partnership has reserved sufficient funds to pay the maximum amount the General Partner and Special Limited Partner believe, in good faith, could be owed to the Contractor (it being understood that the General Partner’s obligation under Section 8.08(a) shall not be affected in any manner as a result). For purposes of this paragraph (I), "major contractors" means any contractor or subcontractor having a contract with respect to the Project equal to or in excess of $100,000.00.

(J) **Permanent Financing Commitment.** The Permanent Financing commitment shall be in full force and effect with no default having occurred thereunder and the Special Limited Partner shall have determined that there is a reasonable basis to conclude that a closing of the Permanent Financing (or final endorsement, if applicable) can occur under the commitment.

(K) **Income Tax Documents.** The General Partner shall have provided each Limited Partner with such financial information with respect to the prior fiscal year of the Partnership as shall be necessary or helpful to comply with all federal and state income tax requirements (including Form K-1) if such tax documents are otherwise due to be delivered pursuant to Section 14.01.

(L) **Operating Budgets.** The General Partner shall have delivered and the Special Limited Partner shall have approved the operating and capital budgets as shall be required pursuant to Section 14.04.

(M) **Tax Credit Allocation.** Receipt by the Special Limited Partner of evidence acceptable to it that the Partnership has timely received a Tax Credit Allocation and has satisfied the 10% Test of Section 42(h)(1)(E) of the Code.

(N) **Insurance Certificates.** Copies of all insurance certificates required by the Insurance Guidelines.

(O) **Estimated Eligible Basis.** An estimate of the cost of construction and the eligible basis of the Project prepared by the General Partner.
(P) **Seller Approvals.** To the extent that the seller of the Land, RKS Sunnyvale, LLC, a Texas limited liability company, or its assign ("Seller") had to give any necessary approvals during Construction of the Project as described in that certain Development Agreement between the Developer (as assigned to the Partnership) and Seller (e.g., due to changes in the Plans and Specifications), the Special Limited Partner will have received written evidence of such Seller approvals.

(Q) **Additional Documents.** Such additional documentation as the Special Limited Partner may reasonably request to confirm that the foregoing requirements have been met and that there have been no adverse change in facts since the Special Limited Partner was admitted to the Partnership:

(iii) **Items Delivered Within Sixty Days After Completion.** Within sixty (60) days after completion of the Project, the Special Limited Partner shall be delivered all of the following:

(A) A compiled balance sheet ("Compiled Balance Sheet") prepared by the Accountants as of the date of completion of Construction showing the eligible basis of the Project under Section 42 of the Code and each Partner’s capital account as a separate line item. The Compiled Balance Sheet shall reflect that Excess Development Costs paid by the General Partner pursuant to the completion guaranty shall not constitute income, loans or capital contributions to the Partnership, but rather are costs not incurred by the Partnership and not includible in the cost of the Project. The Compiled Balance Sheet shall also reflect a capital account for the General Partner as described in this Agreement.

(B) Prior to its submission to the State Agency, a copy of the completed cost certification ("Cost Certification") prepared by the Accountants showing the costs incurred with respect to the Construction of the Project, together with any application for Forms 8609 and/or State Agency Cost Certifications to be submitted to the State Agency or to any other government agency.

(C) A report from the Accountants stating that they have performed the following agreed upon procedures:

1. They have prepared the completed Cost Certification.
2. They have compared the Cost Certification to the eligible basis of the Project shown on the Compiled Balance Sheet as of the date of completion of Construction, which they have prepared and which is attached thereto.
3. They have reconciled the differences between the Cost Certification and the eligible basis shown on the Compiled Balance Sheet.
4. They have prepared a reconciliation of these costs and have reviewed invoices and other documentation supporting these costs, have determined that such costs are properly includable in eligible basis and have calculated the eligible basis as defined in Section 42 of the Code.
and have stated such basis and have identified it on the Compiled Balance Sheet. They will attach the reconciliation and calculations.

(5) They have prepared a tax depreciation and amortization schedule in a form acceptable to the Special Limited Partner listing the individual depreciable and amortizable asset categories including, but not necessarily limited to, those assets depreciable over three (3), five (5), seven (7), fifteen (15), twenty-seven and one-half (27.5) and forty (40) years, and showing the cost, estimated life, and method used to depreciate/amortize each category for tax purposes. The annual depreciation/amortization expense for each category is listed beginning with the year the Project is placed in service and ending eighteen (18) years from the placed in service date with the total annual depreciation and amortization expenses listed for each year. They have determined that the Tax Depreciation and Amortization Schedule properly reflects the appropriate methodology for determining the depreciable and amortizable expenses for the Project. They will attach the Tax Depreciation and Amortization Schedule.

(D) A Radon Report in form and substance acceptable to the Special Limited Partner.

(E) Evidence acceptable to the Special Limited Partner that those Permanent Financings that were to fund in connection with Construction completion have been funded.

(iv) 100% Qualified Capital Contribution. Upon the satisfaction, review and approval by the Special Limited Partner of the items described below, the Investor Limited Partner shall make the 100% Qualified Capital Contribution in the amount of $228,225 ("100% Qualified Capital Contribution").

The 100% Qualified Capital Contribution shall be deposited into a designated account in the name of the Partnership with the Construction Lender to be applied as provided in Exhibit H of the Credit Support and Funding Agreement entered into by and between the Partnership and the Construction Lender, i.e., used to pay amounts set forth in the Development Budget, including up to 15% of (i) the total Development Fee minus (ii) any estimated deferred Development Fee as set forth in a cost certification to be prepared after Construction is complete (such 15% of Development Fee to be paid currently estimated to be $228,225) so long as, after such payment, the Development Budget remains In-Balance.

(A) 100% Qualified Occupancy. The Special Limited Partner shall have received evidence that the Project has achieved 100% Qualified Occupancy.

(B) Underwritten Rents. The Special Limited Partner shall have received evidence that 100% Qualified Occupancy has been achieved with the Partnership collecting rent at the underwritten levels shown in the Projections that appear at Exhibit F attached hereto.
(C) **Completion Capital Contribution.** All requirements for the payment of the Completion Capital Contribution have been satisfied.

(D) **Monthly Reports.** The monthly reports specified in Section 14.08.

(E) **General Partner's Certificate.** The Special Limited Partner shall have (i) received an updated certificate in the form of Exhibit D-3 executed by the General Partner, dated not more than fifteen (15) days prior to the date of the 100% Qualified Capital Contribution, and (ii) determined that there has been no material adverse change in the facts disclosed by the due diligence it conducted with respect to the General Partner prior to its admission to the Partnership or in the matters reported on the certificate in the form of Exhibit D-1 delivered by the General Partner as of the date of such admission, including, but not limited to, the satisfactory financial condition of the Guarantor and all sources of funding remain In-Balance.

(F) **Additional Documents.** Such additional documentation as the Special Limited Partner may reasonably request to confirm that the foregoing requirements have been met.

(v) **Stabilization Capital Contribution.** Upon the satisfaction, review and approval by the Special Limited Partner of the items described below, the Investor Limited Partner shall make the Stabilization Capital Contribution in the amount of the $893,506 (“**Stabilization Capital Contribution**”).

The Stabilization Capital Contribution shall be deposited into a designated account in the name of the Partnership with the Construction Lender to be applied as provided in Exhibit H of the Credit Support and Funding Agreement entered into by and between the Partnership and the Construction Lender, i.e., used to pay amounts set forth in the Development Budget, including Development Fee to the extent all other costs of Construction have been paid.

Notwithstanding the foregoing, if Forms 8609 and a recorded Extended Use Agreement have not been delivered to the Special Limited Partner by the time that the funding of the Stabilization Capital Contribution would otherwise occur, the Stabilization Capital Contribution shall be made, except that $25,000 of the Stabilization Capital Contribution shall not be made until the Special Limited Partner receives the Forms 8609, the recorded Extended Use Agreement and a current General Partner’s Certificate in the form attached hereto as Exhibit D-3.

(A) **100% Qualified Capital Contribution.** All requirements for the payment of the 100% Qualified Capital Contribution have been satisfied.

(B) **Monthly Reports.** The monthly reports specified in Section 14.08.

(C) **Final Completion - Final Closing.** Final Completion and Final Closing have occurred.

(D) **Rent Roll.** The General Partner shall have delivered to the Special Limited Partner a current rent roll for the Project certified to the Special Limited
Partner by the General Partner and in form and substance reasonably satisfactory to the Special Limited Partner. The rent roll must include the following information for each tenant: name, unit number, number of bedrooms, building ID number (BIN), number of occupants, move-in date, move-out date, current gross income, gross income at move in, rent paid by tenant, and net rent.

(E) **Initial Tenant Files.** To the extent not previously received, receipt by the Special Limited Partner of copies of all initial tenant files including the tenant income certification (TIC), income verifications, asset verifications, student status verifications, executed leases, tenant applications and copies of any other documentation required and collected by the Management Agent or the General Partner, for the purpose of verifying each tenant's eligibility pursuant to the Minimum Set-Aside Test and other applicable guidelines under Section 42 of the Code. In the event that review of an initial tenant file indicates that corrections are required, the General Partner shall cause the Management Agent to correct the tenant file and provide the corrected tenant file to the Special Limited Partner. The investor Limited Partner may withhold all or any portion of a Capital Contribution payment until the Special Limited Partner has received all of the initial tenant files and the same have been reviewed, corrected and approved.

(F) **Cost Certification.** Receipt and approval by the Special Limited Partner of an audited Cost Certification of the Certified Credit for the Project prepared by the Accountants setting forth the eligible basis, the estimated amount of Tax Credit and the amount allocable to each Partner.

(G) **Forms 8609.** Receipt by the Special Limited Partner of the Form(s) 8609.

(H) **Title Policy.** Issuance by the title insurance company of a new Title Policy acceptable to the Special Limited Partner or a current endorsement to the Title Policy extending the effective date of the Title Policy to the date of funding and showing no exceptions to the Title Policy other than the exceptions reflected on the Title Policy as of Initial Closing, except reflecting the lien created by the Permanent Financing and except as shall be reasonably acceptable to the Special Limited Partner.

(I) **Construction Loan Payoff.** Evidence satisfactory to the Special Limited Partner that the Construction Loan has been fully paid and all liens securing the Construction Loan have been released (or is being fully paid and released simultaneously with the funding of the Stabilization Capital Contribution).

(J) **General Partner's Certificate.** The Special Limited Partner shall have (i) received an updated certificate in the form of Exhibit D-4 executed by the General Partner, dated not more than fifteen (15) days prior to the date of the Stabilization Capital Contribution, and (ii) determined that there has been no material adverse change in the facts disclosed by the due diligence it conducted with respect to the General Partner prior to its admission to the Partnership or in the matters reported on the certificate in the form of Exhibit D-1 delivered by the General Partner as of the date of such admission, including, but not limited to, the
satisfactory financial condition of the Guarantor and all sources of funding remain in-Balance.

(K) **As-Built Survey.** Receipt by the Special Limited Partner of an updated and recertified as-built ALTA survey satisfactory to the Special Limited Partner.

(L) **Stabilized Operations.** Stabilized Operations has occurred.

(M) **Final Closing Binder.** A closing binder containing signed copies of all Loan Documents executed in connection with Final Closing and not previously delivered to the Special Limited Partner.

(N) **Extended Use Agreement.** Receipt by the Special Limited Partner of a fully executed copy of the Extended Use Agreement and a recorded copy of the Extended Use Agreement.

(O) **Income Tax Documents.** The General Partner shall have provided each Limited Partner with such financial information with respect to the prior fiscal year of the Partnership as shall be necessary or helpful to comply with all federal and state income tax requirements (including Form K-1) if such tax documents are otherwise due to be delivered pursuant to Section 14.01.

(P) **Additional Documents.** Such additional documentation as the Special Limited Partner may reasonably request to confirm that the foregoing requirements have been met and that there have been no adverse change in facts since the Limited Partner was admitted to the Partnership.

(vi) **Special Additional Capital Contributions.** If, in any fiscal year of the Partnership, the Investor Limited Partner's Capital Account balance may be reduced to or below zero, the Investor Limited Partner may, in its sole and absolute discretion, make a special additional Capital Contribution to the Partnership, in an amount reasonably required to avoid the reduction of the Investor Limited Partner's Capital Account balance to or below zero ("Special Additional Capital Contribution"). If the Investor Limited Partner makes a Special Additional Capital Contribution to the Partnership pursuant to this paragraph, such funds shall be deposited in a separate Partnership reserve account, withdrawals from which shall require the Consent of the Investor Limited Partner. All interest earned on such account shall be payable to such Investor Limited Partner, and an amount of income equal to the amount of such interest shall be specifically allocated to such Investor Limited Partner. The Investor Limited Partner shall receive a guaranteed payment pursuant to Section 5.06 for the use of its Special Additional Capital Contribution. Whenever the Investor Limited Partner makes a Special Additional Capital Contribution to the Partnership pursuant to this paragraph, the General Partner shall have the option, in its sole and absolute discretion, to make Special Additional Capital Contributions to the Partnership, up to the same amount and on the same terms in the aggregate as the Special Additional Capital Contribution made by the Investor Limited Partner at that time.
(d) Adjustments Due to Changes in Tax Credit.

(i) Lease-Up Adjuster. In addition to any other adjustment in Capital Contribution or payment required by this Section 5.01(d), in the event that the Actual Credit with respect to the Housing Tax Credit for 2014 or 2015 is less than the Housing Tax Credit reflected in the Projected Credit for such year (in each case, a "Timing Shortfall"), then the Capital Contribution of the Investor Limited Partner to the Partnership shall be reduced by an amount (the "Timing Reduction Amount") equal to 70% of the sum of the Timing Shortfalls. Any reduction in Capital Contribution caused by the Timing Reduction Amount shall be applied to reduce the Stabilization Capital Contribution. If no Capital Contributions remain to be paid, or if the amount of the Timing Reduction Amount is greater than the Capital Contributions to be made, then the General Partner shall pay the Timing Reduction Amount to the Partnership within thirty (30) days after written demand is made therefor and such payment shall be deemed to be a Capital Contribution by the General Partner. Upon receiving such a payment, the Partnership shall then immediately make such payment to the Investor Limited Partner as a return of capital. If such General Partner Capital Contribution would in the opinion of counsel to the Investor Limited Partner cause Housing Tax Credits intended for the Investor Limited Partner to be lost or reallocated to another Partner, then payments due from the General Partner shall be made, on an after-tax basis, directly to the Investor Limited Partner as damages for breach of warranty. Any amounts not so paid shall bear interest from the date of the determination until the date of payment, at the Prime Rate prevailing at the end of the preceding calendar month, plus two percent (2%), until paid in full. It is understood and agreed that the provisions of this Section 5.01(d)(i) are intended to address any reductions in or delays in the delivery of the first and/or second years of the Credit Period from the Projected Credit amounts with respect to the Housing Tax Credit during such years where the total Projected Credit for the entire Credit Period is not affected. It is intended that the adjustments and/or payments required by this Section 5.01(d)(i) are to compensate the Investor Limited Partner for the delay in the receipt of Tax Credit and the Lease-Up Adjuster may be reduced if the Investor Limited Partner determines in the exercise of its sole and absolute discretion that the full Lease-Up Adjuster is not required to maintain the expected return on investment of its members.

(ii) 8609 Adjuster. The Accountants shall determine the Certified Credit promptly after the receipt of Forms 8609 for the Project. If Forms 8609 are not available at the time of the payment of the Stabilization Capital Contribution, then the Accountants shall make a preliminary determination of Certified Credits at that time and each of the adjustments required pursuant to this Section 5.01(d) shall be made--preliminarily at the time of the Stabilization Capital Contribution and finally at the time of the final determination of the Certified Credit. If the aggregate Housing Tax Credit reflected in the Certified Credit is less than the aggregate Housing Tax Credit reflected in the Projected Credit, then the Capital Contribution of the Investor Limited Partner to the Partnership shall be reduced by an amount equal to such difference multiplied by 88% (the "Initial Reduction Amount"). Any reduction in Capital Contribution caused by the Initial Reduction Amount shall first be applied to reduce the Stabilization Capital Contribution. If no further installments of Capital Contribution remain to be paid, or if the Initial Reduction Amount is greater than the aggregate amount of the remaining installments, then the amount necessary to achieve the total Initial Reduction Amount shall be paid by the General Partner to the Partnership promptly after the determination.
of the Certified Credit, and shall bear interest from the date of the Stabilization Capital Contribution until the date of payment, at the Prime Rate prevailing at the end of the preceding calendar month, plus two percent (2.0%), until paid in full. Such payment shall be deemed to be a Capital Contribution by the General Partner. Upon receiving such a payment, the Partnership shall then immediately make such payment to the Investor Limited Partner. If such General Partner Capital Contribution would in the opinion of counsel to the Investor Limited Partner cause Housing Tax Credits intended for the Investor Limited Partner to be lost or reallocated to another Partner, then payments due from the General Partner shall be made, on an after-tax basis, directly to the Investor Limited Partner as damages for breach of warranty.

(iii) Coordination between Lease-Up Adjuster and 8609 Adjuster. This Section 5.01(d)(iii) is intended to describe the coordination between the Timing Reduction Amount and the Initial Reduction Amount. The parties intend that the Initial Reduction Amount be determined first, based on any change between Projected Credit and Certified Credit, and that the Timing Reduction Amount then be determined taking into account such change. Thus, for the purpose of determining any Timing Shortfall attributable to the Housing Tax Credit where there is an increase, or decrease, in such Tax Credit taken into account under Section 5.01(d)(ii), the Projected Credit for the applicable year used in determining the Timing Shortfall shall be the amount of the Housing Tax Credit reflected in the Certified Credit that is allocable to such year assuming the same lease-up schedule as assumed in determining the Projected Credit. By way of illustration: assuming the Projected Credit shows Housing Tax Credit of $6 for the first year, and $10 per year for years 2 through 10, then if the Certified Credit shows Housing Tax Credit of $9 per year: (A) there will be an Initial Reduction Amount based on a reduction of $10 ($1 per year), and (B) the Timing Shortfall will be determined based on a Projected Credit of $5.40 (6/10 times $9), instead of $6, for the first year.

(iv) Adjustments Reflecting Reductions in Capital Contributions. The Partners acknowledge and agree that, if a reduction in the Capital Contributions of the Investor Limited Partner occurs as a result of the application of this Section 5.01(d), the General Partner and the Investor Limited Partner shall agree on a method of applying such reduction in Capital Contributions which shall have the least adverse impact on the “qualified basis” and the “eligible basis”, as those terms are defined in Section 42(e)(1) and 42(d) of the Code, of the Project for purposes of Tax Credit; such method may include, if and to the extent necessary, the deferral of a portion of the Development Fee.

(v) Taxable Income Adjuster. In the event on or prior to Final Closing, any net taxable income is allocated to the Investor Limited Partner, then the Completion and Stabilization Capital Contributions shall be reduced by an amount equal to 35% of such allocated taxable income (the “Taxable Income Reduction Amount”). If no Capital Contributions remain to be paid, or if the amount of the Taxable Income Reduction Amount is greater than the Capital Contributions to be made, then the General Partner shall pay the Taxable Income Reduction Amount to the Partnership within thirty (30) days after demand is made therefore and such payment shall be deemed to be a Capital Contribution by the General Partner.

(vi) Anticipated Capital Contribution Reductions. Notwithstanding anything to the contrary contained herein, if, upon the request by the General Partner for any
Capital Contribution, the Investor Limited Partner and Special Limited Partner shall have a reasonable basis (as explained to the General Partner in writing promptly upon receipt of a request for funding of such Capital Contribution) to believe that the amount of such Capital Contribution would have been subject to reduction if the Accountants had made a current determination or projection under any of the preceding provisions of this Section 5.01(d), the Special Limited Partner may so notify the General Partner and the General Partner shall thereupon engage the Accountants to make such determination or projection (unless the General Partner, the Special Limited Partner, and Investor Limited Partner shall mutually agree upon the adjustments to be made). The amount of the Capital Contribution in question shall then be provisionally reduced in accordance with such projection or agreement; provided, however, that if the Accountants' subsequent determinations with respect to matters provisionally reduced under this paragraph shall vary from the determinations or mutual agreements described herein, then either (i) the Investor Limited Partner shall promptly pay to the Partnership the amounts, if any, by which the provisional reduction exceeded the reduction, if any, as subsequently determined or (ii) the amount, if any, by which the reduction as subsequently determined exceeded the provisional reduction shall be applied against future Capital Contributions or refunded as provided in this Section 5.01(d). The due date for payment by the Investor Limited Partner of any Capital Contribution which shall become the subject of the procedure described in this paragraph shall be tolled pending determination of the provisional reduction (if any) as provided herein.

(vii) **Upward Allocation Adjustment.** If the aggregate Housing Tax Credit reflected in the Certified Credit is greater than the aggregate Housing Tax Credit reflected in the Projected Credit, then the Capital Contribution of the Investor Limited Partner to the Partnership shall be increased by an amount equal to such excess multiplied by 88% (the “Upward Allocation Adjustment”). The Upward Allocation Adjustment shall be made and applied to increase the Stabilization Capital Contribution. The Partnership shall use the Upward Allocation Adjustment and the Upward Timing Adjustment, if any, (i) to pay Excess Development Costs, (ii) to pay Development Fee that would otherwise be deferred Development Fee (but the Development Fee payable under Section 8.09 shall not be increased as a result), and (iii) the balance, if any, to increase the Operating Reserve; provided, that at the end of the Operating Deficit Guaranty Period, the excess of the balance then remaining in the Operating Reserve over the initial amount required to be deposited therein under Section 8.14, may be released and distributed as Net Cash Flow. Notwithstanding anything to the contrary contained herein, the sum of the Upward Allocation Adjustment and the Upward Timing Adjustment shall not exceed $560,866 without the Consent of the Investor Limited Partner. If the sum of the Upward Allocation Adjustment and the Upward Timing Adjustment would otherwise be greater than $560,866 and the Investor Limited Partner does not agree to pay the excess over $560,866, then the Percentage Interests of the Partners will be adjusted accordingly so that the excess of Certified Credit over the Projected Credit for which the Investor Limited Partner is not making a Capital Contribution will specially be allocated to the General Partner.

(viii) **Upward Timing Adjustment.** In the event that the Actual Credit with respect to the Housing Tax Credits for 2014 is more than the Housing Tax Credits reflected in the Projected Credits for such year, then the Capital Contribution of the Investor Limited Partner to the Partnership shall be increased by an amount (the “Upward Timing Adjustment”) equal to 30% of such excess. The Upward Timing
Adjustment shall be made and applied to increase the Stabilization Capital Contribution. It is understood and agreed that the Upward Timing Adjustment is intended to address any acceleration in the delivery of the first year of the Credit Period from the Projected Credit amounts with respect to the Housing Tax Credits during such year where the total Projected Credits for the entire Credit Period is not affected and that the Upward Timing Adjustment may be decreased if the Investor Limited Partner determines in the exercise of its sole and absolute discretion that a smaller Upward Timing Adjustment must be paid in order to maintain the expected return on investment of its members. The Upward Timing Adjustment shall be coordinated with any Initial Reduction Amount or Upward Allocation Adjustment in the manner described in Section 5.01(d)(iii).

(c) During the time that Capital One, National Association is the Construction Lender, the cash portion of the Capital Contributions of each Partner shall be deposited into an account with the Construction Lender in the name of the Partnership. Thereafter, deposits may be made at the General Partner’s discretion in a checking, savings and/or money market or similar account, to be established and maintained in the name of the Partnership, or invested in government securities or certificates of deposit issued by any bank. Such amounts shall be utilized for the conduct of the Partnership business pursuant to the terms of this Agreement.

(f) The approval of the Special Limited Partner of the items required to be satisfied prior to the making of its Capital Contributions ("Funding Conditions") shall not be unreasonably withheld or delayed. Upon the written request by the General Partner, the Special Limited Partner shall explain promptly in writing any Funding Conditions it has not yet approved, any additional information it requires to approve such conditions, the approximate time it will require to complete its review, and, if it has concluded that any Funding Condition has not been satisfied, the Funding Condition and the reason that it has not been satisfied. The Special Limited Partner shall be provided with all documents and records which may reasonably require in order to verify the satisfaction of the conditions precedent to the funding of Capital Contributions and shall have the right to examine and copy all books and records of the Partnership, General Partner (relating to the Partnership and/or the Project) and Management Agent (relating to the Partnership and/or the Project) in connection therewith.

5.02 Return of Capital Contribution. Except as provided in this Agreement, no Partners shall be entitled to demand or receive the return of its Capital Contribution.

5.03 Withholding of Capital Contribution Upon Default. The Special Limited Partner, at its sole election, may cause the withholding of payment of any Capital Contribution otherwise payable to the Partnership in the event that any of the following (each a "Withholding Event") has occurred: (a) the General Partner, or any successor General Partner, shall not have substantially complied with any material provisions under this Agreement after Notice from the Special Limited Partner of such noncompliance and failure to cure such noncompliance within a period of ten (10) days from and after the date of such Notice, or (b) a Lender shall have declared the Partnership to be in default under any Loan for reasons other than the Investor Limited Partner’s failure to make a Capital Contribution when due, which default has not been cured within thirty (30) days thereof, or (c) foreclosure proceedings shall have been commenced against the Project for reasons other than the Investor Limited Partner’s failure to make a Capital Contribution when due, and such proceedings have not been dismissed within ten (10) days thereof, or (d) if the Management Agent is an Affiliate of the General Partner and the Management Agent has materially violated the Management Agreement, which violation has not been cured, or (e) the Tax Credit Allocation is revoked by the Agency or the Agency declares a default thereunder, or (f) there currently exists a basis for the Investor Limited Partner to request a repurchase of its interest pursuant to Section 5.05, or (g) the Developer is in default under the Development Agreement.
All amounts so withheld by the Investor Limited Partner under this Section 5.03 shall be promptly released to the Partnership after the General Partner or the Partnership (or the Developer, if applicable) has cured the Withholding Event, as demonstrated by evidence reasonably acceptable to the Special Limited Partner.

5.04 Pledged Payments. To secure the payment and performance by the General Partner and the Developer to the Limited Partner of the performance of the General Partner’s obligations under this Agreement and the Developer’s obligations under the Development Agreement, the General Partner hereby collaterally assigns, pledges and grants a subordinate security interest to the Limited Partner in all of the General Partner’s right, title and interest in and to any distributions and payments under this Agreement, including without limitation payments with respect to Partner Loans made by the General Partner to the Partnership, and distributions of Net Cash Flow and cash from a Capital Transaction, as evidenced by the General Partner’s execution and delivery to the Limited Partner of a Pledge and Security Agreement in the form of Exhibit G attached hereto, and the Developer shall also collaterally assign, pledge and grant a security interest to the Limited Partner in all of the Developer’s right, title and interest in the Development Agreement, including without limitation, any payments of the Development Fee, as evidenced by the Developer’s execution and delivery to the Limited Partner of a Pledge and Security Agreement in the form of Exhibit H attached hereto, (collectively, the “Pledged Payments”). The General Partner and the Developer irrevocably direct the Partnership to pay to the Limited Partner any Pledged Payments at any time that there is an unsatisfied obligation secured by the Pledged Payments. The Partnership and the Partners shall treat any Pledged Payments made by the Partnership to the Limited Partner as a payment by the Partnership to the General Partner or the Developer, as applicable, of the particular Pledged Payment and a payment by the General Partner or Developer, as applicable, to the Limited Partner of the particular obligation which it secures. If there is more than one type of outstanding obligation secured at the time a Pledged Payment is made to the Limited Partner, the Special Limited Partner in its sole discretion shall decide to which secured obligation the Pledged Payments shall be applied. This Section 5.04 shall constitute a security agreement under applicable law. In addition, the General Partner and the Developer grant the Limited Partner a right of offset against Pledged Payments with respect to all amounts due to the General Partner under this Agreement or to the Developer under the Development Agreement.

5.05 Repurchase Obligation.

(a) If any of the following occur prior to the date on which the Limited Partner has made all its Capital Contributions required pursuant to Section 5.01(c), as adjusted pursuant to Section 5.01(d):

(i) All buildings in the Project are not placed in service by December 30, 2013, (or such later date as may be Consented to by the Special Limited Partner);

(ii) The Forms 8609 are not issued by the Agency in a timely manner so as to permit the Limited Partner to claim Tax Credit during the Credit Period (unless the General Partner can show to the reasonable satisfaction of the Special Limited Partner that the failure to obtain such Forms 8609 was due to reasonable cause because the Agency failed to issue the Forms 8609 despite being provided all necessary information by the Partnership on a timely basis and the Forms 8609 are issued by the Agency prior to the tax return due date for the second year of the Credit Period);

(iii) Final Closing (except for Qualified Occupancy) and Breakeven Operations have not occurred by July 1, 2015 (or such later date as may be Consented to by the Special Limited Partner) or the commitment for the Permanent Financing is
canceled or substantially modified (and not replaced by a similar commitment approved by the Special Limited Partner, in its sole discretion), or any interest rate lock-in has expired, or the Project only qualifies for a Permanent Financing that is insufficient to balance the sources and uses of funds without the Consent of the Special Limited Partner;

(iv) Stabilized Operations has not occurred by July 1, 2015 (or such later date as may be Consent to by the Special Limited Partner);

(v) the Partnership fails to meet the Minimum Set-Aside Test and the Rent Restriction Test by the close of the first year of the Credit Period or at any time thereafter;

(vi) the Partnership fails to execute and record an Extended Use Agreement by the close of the first year of the Credit Period;

(vii) the Partnership fails to achieve Qualified Occupancy by April 1, 2015;

(viii) the Partnership fails to meet the Ten Percent Test by the date required by Section 42 of the Code or by the State Agency;

(ix) an uncured event of default described in Section 5.03 shall exist for a period in excess of thirty (30) days prior to the making of the Completion Capital Contribution;

(x) a casualty occurs resulting in substantial destruction of the Project, or there is a substantial destruction of less than 50% of the Project and the insurance proceeds (if any) plus amounts escrowed by the General Partner to complete construction are insufficient to restore the Project or the Project is not so restored within eighteen (18) months following such casualty (or such shorter period as is necessary to qualify for Housing Tax Credits);

(xi) the Project or any related entity fails to comply with any material representations set forth in the Tax Credit Application and a General Partner fails to cure same within a reasonable period of time after notice from the Agency or the Special Limited Partner such that the Tax Credit is reasonably likely to be recaptured or award rescinded;

(xii) a General Partner shall have failed to make the Capital Contribution required upon removal under Section 9.04;

(xiii) the aggregate amount of Certified Credit is less than 70% of the aggregate amount of Projected Credit; or

(xiv) any information reflected on a certificate in the form of Exhibit D-1 or D-2 delivered by a General Partner is incorrect or misleading in any material respect, a General Partner fails to deliver any updated certificate in the form of Exhibit D-1 or D-2 to reflect changes in the matters previously reported or the Special Limited Partner determines that any matters reported or required to be reported on any such certificate reflect a material adverse change in the financial condition, results of operations or prospects of a General Partner and/or a Guarantor that could cause a General Partner
and/or a Guarantor to be unable to fulfill their respective obligations to the Partnership and/or the Limited Partner,

then the Special Limited Partner shall, at its sole discretion, have the right to (A) remove the General Partner (or any and all of the General Partners, if more than one) pursuant to Section 9.04; or (B) cause a General Partner (or all of them if more than one) to repurchase the Interests of the Limited Partner hereunder for the payment specified below. In the event that the Special Limited Partner elects to require a General Partner to repurchase such Interests, such General Partner, promptly after receiving Notice by the Special Limited Partner of such election, shall acquire the entire Interests of the Limited Partner in the Partnership by making payment to the Limited Partner, in cash, of an amount equal to (1) 110% of the Capital Contribution theretofore paid-in to the Partnership, (2) plus interest on such amount from the time that such Capital Contributions were made at the Prime Rate prevailing at the end of the preceding calendar month, plus two percent (2.0%), (3) plus any outstanding amounts owed to the Limited Partner pursuant to this Agreement including any Federal income tax liability incurred by the Limited Partner as a result of the payment of amounts pursuant to this clause, (4) less 2/3 of the Housing Tax Credit allocated to the Limited Partner prior to the repurchase of their Interest and not disallowed by any taxing authority or on any amended return of the Partnership.

(b) The Special Limited Partner's exercise of its rights to remove the General Partner (or any and all of the General Partners, if more than one) shall preclude it from exercising its rights to cause a General Partner to repurchase such Interests. Extensions of time granted hereunder by the Special Limited Partner shall not preclude it from later exercising its rights under this Section 5.05 so long as it has not made the Stabilization Capital Contribution.

(c) Upon receipt by the Limited Partner of any such repayment of their Capital Contributions, the Interests of the Limited Partner and their obligations under this Agreement shall terminate, and, to the extent that the Limited Partner has acted in accordance with the terms of this Agreement, the General Partner shall indemnify and hold harmless the Limited Partner from any losses, damages, and/or liabilities, to or as a result of claims of Persons other than Partners or Affiliates thereof, to which the Limited Partner (as a result of their respective participation hereunder) may be subject.

5.06 Guaranteed Payments. No later than 90 days after the end of the Partnership's fiscal year, any Partner who has made a Special Additional Capital Contribution pursuant to Section 5.01(c)(vi) shall receive an amount equal to the annual interest earned by the Partnership, if any, on such Special Additional Capital Contributions. Provided that the General Partner is not required to assume any additional burdens outside the normal course of business, the Partnership shall invest any amounts contributed pursuant to Section 5.01(c)(vi) as reasonably directed by the contributing Partners. Any guaranteed payment due to a Partner shall be deemed an expense of the Partnership for purposes of determining Net Cash Flow. Any guaranteed payment which is not paid when due shall remain a liability of the Partnership and shall bear interest as set forth above.

5.07 Remedies for Default

(a) To secure the Investor Limited Partner's obligation to make Capital Contributions pursuant to the terms of this Agreement, the Investor Limited Partner hereby assigns, grants, and sets over to the Partnership, and agrees that the Partnership shall have a security interest in, the following collateral (the "Collateral"); all of the Investor Limited Partner's right, title and interest in, to and as Investor Limited Partner, including, without limitation, the Investor Limited Partner interest in the property and assets of the
Partnership, and the Investor Limited Partner’s interest in and to all capital of and other accounts maintained by the Partnership including profits, losses, Net Cash Flow, proceeds of Capital Transactions and Tax Credits allocated by the Partnership. The Partnership is hereby authorized to file with respect to the Collateral one or more financing statements or continuation statements and to name therein the Investor Limited Partner as debtor and the Partnership as secured party or to correct or complete, or cause to be corrected or completed, any financing statements or continuation statements as have been signed by the Investor Limited Partner.

(b) In the event the Investor Limited Partner fails to pay any installment of its Capital Contributions on or prior to the due date therefor (and provided all conditions precedent to such payment have been satisfied as required by the terms and provisions of this Partnership Agreement), and such failure continues for fifteen (15) business days after Notice given by the General Partner, the Investor Limited Partner shall be deemed to be in default hereunder (a “Defaulting Investor Limited Partner”). If a cure is rendered by the Investor Limited Partner within such fifteen (15) business day period it shall be as though the Investor Limited Partner was never a Defaulting Investor Limited Partner. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Investor Limited Partner shall not be in default and shall not be a Defaulting Investor Limited Partner if there exists, in the reasonable judgment of the Investor Limited Partner and Special Limited Partner, a dispute concerning whether any payment of a Capital Contribution is due and owing. The Investor Limited Partner and Special Limited Partner shall provide Notice to the General Partner upon request specifying, in detail, the basis upon which they maintain that a Capital Contribution payment demanded by the General Partner is not due and owing.

(c) The amount in default shall bear interest from the date of default at the Prime Rate plus 1% per annum (or such lesser rate as shall be the maximum permitted by law). Upon the occurrence of such default, the General Partner shall have the authority to (x) proceed to pursue any and all available legal or equitable remedies against the Defaulting Investor Limited Partner in order to collect the amount owed by the Defaulting Investor Limited Partner to the Partnership and/or (y) without being under any obligation whatsoever to do so, negotiate a settlement with the Defaulting Investor Limited Partner providing for extensions of time of payment by the Defaulting Investor Limited Partner, or for the purchase of the Interest owned by such Defaulting Investor Limited Partner by any Person, in each case on such terms and conditions as may be acceptable to the General Partner and the Defaulting Investor Limited Partner and/or (z) pursue the remedies provided in Section 5.07(d).

(d) If the Defaulting Investor Limited Partner fails to pay any installment of its Capital Contributions required hereby and there is no dispute as to whether the Capital Contribution is due and owing, then effective upon the expiration of the fifteen (15) business day cure period provided in paragraph (a) above, the General Partner shall have the authority to take any or all of the following actions without the Consent of the Defaulting Investor Limited Partner:

(i) The General Partner may purchase the Interest of the Investor Limited Partner for a purchase price equal to (x) the fair market value of the Interest to be sold determined by the Accountants based on the prevailing fair market value of interests in entities investing in affordable housing properties which have been allocated Tax Credits but taking into account the effect of the Defaulting Investor Limited Partner’s failure to pay or default less (y) the amount of any Capital Contribution obligations of the Defaulting Investor Limited Partner that have not been satisfied and any third-party expenses actually incurred by the purchaser or the Partnership in connection with such purchase including, without limitation, reasonable legal fees.

(ii) The Partnership shall have all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the State, including without limitation, the right
without demand and upon such notice as may be required by law, to the Investor Limited Partner, to collect, receive or take possession of the Collateral or foreclose on the Collateral or any part thereof.

If any of the options set forth in this Section 5.07 shall be exercised, title to the interests so purchased shall vest in the purchaser or purchasers upon the execution of the requisite assignment documents by the purchaser or purchasers and the Partnership. If the purchase price paid for an interest as a result of the direct purchase from the Defaulting Investor Limited Partner pursuant to Section 5.07(d)(i) above or as a result of the foreclosure sale pursuant to Section 5.07(d)(ii) above (but, in either case, not from any subsequent sale) exceeds the sum of (i) the Defaulting Investor Limited Partner's remaining Capital Contribution obligations corresponding to such interest and (ii) the General Partner's costs and expenses incurred with respect to the Investor Limited Partner's default, the amount of such excess shall be paid to the Defaulting Investor Limited Partner.

ARTICLE VI
CAPITAL ACCOUNTS

6.01 Capital Accounts. A separate Capital Account shall be maintained and adjusted for each Partner in accordance with the accounting rules of Treasury Regulation §1.704-1(b)(2)(iv).

ARTICLE VII
ALLOCATIONS AND DISTRIBUTIONS

7.01 Allocation of Profit and Loss and Tax Credits.

(a) Profit and Loss shall be allocated to the Partners in accordance with their Percentage Interests.

(b) "Profit" and "Loss" each mean, for each fiscal year of the Partnership or other period, the Partnership's taxable income or loss for such fiscal year or other period, 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), adjusted as follows: (1) any income of the Partnership that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss hereunder shall be added to such taxable income or loss; (2) 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 Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; (3) any expenses of the Partnership not deductible for federal income tax purposes and not otherwise taken into account in computing Profit or Loss hereunder, shall be subtracted from such taxable income or loss; and (4) items of income, gain, loss or deduction allocated pursuant to Sections 7.02, 7.04, 7.06 or 7.07 hereof shall be disregarded in determining Profit and Loss. After taking into account the foregoing adjustments to taxable income or loss, if the result is an excess of income and gains over expenses and deductions, the Partnership shall be treated as having "Profit," and if
the result is an excess of expenses and deductions over income and gains, the Partnership shall be treated as having "Loss."

(c) Tax Credit shall be allocated to the Partners in accordance with their Percentage Interests.

(d) In the event there is a recapture of Tax Credit previously allocated to the Partners, the responsibility for the recapture of such Tax Credit shall be allocated in accordance with the requirements of the Code and the Treasury Regulations.

7.02 Special Allocations.

(a) In the event that there is a determination that there is any original issue discount or imputed interest attributable to the Capital Contribution of any Partner, or any loan between Partner and the Partnership, any income or deduction of the Partnership attributable to such imputed interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Partner.

(b) In the event that a Partner makes any Operating Deficit Loans pursuant to Section 8.08(b), any deductions or losses of the Partnership attributable to the use of those funds shall be specially allocated to the lender of such funds and any income generated by any principal repayment or by the forgiveness or cancellation of any such loans shall be specially allocated to the lender of such funds.

(c) In the event that (i) funds are received by the Partnership, (ii) the Partners intend that such funds be treated for federal income tax purposes as capital contributions or loans or non-taxable grants, and (iii) it is determined that the receipt of such funds is not so treated and instead gives rise to taxable income or gain, such taxable income or gain shall be specially allocated to the 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, including without limitation any income arising from the admission of a partner who is allocated state tax credits or the making of any Capital Contribution with respect to state tax credits, it is the intent of the Partners that all such gross income shall be allocated to the General Partner.

(d) In any year in which the General Partner receives an incentive management fee pursuant to Section 7.03, such fee shall be treated as a guaranteed payment. If and to the extent that such fee, for any reason, cannot be treated as a guaranteed payment, then the General Partner shall be allocated an amount of gross income of the Partnership in an amount equal to the incentive management fee.

(e) To the extent the Partnership has taxable interest income with respect to investment of Capital Contributions prior to the expenditure of such funds as contemplated by this Agreement, such interest income will be specially allocated to the General Partner.

(f) Depreciation deductions shall be allocated to the Partners in accordance with their Percentage Interests.

(g) Nonrecourse Deductions shall be allocated to the Partners in accordance with their Percentage Interests. Partner Nonrecourse Deductions shall be allocated to the Partners who bear the economic risk of loss with respect to the liability to which such deductions are attributable in accordance with Section 1.704-2(f)(1).
7.03 Distributions of Net Cash Flow and Net Interim Income. Subject to the approval of the Lender, if required, Net Cash Flow shall be applied and/or distributed on each Payment Date in the following priority:

(i) First, an amount equal to the payment due and owing under Section 5.01(d) or Section 8.08(c)(ii) shall be distributed to the Investor Limited Partner in satisfaction of such obligation;

(ii) next, any other amounts due and owing to the Limited Partner pursuant to this Agreement;

(iii) next, repayment of any Partner Loan made by the Limited Partner;

(iv) next, an amount equal to the payment necessary to maintain the Operating Reserve Minimum in accordance with Section 8.14;

(v) next, to the payment of the Development Fee until fully paid;

(vi) next, to the payment of amounts due with respect to any Operating Deficit Loan(s) or Partners Loan made by a General Partner until such Loan(s) is repaid;

(vii) next, any remaining amount up to an amount equal to 89.98% of Net Cash Flow, first to the General Partner until there shall have been cumulative distributions in the aggregate equal to the General Partner's Special Capital Contribution, if any, and then, to the General Partner as an incentive management fee; and

(viii) finally, any remaining amount to the Partners in accordance with their respective Percentage Interests;

Provided, however, that the aggregate amount distributable to the Investor Limited Partner for any period pursuant to clause (viii) cannot be less than 10% of the aggregate amount distributed for such period pursuant to clauses (vii) and (viii), and distributions pursuant to clauses (viii) and (vii) (in that order) shall be adjusted accordingly.

Unless otherwise Consented to by the Special Limited Partner and as provided above with respect to the General Partner's Special Capital Contribution, if any, no Net Cash Flow shall be paid to the General Partner as a return of equity contributed to the Partnership.

The Partnership shall, subject to any applicable limitation on the distribution of Net Cash Flow and any required approval by the Lender, distribute Net Cash Flow annually in the manner provided in this Section 7.03.

Net Interim Income shall not be distributed except to pay, or to reimburse the General Partner for the payment of, any Excess Development Costs. At the time of funding of the Stabilization Capital Contribution, any remaining Net Interim Income shall be used first to pay the Limited Partner any amounts owed under this Agreement and then to pay down any remaining deferred Development Fee, then to be distributed as if it were Net Cash Flow.
7.04 **Allocation of Gains and Losses.** Gains and losses recognized by the Partnership upon a Capital Transaction, including the sale, exchange or other disposition of all or substantially all of the property owned by the Partnership shall be allocated in the following manner:

(a) Gains shall be allocated (i) first, to the Partners with negative Capital Account balances, that portion of gains (including any gains treated as ordinary income for federal income tax purposes) which is equal in amount to, and in proportion to, such Partners' respective negative Capital Accounts in the Partnership; provided, that no gain shall be allocated under this Section 7.04(a)(i) to a Partner once such Partner's Capital Account is brought to zero; and (ii) second, gain in excess of the amount allocated under (i) shall be allocated to the Partners in the amount and to the extent necessary to increase the Partners' respective Capital Accounts so that the proceeds distributed under Section 7.05(d) will be distributed in accordance with the Partners' respective Capital Accounts.

(b) Losses shall be allocated (i) first, to the extent and in such proportions as the respective positive balances in all Partners' Capital Accounts; and (ii) second, any remaining loss to the Partners in accordance with the manner in which they bear the economic risk of loss associated with such loss under Section 752 of the Code and the Treasury Regulations promulgated thereunder, or, if none, to the Partners in accordance with their Percentage Interests.

7.05 **Distribution of Proceeds from Capital Transactions.** Except as may be required under Section 12.03(b), the proceeds resulting from the liquidation of the Partnership assets pursuant to Section 12.03, and the net proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(a) to the payment of all matured debts and liabilities of the Partnership (including amounts due pursuant to any Loan and all expenses of the Partnership incident to any such sale or refinancing), excluding (1) debts and liabilities of the Partnership to Partners or any Affiliates, and (2) all unpaid fees owing to the General Partner under this Agreement;

(b) to the setting up of any reserves which the Liquidator (or the General Partner if the distribution is not pursuant to the liquidation of the Partnership) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Partnership;

(c) to the payment of any debts and liabilities (including unpaid fees) owed to the Partners or any Affiliates for Partnership obligations, provided, however, that the foregoing debts and liabilities owed to Partners and their Affiliates shall be paid or repaid, as applicable, in the following order of priority, if and to the extent applicable: (i) to the Limited Partner, an amount equal to any amounts owed under this Agreement including, without limitation any amounts owed to the Limited Partner as a result of any Partner Loan made under Section 11.04 and amounts owed under Section 5.01(d) and any accrued but unpaid Asset Management Fees; (ii) amounts due with respect to Operating Deficit Loans; (iii) amounts due under the Development Agreement; and (iv) any other such debts and liabilities, including, without limitation, any Partner Loan made under Section 8.12; and

(d) the balance of such remaining sum, 89.99%, thereof in the aggregate to the General Partner and 10% thereof in the aggregate to the Investor Limited Partner, and .01% thereof in the aggregate to the Special Limited Partner.
7.06 Variation of Allocations to Preserve and Protect Partners' Intent.

(a) It is the intent of the Partners that each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code. In order to preserve and protect the determinations and allocations provided for in this Article VII, the General Partner hereby is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article VII to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article VII would cause the determinations and allocations of each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 7.06 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article VII and no amendment of this Agreement or approval of any Partner shall be required.

(b) In making any allocation (the "new allocation") under Section 7.06(a), the General Partner is authorized to act only after having been advised by the Accountants that, under Section 704(b) of the Code and the Treasury Regulations promulgated thereunder, (i) the new allocation is necessary, and (ii) the new allocation is the minimum modification of the allocations otherwise provided for in this Article VII necessary in order to assure that, either in the then current year or in any preceding year, each Partner's distributive share of income, gain, loss, deduction, or credit (or item thereof) is determined and allocated in accordance with this Article VII to the fullest extent permitted by Section 704(b) of the Code and the Treasury Regulations promulgated thereunder.

(c) If the General Partner is required by Section 7.06(a) to make any new allocation in a manner less favorable to the Limited Partner than is otherwise provided for in this Article VII, then the General Partner is authorized and directed, only after having been advised by the Accountants that it is permitted by Section 704(b) of the Code, to allocate income, gain, loss, deduction, or credit (or item thereof) arising in later years in such manner so as to bring the allocations of income, gain, loss, deduction, or credit (or item thereof) to the Limited Partner as nearly as possible to the allocations thereof otherwise contemplated by this Article VII.

(d) New allocations made by the General Partner under Section 7.06(a) and Section 7.06(c) in reliance upon the advice of the Accountants shall be deemed to be made pursuant to the fiduciary obligation of the General Partner to the Partnership and the Limited Partner, and no such allocation shall give rise to any claim or cause of action by the Limited Partner.

7.07 Regulatory Allocations.

(a) Notwithstanding any other provision of this Agreement, no allocation of loss or deduction (or item thereof) shall be made by the Partnership to a Partner if such allocation would cause or increase a negative Capital Account balance of the Partner otherwise receiving such allocation (excluding the portion of such deficit balances that must be restored to the Partnership upon liquidation by such Partner, if any, and the amount that such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulation §1.704-2(g)(1)(ii) and §1.704-2(i)(5)).

(b) If there is a net decrease in partnership minimum gain (as defined in Treasury Regulation §1.704-2(b)(2)) during a Partnership taxable year, each Partner will be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner's share of the such decrease, determined under §1.704-2(g) of the Treasury Regulations. A Partner shall not be subject to
this mandatory allocation of income or gain to the extent that any of the exceptions provided in Treasury Regulation §1.704-2(f)(2)-(5) applies. All allocations pursuant to this Section 7.07(b) shall be in accordance with Treasury Regulation §1.704-2(j). This provision is a “minimum gain chargeback” within the meaning of Treasury Regulation §1.704-2(f) and shall be construed as such.

(c) If there is a net decrease in partner minimum gain (as defined in Treasury Regulation §1.704-2(i)) during a Partnership taxable year, each Partner shall be allocated items of gross income and gain for such year (and, if necessary, subsequent years) equal to such Partner’s share of such net decrease, determined under Section 1.704-2(i)(4) of the Treasury Regulations. However, in accordance with Section 1.704-2(i)(4) of the Treasury Regulations, the preceding sentence shall not apply to the extent that any of the exceptions provided therein are applicable. All allocations pursuant to this Section 7.07(c) shall be in accordance with Treasury Regulation §1.704-2(i)(4). This provision is a “minimum gain chargeback” within the meaning of Treasury Regulation §1.704-2(i)(4) and shall be construed as such.

(d) In the event any Partner unexpectedly receives any adjustments, allocations or distributions described in Treasury Regulation §§1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of Partnership income and gain shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations promulgated under Section 704(b) of the Code) the deficit balance in each such Partner’s Capital Account as quickly as possible, provided that an allocation pursuant to this Section 7.07(d) shall be made if and only to the extent that such Partner would have a deficit Capital Account after all other allocations provided for in this Article VII have been tentatively made as if this Section 7.07(d) were not in the Agreement. This provision is a “qualified income offset” within the meaning of Treasury Regulation §1.704-1(b)(2)(ii)(d) and shall be construed as such.

(e) 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 to the Partnership upon liquidation, if any, and (ii) the amount such Partner is deemed obligated to restore pursuant to the penultimate sentences of Treasury Regulations §1.704-2(g)(1)(ii) 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 7.07(e) 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 VII have been tentatively made as if this Section 7.07(e) and Section 7.07(d) were not in the Agreement.

(f) The allocations made pursuant to this Article VII shall be made in accordance with the requirements of Treasury Regulations §§1.704-1 and 1.704-2, including the ordering rules of §1.704-2(j).

(g) In the event that income, loss or items thereof are allocated to one or more Partners pursuant to this Section 7.07, subsequent income, loss or items thereof shall be allocated (subject to the provisions of this Section 7.07) to the Partners so that, to the extent possible in the judgment of the General Partner, the net amount of allocations to each Partner under this Article VII over the term of the Partnership shall be equal to the amount that would have been allocated had Section 7.07 not been applied.

7.08 Deficit Restoration Obligation. Notwithstanding anything to the contrary contained in this Agreement, the Investor Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Limited Partner’s delivery of a written notice of election to the General Partner no later than the end of the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its
Capital Account that such Investor Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of such Investor Limited Partner's interest. This deficit restoration election shall be optional to the Investor Limited Partner and shall not be enforceable by any party.

7.09 Allocations Among General Partners. In the event that there is more than one General Partner, allocations of income, gain, loss, deduction, credit and distribution shall be divided among them in accordance with their Percentage Interests or as they may otherwise agree, but in all events consistent with the requirements of the Code and the regulations thereunder and in a manner that does not affect the allocations to the Investor Limited Partner.

7.10 Accounting and Tax Rules; Tax Effect of Allocations.

(a) All items of income, gain, loss, deduction and credit for all purposes of this Agreement shall be determined in accordance with the accrual accounting method.

(b) In any year in which a Partner sells, assigns or transfers all or any portion of an interest to any Person who during such year is admitted as a substitute partner, the share of all items of income, gain, loss, deduction and credit, all Net Cash Flow, and all cash proceeds distributable under Section 7.05 which are attributable to the interest sold, assigned or transferred shall be divided between the assignor and the assignee based on the "interim closing of the books" method.

(c) The allocation of all items of income, gain, loss and deduction and credit to any Partner under this Article VII shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such items, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under Section 751 of the Code.

(d) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Recapture Amount") shall be allocated on a dollar for dollar basis to those Partners to whom the items of Partnership deduction or loss giving rise to the Recapture Amount had been previously allocated.

(e) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall be allocated, solely for tax purposes, 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 fair market value. If any Partnership property has been revalued on the books of the Partnership and the Capital Accounts of the Partners adjusted as provided in Section 1.704-1(b)(2)(iv)(f) of the Treasury Regulations, subsequent allocations of income, gain, loss, and deduction with respect to such property shall take account of any variation between the adjusted basis of such property for federal income tax purposes and its adjusted book value in the same manner as, but not necessarily under the same convention(s) or method(s) specifically used by the Partnership for its allocations actually made or to be made by the Partnership, under Section 704(c) of the Code and the Treasury Regulations thereunder. Any elections or other decisions relating to such allocations shall be made by the General Partner, with the Consent of the Special Limited Partner, in a manner that reasonably reflects the purpose and intention of this Agreement.

(f) If any Partner's interest in the Partnership is reduced but not eliminated because of the admission of new Partners or otherwise, or if any Partner is treated as receiving any items of property
described in Section 751(a) of the Code, the Partner's Interest in such items of Section 751(a) property that was property of the Partnership while such Person was a Partner shall not be reduced, but shall be retained by the Partner so long as the Partner has an Interest in the Partnership and so long as the Partnership has an Interest in such property.

(g) For purposes of determining the Partners' respective shares of "excess nonrecourse liabilities" of the Partnership, within the meaning of Section 1.752-3(a)(3) of the Treasury Regulations, the Partners' interest in profits shall be equal to their Percentage Interests.

(h) The Partners are aware of the income tax consequences of the allocations made pursuant to this Article VII and hereby agree to be bound by the provisions of this Article VII in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

ARTICLE VIII

RIGHTS, OBLIGATIONS AND POWERS OF THE GENERAL PARTNER

8.01 Management of the Partnership.

(a) Except as otherwise set forth in this Agreement, the General Partner, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Partnership for the purposes stated in Article III, shall make all decisions affecting the business of the Partnership and shall manage and control the affairs of the Partnership to the best of its ability and use best efforts to carry out the purpose 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. The General Partner shall devote such time as is necessary to the affairs of the Partnership.

(b) Except as otherwise set forth in this Agreement and subject to the applicable Lender and/or Agency rules and regulations and the provisions of the Project Documents, the General Partner (acting for and on behalf of the Partnership), in extension and not in limitation of the rights and powers given 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 business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Partnership. In furtherance and not in limitation of the foregoing provisions, except as otherwise set forth in this Agreement, the General Partner is specifically authorized and empowered to execute and deliver, on behalf of the Partnership, the Regulatory Agreement, the Extended Use Agreement, the Loan Documents, the Mortgage, and the other Project Documents, and to execute any and all other instruments and documents, and amendments thereto, as shall be required in connection with the Construction Financing and the Permanent Financing, including, but not limited to, executing any mortgage, note, 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. Except as otherwise set forth in this Agreement, all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. No person dealing with the General Partner shall be required to determine its authority to make any undertaking on behalf of the Partnership, nor to determine any facts or circumstances bearing upon the existence of such authority.

8.02 Limitations Upon the Authority of the General Partner.

(a) The General Partner shall not have any authority to:
(i) perform any act to its knowledge in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreement, the Extended Use Agreement, this Agreement or any other Project Documents;

(iii) do any act required to be approved or ratified in writing by the Special Limited Partner under the Act unless the right to do so is expressly otherwise given in this Agreement;

(iv) elect, on behalf of the Partnership, the 20-50 Set-Aside Test as the Minimum Set-Aside Test;

(v) knowingly rent apartments in the Project such that the Project would not meet the requirements of the Rent Restriction Test or Minimum Set-Aside Test;

(vi) borrow from the Partnership or commingle Partnership funds with funds of any other Person;

(vii) change the nature of the business or purpose of the Partnership;

(viii) perform any act that would subject a Limited Partner to liability as a General Partner; or

(ix) do any act which would make it impossible to carry on the ordinary business of the Partnership.

(b) The General Partner shall not, without the Consent of the Special Limited Partner, (which Consent shall not be unreasonably withheld, conditioned or delayed, except for those matters described in (iii), (v), (ix), (xv) and (xxii) below for which Consent may be given or withheld in the sole and absolute discretion of the Special Limited Partner) have any authority to:

(i) sell or otherwise dispose of, at any time, all or substantially all of the assets of the Partnership or any portion of the Land upon which the Project is built or grant easement or dedicate a portion of the Land;

(ii) develop any currently undeveloped portion of the Land upon which the Project is built;

(iii) (A) amend, modify or renew the terms of any material document executed in connection with the Construction Financing or Permanent Financing, (B) obtain, or enter into any commitment for, a loan other than the Construction Loan, the Permanent Financing, or a Partner Loan allowed pursuant to the terms of this Agreement, (C) increase or decrease the amount of any Loan (or make application(s) for such an increase or decrease), or (E) refinance any Loan;

(iv) (A) execute the Loan Documents for the Permanent Financing unless the terms of the loan are consistent with the terms described in the definition of Permanent Financing and the documents are in a form previously approved by the
Special Limited Partner, or (B) receive the proceeds of, or execute documentation in respect of, any grants, if awarded;

(v) incur any liability or obligation on behalf of the Partnership other than in the ordinary course of business or borrow in excess of $10,000 in the aggregate at any one time outstanding on the general credit of the Partnership, except borrowings under Section 8.12 or Section 11.04, and except as and to the extent provided for in an approved budget pursuant to Section 14.04;

(vi) acquire any real property in addition to the Project other than easements reasonable and necessary for the operation of the Project;

(vii) execute or deliver any assignment for the benefit of creditors, file or consent to the filing of a petition in Bankruptcy with respect to the Partnership or file or consent to any plan of reorganization in Bankruptcy or consent to any lifting of the automatic stay;

(viii) replace the Management Agent or substantially modify the terms of the Management Agreement;

(ix) replace the Accountants or change any accounting method or practice of the Partnership;

(x) make any modification to the Development Budget or make any expenditure which is not consistent with the Development Budget; provided, that minor (amounts less than $10,000) line item shifts will not require Consent so long as such shifts have no adverse effect on Tax Credit and, further provided, that the Special Limited Partner's Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed so long as adequate funds are available for such purpose;

(xi) following Final Closing, construct any new or replacement capital improvements on the Project which substantially alter the Project or its use or make any modification to the capital budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget except (a) repairs, replacements and remodeling under emergency conditions, or (b) reconstruction paid for from insurance proceeds; provided, that the Special Limited Partner's Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed so long as adequate funds are available from operating revenues, draws from the Replacement Reserve that do not require Special Limited Partner Consent or amounts advanced to the Partnership pursuant to the Operating Deficit Guaranty;

(xii) make any modification to the operating budget prepared pursuant to Section 14.04 or make any expenditure which is not consistent with such budget; provided, that expenditures for line items of up to 110% of the budgeted amount shall not be deemed to be inconsistent with the budget and, further provided, that the Special Limited Partner's Consent to such modifications or inconsistent expenditures shall not be unreasonably withheld or delayed if the proposed operating expense is reasonably required for the operation of the Project;
(xiii) consent to the settlement of any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than proceedings such as tenant evictions and rent collections in the ordinary course of business and disputes with the appraisal district regarding valuation of the property);

(xiv) initiate any lawsuit or any other legal or administrative proceeding involving the Partnership as a party (other than tenant eviction or similar tenant proceedings in the ordinary course of business) or confess a judgment against the Partnership in an amount in excess of $10,000;

(xv) settle any audit with the Internal Revenue Service concerning the adjustment or readjustment of any Partnership tax item, extend any statute of limitations, or initiate or settle any judicial review or action concerning the amount or character of any Partnership tax item;

(xvi) change the first year of the Credit Period;

(xvii) approve change orders except as permitted by Section 4.02(z);

(xviii) amend, modify, terminate or renew in any material manner any Project Document;

(xix) discharge the Contractor of its duties, replace the Contractor or deliver to the Contractor any correspondence regarding a potential dismissal of the Contractor; or

(xx) enter into (a) any commercial lease or (b) any agreement for the provision of personal or social services with respect to any portion of the Project;

(xxi) pledge its Interest or the Partnership’s right to receive Capital Contributions, or otherwise encumber Partnership assets except as may be consented to by the Special Limited Partner, in connection with the Loans;

(xxii) make, amend, revoke or refrain from making any tax election required of or permitted to be made by the Partnership under the Code;

(xxiii) loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other person; or

(xxiv) pay directly or indirectly, any salary, fees or other compensation to a General Partner or its Affiliates, except as specifically provided for in Section 8.09 of this Agreement.

8.03 Management Purposes. In conducting the business of the Partnership, the General Partner shall be bound by the Partnership’s purposes set forth in Article III.

8.04 Delegation of Authority. The General Partner may appoint, employ, contract or otherwise deal with any Person for the transaction of the business of the Partnership, which Person may, under supervision of the General Partner, perform any acts or services for the Partnership as the General Partner may approve.
8.05 General Partner or Affiliates Dealing with Partnership.

(a) The General Partner or any Affiliate may act as Management Agent on such terms and conditions permitted by any applicable Lender and/or Agency requirements, and may receive compensation at the highest rates approved and permitted by the Lender and Special Limited Partner at any time not exceeding amounts set forth under Section 8.11(a).

(b) Affiliates of the General Partner shall act (i) as the Contractor and may be paid in accordance with the Construction Contract, and (ii) as the Developer and may be paid in accordance with the Development Agreement.

(c) The General Partner or any Affiliates thereof 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 herein, if (i) compensation paid or promised for such goods or services is reasonable (i.e., at fair market value) and is paid only for goods or services actually furnished to the Partnership, (ii) the goods or services to be furnished shall be reasonable for and necessary to the Partnership, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Partnership as would be obtainable in an arm's-length transaction, (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by the General Partner or any Affiliate shall be compensated by the Partnership for its services and (v) such contracts and dealings are fully and specifically disclosed to the Special Limited Partner in writing.

Any contract covering such transactions shall be in writing and, except for the Construction Contract and the Development Agreement, shall be terminable without penalty on thirty (30) days notice. Any payment made to the General Partner or any Affiliate for such goods or services shall be fully disclosed to the Special Limited Partner in the reports required under Section 14.03. Neither the General Partner nor any Affiliate shall, by the making of lump-sum payments to any other Person for disbursement by such other Person, circumvent the provisions of this Section 8.05(c).

8.06 Other Activities. The General Partner's Affiliates may engage in or possess interests in other business ventures of every kind and description for their own account, including, without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.

8.07 Liability for Acts and Omissions. Neither the General Partner nor any of its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the General Partner pursuant to this Section 8.07 shall not apply in the case of the breach of any express obligation of the General Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as General Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any General Partner or any of its Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by the General Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of
the General Partner or any breach of fiduciary duty as General Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but the Limited Partners shall not have any personal liability to the General Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the General Partner or Affiliate(s) thereof or on account of the payment thereof).

8.08 General Partner Guaranties and Indemnities.

(a) Construction Completion Guaranty.

(i) The General Partner covenants and agrees to cause Substantial Completion and Final Closing to occur.

(ii) In causing Final Closing to occur, the General Partner agrees that it is obligated to fund any reduction in the principal amount or interest rate of the Permanent Financing necessary, in the reasonable discretion of the Special Limited Partner, to avoid having amortized monthly payments of principal and interest that would prevent three (3) consecutive months of Stabilized Operations from being achieved prior to July 1, 2015 (based on projected revenues and operating expenses). Any amounts paid by the General Partner pursuant to this clause (ii) shall not be repaid by the Partnership, nor shall such amounts be considered or treated as a Capital Contribution of the General Partner to the Partnership, without the Consent of the Special Limited Partner.

(iii) The General Partner covenants and agrees to pay all Excess Development Costs, the Partnership shall have no obligation to pay any Excess Development Costs except to the extent that such costs can be paid from Net Interim Income. Any amounts paid by the General Partner pursuant to this clause (iii) shall not be repaid by the Partnership, nor shall such amounts be considered or treated as Capital Contributions of the General Partner to the Partnership, without the Consent of the Special Limited Partner, except as described in clause (iv) below.

(iv) The General Partner shall advance funds to the Partnership as and when needed to pay costs of acquisition and/or Construction (even though such costs are not expected to be Excess Development Costs) if it is anticipated that such costs will be paid from the proceeds of the Construction Loan, Permanent Financing, Net Interim Income or the Investor Limited Partner's Capital Contributions, but such funds are not available at the time such costs must be paid. The obligation of the General Partner under this paragraph shall include repayment of the Construction Loan in full at its maturity if any conditions for Capital Contributions to be used to pay-off such Construction Loan have not then been met. Such advances to the Partnership by the General Partner shall be repaid as and when amounts become available from such sources or from Net Interim Income.

(b) Operating Deficit Guaranty.

(i) In the event that, at any time during the Operating Deficit Guaranty Period, an Operating Deficit shall exist which if funded from the Operating Reserve would cause the balance in such account to fall below the Operating Reserve Minimum, the General Partner shall provide such funds to the Partnership as shall be necessary to pay such Operating Deficit. Any such funds provided shall be limited, in the aggregate, to $360,000 and shall be in the form of a loan to the Partnership (the "Operating Deficit
An Operating Deficit Loan shall be made in accordance with the provisions of Section 8.12; provided, however, that an Operating Deficit Loan shall bear no interest.

(ii) The Operating Deficit Guaranty Period shall begin on the date of the Stabilization Capital Contribution and shall continue until the close of business on the December 31st (i) that is at least five years thereafter, and (ii) on which all of the following conditions are then being met:

(A) in each of the three preceding calendar years, Net Operating Income has been greater than 115% of Must-pay Debt Service (each determined on an annual basis using actual amounts as shown in the audited financial statements for such years);

(B) the amount on deposit in the Partnership's Replacement Reserve is not less than eighty percent (80%) of the amount determined by multiplying the Reserve Minimum Payment by the age of the Project as measured from the date the last building in the Project is placed in service (treating rehabilitation expenditures as a separate building to the extent so treated for purposes of Section 42 of the Code);

(C) the amount on deposit in the Partnership's Operating Reserve is not less than the Operating Reserve Minimum;

(D) the Partnership is Current; and

(E) during the previous three (3) calendar years the General Partner has not been obligated to make any payments to the Partnership pursuant to the terms of the Tax Credit Guaranty.

c) Tax Credit Guaranty.

(i) After the determination of the Certified Credit if, for any reason, the amount of Actual Credit for any year is less than the Certified Credit for such year or there is a Tax Credit Recapture Event with respect to such year, then the Special Limited Partner shall determine the amount of the Credit Reduction Adjustment, which shall be subject to verification by the Accountants.

(ii) The Credit Reduction Adjustment shall be equal to: (1) the Certified Credit for such year minus the Actual Credit for such year, plus (2) the amount of any recapture recognized by the Investor Limited Partner as a result of a Tax Credit Recapture Event, plus (3) interest, penalties and enforcement costs payable on any such shortfall or recapture, plus (4) an amount equal to the present value of future Tax Credit unable to be taken due to the circumstances giving rise to the shortfall or recapture, discounted at a rate of eight percent (8%) per annum to the date that such determination is made, plus (5) an additional amount such that, after payment of tax by the Investor Limited Partner on the sum of the amounts described in clauses (1) through (5) hereof that are includible in federal taxable income at the highest federal corporate income tax rate then in effect, the net amount paid to the Investor Limited Partner pursuant to this sentence (net of such tax liability) will equal the sum of the amounts described in clauses (1) through (4) above. Notwithstanding the foregoing, the Credit
Reduction Adjustment shall not include any amount caused solely by the failure of the Investor Limited Partner to make a Capital Contribution when due and payable. In the event of a transfer by the Investor Limited Partner of its Interest, such transfer shall not be deemed a Tax Credit Recapture Event, but the General Partner shall remain liable to such transferee Investor Limited Partner for any Credit Reduction Adjustment attributable to a Tax Credit Recapture Event that occurs subsequent to such transfer.

(iii) Except as provided below, the General Partner shall be obligated to make payment to the Partnership of an amount equal to the Credit Reduction Adjustment within thirty (30) days of a delivery of the written determination by the Special Limited Partner, as verified by the Accountants, that the Credit Reduction Adjustment is due and owing with respect to any such year of the Credit Period or any prior year(s) (commencing on the first day of the first year of the Credit Period), and such payment shall be deemed to be a Capital Contribution by the General Partner. Upon receiving such a payment, the Partnership shall then immediately distribute such amounts to the Investor Limited Partner as a return of capital. Any amounts not paid within thirty (30) days of the delivery of the written determination shall bear interest at the Prime Rate plus two percent (2%) per annum, until paid in full and such interest shall be deemed part of the Credit Reduction Adjustment. An amount equal to the Credit Reduction Adjustment, if not paid by the General Partner or the Guarantor, shall be distributed to the Investor Limited Partner from Net Cash Flow under Section 7.03 with respect to the Credit Reduction Adjustment due and owing with respect to any prior year(s), but such distributions shall not limit the right of the Special Limited Partner to remove the General Partner for failure to pay the Credit Reduction Adjustment. Any amounts due and owing under this Section 8.08(c)(iii) upon the occurrence of a Capital Transaction, shall be distributed to the Investor Limited Partner under Section 7.05.

(iv) Notwithstanding the foregoing, any Credit Reduction Adjustment due to Changes in Tax Law shall be payable solely from distributions of Net Cash Flow pursuant to Section 7.03, or distributions of proceeds from Capital Transactions pursuant to Section 7.05 and any Credit Reduction Adjustment due to a sale of the Project which has been Consent by the Special Limited Partner shall be reduced by any distribution of proceeds from Capital Transactions made pursuant to Section 7.05 with respect to such sale.

(v) It is understood and acknowledged that the provisions of this Section 8.08(e) may be applied on more than one occasion if events giving rise to the payment of a Credit Reduction Adjustment occur in more than one year during the applicable Credit Period.
(d) **ENVIRONMENTAL INDEMNIFICATION.** THE GENERAL PARTNER SHALL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS THE LIMITED PARTNER AGAINST AND FROM ANY AND ALL CLAIMS, SUITS, ACTIONS, DEBTS, DAMAGES, COSTS, CHARGES, LOSSES, OBLIGATIONS, JUDGMENTS, AND EXPENSES, OF ANY NATURE WHATSOEVER, SUFFERED OR INCURRED BY THE LIMITED PARTNER WITH RESPECT TO ANY REMEDIATION COSTS INCURRED BY THE PARTNERSHIP, UNDER OR ON ACCOUNT OF THE ENVIRONMENTAL LAWS OR ANY SIMILAR LAWS OR REGULATIONS, INCLUDING THE ASSERTION OF ANY LIEN THEREUNDER OR ON ACCOUNT OF ANY VIOLATION OF THE GENERAL PARTNER'S REPRESENTATIONS, WARRANTIES, COVENANTS OR OBLIGATIONS AS SET FORTH IN SECTION 4.01(O).

(e) **SECURITIES INDEMNIFICATION.** THE GENERAL PARTNER WILL INDEMNIFY AND HOLD THE PARTNERSHIP, THE INVESTOR, THE INVESTOR LIMITED PARTNER AND THE SPECIAL LIMITED PARTNER AND THE PARTNERS, MEMBERS, OR SHAREHOLDERS THEREOF, AND THEIR RESPECTIVE AFFILIATES AND AGENTS, FREE AND HARMLESS FROM ANY INJURY, LOSS OR DAMAGE (INCLUDING, BUT NOT BY WAY OF LIMITATION, REASONABLE ATTORNEYS' FEES, COURT COSTS, AND AMOUNTS PAID IN SETTLEMENT OF ANY CLAIMS, WHICH SETTLEMENT HAS BEEN MUTUALLY AGREED TO BY IT AND THE PARTY AGAINST WHOM SUCH CLAIM HAS BEEN MADE) RESULTING FROM THE CLAIMS OF ANY PERSON WITH RESPECT TO ANY LIABILITY ARISING UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES EXCHANGE ACT OF 1934 OR THE LAWS OR REGULATIONS OF ANY STATE OR OTHER JURISDICTION, WHICH CLAIMS ARE BASED UPON ALLEGED FRAUD, DECEIT, OR UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT, OR THE OMISSION OR ALLEGED OMISSION TO STATE A MATERIAL FACT REQUIRED TO BE STATED OR NECESSARY TO MAKE THE STATEMENTS NOT MISLEADING, WITH RESPECT TO OR BASED UPON INFORMATION FURNISHED OR STATEMENTS MADE BY IT TO THE INVESTOR LIMITED PARTNER, THE SPECIAL LIMITED PARTNER, THE INVESTOR, THEIR AFFILIATES OR AGENT(S), IN CONNECTION WITH THE ACQUISITION BY THE INVESTOR LIMITED PARTNER AND THE SPECIAL LIMITED PARTNER OF THEIR INTERESTS IN THE PARTNERSHIP OR THE OFFER OR SALE OF INTERESTS IN THE PARTNERSHIP OR IN THE LIMITED PARTNER.

(f) **INDEMNIFICATION FOR GENERAL PARTNER ACTIONS OR INACTION.** THE GENERAL PARTNER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE PARTNERSHIP, THE INVESTOR LIMITED PARTNER AND THE SPECIAL LIMITED PARTNER FROM ANY LIABILITY, LOSS, DAMAGE, FEES, COSTS AND EXPENSES, JUDGMENTS OR AMOUNTS PAID IN SETTLEMENT INCURRED BY REASON OF ANY DEMANDS, CLAIMS, SUITS, ACTIONS OR PROCEEDINGS ARISING OUT OF THE GENERAL PARTNER'S OR ANY DESIGNATED AFFILIATE'S GROSS NEGLIGENCE, INTENTIONAL MISCONDUCT, FRAUD, BREACH OF FIDUCIARY DUTY OR BREACH OF THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY BREACH BY THE GENERAL PARTNER OR ANY DESIGNATED AFFILIATE OF ANY REPRESENTATION, WARRANTY, COVENANT OR AGREEMENT SET FORTH IN SECTION 4.01 OR 4.02 OR ELSEWHERE IN THIS AGREEMENT, INCLUDING ALL REASONABLE LEGAL FEES AND COSTS INCURRED IN DEFENDING AGAINST ANY CLAIM OR LIABILITY OR PROTECTING ITSELF OR THE PARTNERSHIP FROM, OR LESSENING THE EFFECT OF, ANY SUCH BREACH. THE FOREGOING INDEMNIFICATION SHALL BE A RECOUSE OBLIGATION OF THE GENERAL PARTNER AND SHALL SURVIVE THE DISSOLUTION OF THE PARTNERSHIP AND/OR THE DEATH, RETIREMENT, INCOMPETENCY, BANKRUPTCY OR WITHDRAWAL OF THE GENERAL PARTNER.
8.09 Development Fee; Other Fees to the General Partner or its Affiliates.

(a) The Partnership has entered into a Development Agreement of even date herewith with the Developer for its services in connection with the development and Construction of the Project. In consideration for such services, a Development Fee in a total amount equal to $1,613,000, as may be adjusted pursuant to the terms of the Development Agreement, shall be payable by the Partnership, in accordance with the terms of the Development Agreement. To the extent funds are otherwise available, $228,225 of the Development Fee may be paid at the time of the Initial Closing (such amount being 15% of (i) total Development Fee minus (ii) the current estimated deferred Development Fee; up to 20% of (i) total Development Fee minus (ii) any estimated deferred Development Fee as set forth in a cost certification to be prepared after Construction is complete (such 20% of Development Fee to be paid currently estimated to be $304,300) may be paid at the time of the Completion Capital Contribution of the Investor Limited Partner, provided that the Development Budget is then In-Balance; and up to 15% of (i) the total Development Fee minus (ii) any estimated deferred Development Fee as set forth in a cost certification to be prepared after Construction is complete (such 15% of Development Fee to be paid currently estimated to be $228,225) may be paid at the time of the 100% Qualified Capital Contribution of the Investor Limited Partner, provided that the Development Budget is then In-Balance. Any unpaid balance of the Development Fee may be paid from the Stabilization Capital Contribution after all other costs of Construction and the Construction Loan have been paid in full. If necessary, up to $100,000 of the Development Fee (or such greater amount specified in writing by the Special Limited Partner) may be deferred and paid after the Stabilization Capital Contribution of the Investor Limited Partner in accordance with Section 7.03 or from the proceeds of the General Partner’s Special Capital Contribution. To the extent not paid by the time of the Stabilization Capital Contribution or deferred in accordance with the preceding sentence, any unpaid balance of the Development Fee shall be cancelled as provided in the Development Agreement or shall be an Excess Development Cost that shall be paid by the General Partner pursuant to Section 8.08(a) as determined by the General Partner with the Consent of the Special Limited Partner.

(b) Except as provided in this Agreement, neither the General Partner, nor any Affiliate thereof, shall receive any salary, fees or other compensation directly or indirectly (through a give-up, rebate, kickback or similar arrangement) from payments made by the Partnership unless Consent of the Special Limited Partner is received.

8.10 Withholding of Fees. In the event that (a) the General Partner, or any successor General Partner, shall not have substantially complied with any material provisions under this Agreement after Notice from the Special Limited Partner of such noncompliance and failure to cure such noncompliance within a period of ten (10) days from and after the date of such Notice, or (b) a Lender shall have declared the Partnership to be in default under any Loan for reasons other than the Investor Limited Partner’s failure to make a Capital Contribution when due, which default is not cured within ten (10) days thereof, or (c) foreclosure proceedings shall have been commenced against the Project for reasons other than the Investor Limited Partner’s failure to make a Capital Contribution, which proceeding is not dismissed within thirty (30) days thereof, or (d) if the Management Agent is an Affiliate of the General Partner and the Management Agent has materially violated the Management Agreement, which violation has not been cured, or (e) the Tax Credit Allocation is revoked by the Agency or the Agency declares a default thereunder, or (f) there currently exists a basis for the Special Limited Partner to request a repurchase of the Interests of the Limited Partner pursuant to Section 5.05, or (g) the Developer is in default under the Development Agreement, then the Partnership shall withheld payment of any installment of fees and/or allowance payable to the General Partner or any Affiliate pursuant to Section 8.09 or any other provision of this Agreement.
All amounts so withheld by the Partnership under this Section 8.10 shall be promptly released to the payees thereof after the General Partner (or the Developer, as applicable) has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Special Limited Partner. If necessary the Special Limited Partner may direct the Partnership to apply such amounts withheld to cure the default, in which case the amounts owed to a payee other than the General Partner shall be paid from the next available funds payable to the General Partner.

8.11 Management Agent.

(a) Selection of Management Agent. The Partnership, with the approval of the Agency and/or the Lender, if required, shall engage Wilhoit Properties, Inc. or such other person, firm or company as the General Partner may select, and as the Special Limited Partner may approve, which approval shall not be unreasonably withheld, conditioned or delayed (hereinafter referred to as "Management Agent") to manage the operation of the Project during the rent-up period and following Final Closing. Such Management Agent shall possess all required and applicable certifications and licenses issued through the State of Texas or through a reputable property management educational organization (such as an Accredited Management Organization designation through the Institute of Real Estate Management) as well as any additional certifications or licenses which are required to manage Tax Credit properties. The Management Agent shall perform its obligations in accordance with all laws, procedures and regulations governing property managers within the State of Texas. The Management Agent shall be paid a management fee subject to the approval of the Agency and/or the Lender, if required, but in no event will the annual management fee be greater than five percent (5%) of the annual Gross Effective Income. The Management Agent shall be required to prepare monthly accrual-basis operating statements with respect to the Project which statements shall be provided to the General Partner no later than 10 days following the end of each month and which statement shall disclose any event or occurrence with respect to the Project which is asserted by an Authority to be in violation of any Federal, state or local statute or regulation. The contract between the Partnership and the Management Agent and the management plan for the Project shall be in a form acceptable to the Agency and/or the Lender, if required, and reasonably acceptable to the Special Limited Partner; such contract shall have an initial term of one (1) year and shall be renewable annually thereafter unless notice of nonrenewal is given by either party not more than thirty (30) days prior to the expiration of the then current term and shall provide, among other things, (i) for termination by the General Partner with no more than thirty (30) days' notice; (ii) for payment of a management fee in an amount not to exceed the respective percentages set forth above; (iii) that if the Management Agent is an Affiliate of the General Partner, the Management Agent will accrue fifty percent (50%) of the management fee to the extent necessary at any time to prevent a default under the Permanent Financing or an Operating Deficit; and (iv) other commercially reasonable terms including the provision of a fidelity bond and insurance coverage consistent with the specifications set forth in the Insurance Guidelines. Wilhoit Properties, Inc. is approved by the parties hereto as the initial Management Agent.

(b) Removal of the Management Agent. The General Partner (i) may, upon receiving the Consent of the Special Limited Partner, not to be unreasonably withheld, conditioned or delayed, and receiving any required approval of any Lender, dismiss or not renew the Management Agent as the entity responsible for the Project under the terms of the contract between the Partnership and the Management Agent, and (ii) shall not renew the contract of the Management Agent if the Special Limited Partner makes a reasonable request to not renew such contract, and (iii) at the request of the Special Limited Partner, shall immediately remove the Management Agent in the event that: (1) the Special Limited Partner has determined to remove the General Partner pursuant to Section 9.04 or has determined that grounds for removal under Section 9.04 exist or has determined to exercise its authority described in Section 5.05 to remove the General Partner, or (2) the Management Agent is declared Bankrupt, is dissolved, is insolvent, or makes an assignment for the benefit of its creditors, or (3) for three consecutive months, the actual rental
revenue collected in each month is less than eighty-five percent (85%) of the potential monthly rental revenue (which is defined as posted project monthly rents multiplied by the number of units in the Project), or (4) for three consecutive months, the Partnership is not Current (measured in each case as of the last day of each month), or (5) there has been a default in a Permanent Loan or the occurrence of a Tax Credit Recapture Event, if either event was the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (6) there has been a material default under the Management Agreement that has not been cured within a reasonable time, or (7) the Partnership has been issued a citation or given a similar notice by a government agency of a building code violation that has not been cured in a reasonable time, or (8) the Agency has filed an Internal Revenue Service Form 8823 with respect to the Project and any noncompliance alleged therein has not been cured in a reasonable time and is the result of the failure of the Management Agent to properly perform its duties under the Management Agreement, or (9) there is any intentional misconduct by the Management Agent or any negligence in the discharge of its duties and obligations as Management Agent (subject to the fulfillment and expiration of any notice and/or opportunity to cure provisions of the Management Agreement), including, without limitation, for any action or failure to take any action which:

(i) violates in any material respect any provision of the Management Agreement entered into with the Partnership and/or any material provision of the Regulatory Agreement and/or the Extended Use Agreement applicable to the Project, or the approved management plan for the Project;

(ii) violates in any material respect any provision of this Agreement or provision of applicable law; or

(iii) causes the Project to be operated in a manner which if continued would, in the opinion of counsel to the Investor Limited Partner, be likely to give rise to a Tax Credit Recapture Event.

(c) Replacement of the Management Agent. Upon the termination of the contract with the Management Agent or the removal of the Management Agent as the entity responsible for the management of the Project, a substitute Management Agent which, if the removed Management Agent was an Affiliate of the General Partner, is not an Affiliate of the General Partner, shall be named by the General Partner, subject to the approval of the Lender, if required, and the Consent of the Special Limited Partner. Notwithstanding anything to the contrary contained herein, in the event there exists a conflict between the terms of this Agreement and that of the Management Agreement, the terms of this Agreement shall control.

8.12 Loans to the Partnership by General Partner or Others. With the prior written Consent of the Special Limited Partner first obtained (which may be granted or withheld in its sole discretion) in the event that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Partnership may borrow such funds as are needed from any General Partner or other Person or organization, as the General Partner, the Special Limited Partner and the Lender, if so required, may agree. Unless the Special Limited Partner and the Lender, if so required, agree otherwise, such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not have a fixed maturity date that is prior to the end of the Compliance Period, (iii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iv) shall be payable solely from the assets of the Partnership (including the proceeds of any claim against the General Partner under this Agreement, including without limitation claims for capital contributions, payments under the Completion Guaranty or Operating Deficit Guaranty and indemnifications) but not from the assets of any Partner, and (v) shall be repaid prior to final maturity as a Partner Loan as set forth in the definition of Net Cash Flow in Article II, but any amount of any such
loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01 shall be repaid as provided in Section 7.05.

8.13 **Replacement Reserve.** The General Partner shall establish a replacement reserve account (the "Replacement Reserve") with a lending institution acceptable to the Special Limited Partner. Contributions to the Replacement Reserve shall begin at the earlier of six months after completion of Construction or the first month the property achieves Stabilized Operation and shall be pro-rated for the year contributions begin. From such date, the Partnership shall be obligated to make a pro rata payment to the Partnership's Replacement Reserve each month equal to (on an annualized basis) the greater of (i) the amount required by the Lender and (ii) $250 per unit (the "Reserve Minimum Payment"). The amount of the Reserve Minimum Payment shall be increased annually by three percent (3%) per annum.

Any interest earned on the Replacement Reserve shall become a part thereof. Unless otherwise approved by the Special Limited Partner (and the Lenders if necessary), draws from the Replacement Reserve shall only be used to pay costs with respect to the Project that are capital in nature and result in the production of depreciable assets with a useful life exceeding 2 years. By way of example and not limitation, amounts from the Replacement Reserve may fund replacement of assets such as window treatments, carpeting and appliances but should not be used for interior painting and similar maintenance expenses. The Special Limited Partner shall receive a copy of any draw from the Replacement Reserve. Except for emergency expenditures necessary for protection of person or property or expenditures that would not cause aggregate draws in any one fiscal year to exceed $10,000, the Special Limited Partner shall receive such draw in proposed form in advance and the withdrawal from the Replacement Reserve shall be made only with the Consent of the Special Limited Partner, which shall not be unreasonably withheld, delayed or conditioned.

Repairs, replacements or improvements funded from the Replacement Reserve shall be constructed, installed and completed in a workmanlike manner, free and clear from all liens. Evidence of such completion shall be provided to the Special Limited Partner upon request.

8.14 **Operating Reserve.** The General Partner shall establish an Operating Reserve (the "Operating Reserve") with a lending institution acceptable to the Special Limited Partner, and such Operating Reserve shall be funded at the time of the funding of the Stabilization Capital Contribution in an amount equal to $375,108, of which $375,108 may be held by the Permanent Lender. Such Operating Reserve shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow in accordance with Section 7.03) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve that would cause aggregate draws in any one fiscal year to exceed $10,000 shall be made only with the Consent of the Special Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary contained herein, should the balance in the Operating Reserve fall below $180,000 (the "Operating Reserve Minimum"), distributions shall be made from Net Cash Flow as provided in Section 7.03 on each Payment Date to maintain a minimum balance equal to the Operating Reserve Minimum.

8.15 **Lease-Up Reserve.** The General Partner shall establish a lease-up reserve account ("Lease-Up Reserve Account") with a lending institution acceptable to the Special Limited Partner and such account shall be funded at the time of the Completion Capital Contribution in the amount of $350,664. Such Lease-Up Reserve Account shall be used to fund Operating Deficits prior to the date of the Stabilization Capital Contribution. At that time, any balance remaining in the Lease-Up Reserve
Account will be transferred to the Operating Reserve and used to satisfy the funding requirement of that account.

8.16 Option to Purchase, Put Option and Right of First Refusal.

(a) After the Compliance Period for the Project, the General Partner may grant a right of first refusal to the Agency, a qualified nonprofit organization, or a tenant organization for the minimum purchase price provided in, and in all events in accordance with Section 42(i)(7) of the Code, if such right of first refusal is required by the Extended Use Agreement. In the alternative, during the period commencing on the end of the Compliance Period for the Project and ending six months thereafter, the General Partner shall have the option to purchase the Project from the Partnership at a price (the "Purchase Price") equal to the greater of (i) fair market value of the Project based on an appraisal conducted by an appraiser approved by the Special Limited Partner, which appraisal shall assume that the Project shall remain subject to the Extended Use Agreement and the Regulatory Agreement, or (ii) the sum of (A) the principal amount of outstanding indebtedness secured by the Project (including any amounts payable to the General Partner in respect of the Development Fee pursuant to Sections 7.03 and 7.05 of this Agreement); (B) an amount sufficient to pay all Federal, State and local taxes attributable to the sale and payable by the Partnership or its Partners; (C) all expenses of sale; and (D) any amounts due to the Limited Partner under the Agreement. Alternatively, the General Partner may elect to purchase the interests of the Limited Partner at a price equal to the amount that the Limited Partner would receive if the Project were sold for the Purchase Price and the Partnership were thereafter liquidated in accordance with the terms of this Agreement. The options granted under this clause (a) shall terminate in the event of a removal of the General Partner.

(b) If the General Partner has not exercised the option within the six month period described in Section 8.16(a) above, the Special Limited Partner shall have the right to require the General Partner (or its designee) to acquire all, but not less than all, of the Limited Partner Interests for a price equal to the amount that the Limited Partner would receive if the Project were sold for its fair market value (determined as described in (a) above) and the Partnership were to distribute the proceeds of such sale as provided in Section 7.05 hereof without regard to the potential application of Section 12.03 hereof. The Special Limited Partner shall exercise its right hereunder by giving Notice to the General Partner. If the General Partner fails to acquire the Limited Partner Interests after the exercise of the right described in this Section 8.16(b), then the Special Limited Partner shall immediately have the rights described in Section 8.16(c) below, but the General Partner will not be considered in default of this Agreement and shall have no liability to the Limited Partners for not purchasing their Interests.

(c) Notwithstanding the foregoing, at any time after the sixteenth (16th) anniversary of the first day of the first taxable year of the applicable Compliance Period (or at such earlier time described in (b) above), if the General Partner has not exercised the option under (a) above or the Special Limited Partner has exercised its right under (b) above but the General Partner has not closed on the acquisition of the Limited Partner Interests pursuant to (b) above within ninety (90) days of receiving Notice from the Special Limited Partner, then the Special Limited Partner may request that the Partnership do one of the following, unless prohibited by the Project Documents or by applicable state law: (i) sell the Project subject to the Extended Use Agreement (a "Continued Compliance Sale"); or (ii) request that the Agency arrange for the sale of the Project after submission of a "Qualified Contract" (as defined in Section 42(h)(6)(F) of the Code) (a "Compliance Termination Sale").

(i) After receipt of a request for a Continued Compliance Sale, the General Partner shall use its best efforts to find a third party purchaser for the Project and to cause the Partnership to consummate a sale of the Project subject to the Extended Use
Agreement and on terms consented by the Special Limited Partner, which terms shall include a purchase price at least equal to the minimum price established in accordance with Section 42(i)(7) of the Code plus any outstanding amounts owed to the Limited Partner pursuant to this Agreement. If such efforts are not successful on terms reasonably satisfactory to the Special Limited Partner within six (6) months, the Special Limited Partner shall have the right thereafter to locate a purchaser for the Project. If the Special Limited Partner locates such a purchaser, the General Partner shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser; if such right of first refusal is not exercised by the General Partner within sixty (60) days, then the General Partner shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Partnership as the best offer, if any, tendered by the General Partner; provided that the General Partner shall not be required to incur any third-party, out-of-pocket expenses to effectuate such sale.

(ii) After receipt of a request for a Compliance Termination Sale, the General Partner shall make a request to the Agency to obtain a buyer who is willing to operate the Low-Income Units of the Project as a qualified low-income building and who will submit a Qualified Contract for the Project, and if no Qualified Contract is submitted within one year of the date of the General Partner's request to the Agency, the General Partner shall use its best efforts to find a third party purchaser and to cause the Partnership to consummate a sale of the Project to such purchaser on terms consented to by the Special Limited Partner, which terms shall include a purchase price at least equal to the minimum price established in accordance with Section 42(i)(7) of the Code plus any outstanding amounts owed to the Limited Partner pursuant to this Agreement, and free of the restrictions imposed by the Extended Use Agreement. If such efforts are not successful on terms reasonably satisfactory to the Special Limited Partner within six (6) months, the Special Limited Partner shall have the right thereafter to locate a purchaser for the Project. If the Special Limited Partner locates such a purchaser, the General Partner shall be given a right of first refusal to purchase the Project on the same terms and conditions as would be applicable to such purchaser; if such right of first refusal is not exercised by the General Partner within sixty (60) days, then the General Partner shall be obligated to consent to the sale to such purchaser so long as the purchase price and other terms offered by such purchaser are at least as favorable to the Partnership as the best offer, if any, tendered by the General Partner. If the Special Limited Partner and the General Partner agree that the Compliance Termination Sale be conducted in a manner that would result in the conversion of the Project to a condominium regime of ownership and the sale of individual condominium units, the General Partner shall use diligent efforts to accomplish such conversion on such terms which are reasonably satisfactory to the Special Limited Partner.

ARTICLE IX

WITHDRAWAL OF GENERAL PARTNER; REMOVAL OF GENERAL PARTNER

9.01 Withdrawal of the General Partner.

(a) A General Partner may not withdraw from the Partnership or sell, transfer or assign or permit the sale, transfer or assignment of its Interest, in whole or in part, nor shall any holder of an interest in a General Partner (directly or indirectly) sell, transfer or otherwise dispose of such interest
except with the prior Consent of the Special Limited Partner, and of the Agency and the Lender, if required. Transfers of interests in the General Partner may not be made without the Consent of the Special Limited Partner which may be given or withheld in the exercise of its sole discretion, except that Consent shall not be unreasonably withheld if (i) such transfer, when aggregated with all prior transfers made since the Initial Closing, represents the transfer of less than 50% of the voting power in the General Partner, and (ii) immediately after such transfer, the Approved Principals, in the aggregate, continue to own 49% of the voting power in the General Partner.

(b) In the event that a General Partner withdraws from the Partnership or sells, transfers or assigns its entire interest in accordance with the provisions of Section 9.01(a), he or it shall be and shall remain liable for all obligations and liabilities incurred by him or it as General Partner before such withdrawal, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Partnership from and after the time such withdrawal, sale, transfer or assignment shall have become effective.

9.02 Admission of a Successor or Additional General Partner. A Person shall be admitted as a General Partner of the Partnership only if the following terms and conditions are satisfied:

(a) the admission of such Person shall have been Consented to by the General Partner or its successor (except pursuant to Sections 5.05, 9.03 and/or 9.04) and the Special Limited Partner, and consented to by the Agency, and the Lender, if required;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Project Documents, by executing counterparts thereof, if requested by the Lender or the appropriate party thereto and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the admission of such Person as a General Partner, and an amended Certificate and, if required, an amendment to this Agreement evidencing the admission of such Person as a General Partner shall have been filed and all other actions required in connection with such admission shall have been performed;

(c) if the successor or additional Person is a corporation, partnership, limited liability company, trust or other entity, it shall have provided the Partnership with evidence satisfactory to Counsel for the Partnership of its authority to become a General Partner, to do business in the State and in the State of Texas and to be bound by the terms and provisions of this Agreement; and

(d) Counsel for the Partnership shall have rendered an opinion that the admission of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the admission of the successor Person will cause the termination or dissolution of the Partnership or will cause it to be classified other than as a partnership for federal income tax purposes.

9.03 Events of Withdrawal of a General Partner.

(a) In the event of the Bankruptcy of a General Partner or the withdrawal, death or dissolution of a General Partner or an adjudication that a General Partner is incompetent (which term shall include, but not be limited to, insanity) the business of the Partnership shall be continued by the other General Partner(s), provided, however, that if the withdrawn, Bankrupt, deceased, dissolved or incompetent General Partner is then the sole General Partner, or if such General Partner withdraws from the Partnership in contravention of the provisions of Section 9.01(a), then the Partnership shall be dissolved if and to the extent required by law, unless within ninety (90) days after receiving Notice of such Bankruptcy,
withdrawal, death, dissolution or adjudication of incompetence, a Majority in Interest of the other Partners elects to designate a successor General Partner and continue the Partnership upon the admission of such successor General Partner to the Partnership.

(b) Upon the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, such General Partner shall immediately cease to be a General Partner, and shall become a limited partner and its Interest shall without further action be converted to that of a Class B Limited Partner, provided, however, that if such Bankrupt, dissolved, incompetent or deceased General Partner is the sole remaining General Partner, such General Partner shall cease to be a General Partner only upon the earlier of (i) the removal of such General Partner and the designation of a successor General Partner in accordance with this Agreement, or (ii) Notice to the Special Limited Partner of the Bankruptcy, death, dissolution or declaration of incompetence of such General Partner. Except as set forth above, such conversion of a General Partner Interest to a Class B Limited Partner Interest shall not affect any rights, obligations or liabilities (including without limitation, any of the General Partner’s obligations under Section 8.08 herein) of the Bankrupt, deceased, dissolved or incompetent General Partner existing prior to the Bankruptcy, death, dissolution or incompetence of such person as a General Partner (whether or not such rights, obligations or liabilities were known or had matured). A Class B Limited Partner shall have the economic rights of the General Partner but no management, control, agency or voting rights.

(c) If, at the time of the Bankruptcy, death, dissolution or adjudication of incompetence of a General Partner, the Bankrupt, deceased, dissolved or incompetent General Partner was not the sole General Partner of the Partnership, the remaining General Partner or General Partners shall immediately (i) give Notice to the Special Limited Partner of such Bankruptcy, death, dissolution or adjudication of incompetence, and (ii) make such amendments to this Agreement and execute and file such amendments or documents or other instruments as are necessary to reflect the conversion of the Interest of the Bankrupt, deceased, dissolved or incompetent General Partner and its having ceased to be a General Partner. Such action or actions by the remaining General Partner or General Partners shall, in the event that permission of a bankruptcy court is necessary, be deemed to have been taken subject to Section 9.03(d) below. The remaining General Partner or General Partners are hereby granted an irrevocable power of attorney, coupled with an interest, to execute any or all documents on behalf of the Partners and the Partnership and to file such documents as may be required to effectuate the provisions of this Section 9.03.

(d) The Partners, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree that in the event a General Partner should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (for purposes of this Section 9.03, the “Bankruptcy Code”), or in the event that any involuntary petition is filed against a General Partner, then, in such event, any other Partners shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Partner pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict or prevent a General Partner from filing for protection under the Bankruptcy Code.

(e) The Partners acknowledge and agree that this Agreement is a contract under which the Limited Partner is excused from accepting performance from a General Partner, its assignee, representative or trustee, in the event that such General Partner makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such General Partner and not dismissed within ninety (90) days. The effect of this paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(e)(1) and 365(e)(2)(A) of the Bankruptcy Code and that
the Limited Partner, by its refusal to consent to an assumption or assignment of this Agreement by a General Partner, shall be able to prevent such assumption or assignment.

(f) In the event that a General Partner makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said General Partner, then, in such event, any other Partner may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Partnership has its principal place of business, and the General Partner hereby agrees not to oppose or object to such application or motion in any way.


(a) The Special Limited Partner, so long as it is a Partner, shall have the right to remove a General Partner (i) for any intentional misconduct or failure to exercise reasonable care by such General Partner with respect to any material matter in the discharge of its duties and obligations as General Partner (provided that such violation results in, or is likely to result in, a material detriment to the Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership), or (ii) upon the occurrence of any of the following:

(i) such General Partner shall have violated any material provisions of the Project Documents or other document required in connection with any Loan or any material requirements of the Lender, and/or Agency applicable to the Project, which violation has not been explicitly waived in writing by the Lender, or the Agency, as applicable, or cured within any applicable cure period;

(ii) such General Partner shall have violated any material provision of this Agreement including, without limitation, any of its guaranty or indemnity obligations pursuant to Sections 5.01(d), 5.05 and/or 8.08, or violated any material provision of applicable law;

(iii) such General Partner shall have violated any material provision of this Agreement (other than its guaranty or indemnity obligations pursuant to Sections 5.01(d), 5.05 and/or 8.08) or shall have violated any material provision of applicable law, which violation has not been explicitly waived by the Limited Partner, or cured within ten (10) days (for a monetary default) or thirty (30) days (for a nonmonetary default) after Notice thereof, and such violation results in, or is likely to result in, a material detriment to the Limited Partner, the Tax Credit, or the Partnership, or an impairment of the Project or assets of the Partnership;

(iv) a default shall have occurred or with the passage of time is likely to occur under the Construction Loan or the Permanent Financing, which default is not cured within any applicable cure period;

(v) such 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 Limited Partner to:

(A) cause the termination of the Partnership for federal income tax purposes; or
(B) cause the Partnership to be treated for federal income tax purposes as an association, taxable as a corporation;

(vi) the amount of the Housing Tax Credit included in the Actual Credit for any year after the second year of the Credit Period is, or is projected by the Accountants after Tax Credit Allocation to be, less than eighty-five percent (85%) of the Housing Tax Credit included in Certified Credit for that year;

(vii) an event described in Section 5.05(a) has occurred and the Special Limited Partner exercises its option to remove a General Partner under Section 5.05;

(viii) such an event of Bankruptcy has occurred with respect to such General Partner and/or a Guarantor thereof;

(ix) such General Partner or Guarantor thereof (or any Decision Maker of either) has been convicted by a court of competent jurisdiction of a felony criminal offense or such General Partner or Guarantor thereof has pleaded guilty to such an offense; or

(x) such General Partner or an Affiliate thereof has committed fraud with respect to the Partnership or an Affiliate of the Partnership.

Notwithstanding anything to the contrary set forth in this Section 9.04(a), if the right of the Special Limited Partner to remove a General Partner is solely due to a Decision Maker's conviction or guilty plea under 9.04(a)(ix) above, the Special Limited Partner shall not have such removal right if, within 3 days of the conviction or guilty plea by the Decision Maker, the General Partner or Guarantor causes such Person to be removed from his or her position as a Decision Maker of such entity.

(b) The Special Limited Partner shall give Notice to all Partners of its determination that a General Partner shall be removed. If the Special Limited Partner has determined to remove a General Partner, such General Partner shall have ten (10) days after receipt of such Notice to cure any monetary default and twenty (20) days to cure any nonmonetary default or other reason for such removal, in which event it shall remain as General Partner. In the case of a nonmonetary default that cannot reasonably be cured within twenty (20) days, the time for cure shall be extended for a maximum of forty (40) additional days so long as the effort to cure is begun within such initial twenty day period and pursued diligently thereafter and such default does not place the Project or the Partnership in immediate jeopardy. If, at the end of the applicable cure period, the General Partner has not cured any default or other reason for such removal, it shall cease to be a General Partner and the powers and authorities conferred on it as General Partner under this Agreement shall cease and the interest of such General Partner shall be transferred to a designee of the Special Limited Partner which, without further action, shall become a General Partner; in such event upon becoming a General Partner, such designee shall be bound by all applicable terms and conditions of this Agreement and of the Project Documents. Notwithstanding the foregoing, if the event giving rise to the determination that a General Partner be removed is as set forth in Sections 9.04(a)(vii), (viii) and/or (ix) above or if foreclosure action against the Project has begun, then there shall be no requirement for Notice or no opportunity to cure any such default. In the event that the Special Limited Partner has determined to cause itself or its designee to be admitted as General Partner, such admission shall occur on such date as is determined by the Special Limited Partner, which may be on the date of the Notice to the General Partner (if required) or at any time thereafter.

(c) In the event of removal of a General Partner,
(i) on and after the date of removal, such General Partner shall have no authority to exercise the power of the General Partner under this Agreement or of a manager under the Act and, except as described below, shall not be responsible for the ongoing obligations of the General Partner hereunder, such as the obligations to manage the business of the Partnership, including without limitation the obligations to prepare budgets and reports;

(ii) such General Partner shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner, including but not limited to the obligations and liabilities of the General Partner set forth in Sections 5.01(d), Article VII and Sections 8.08 (including amounts owing under Section 8.08 and attributable to the period after removal) provided however, that (A) if amounts otherwise payable to the General Partner or Developer (or their respective Affiliates) as fees are applied to meet the obligations of the General Partner as stated in Sections 5.04 and 8.08 of this Agreement (and as further provided for in subsection (iii) below), such application shall serve to reduce any such liabilities of the General Partner or any successor, (B) the General Partner shall not be liable for any loss or damage to the Partnership or the Limited Partner caused by the gross negligence, willful misconduct, breach of a fiduciary duty or breach of the this Agreement by any successor General Partner, and (C) the General Partner shall not be liable to pay the Credit Reduction Adjustment under Section 8.08(c) for loss or recapture of Housing Tax Credit attributable to the Partnership entering into a lease with a tenant after the date of removal that causes the unit occupied by such tenant to no longer qualify as a Low-Income Unit;

(iii) immediately prior to removal, such General Partner shall make a Capital Contribution to the Partnership in an amount equal to any unpaid installments of the Development Fee and the Partnership shall therupon make a payment in an equal amount to pay off such amount of the Development Fee, it being understood and agreed that failure of the General Partner to make such Capital Contribution shall be cause for the Special Limited Partner to exercise its right to require the General Partner to repurchase the Limited Partner Interests under Section 5.05 and to take any other action authorized under this Agreement;

(iv) the Partnership shall not be obligated to repay any Operating Deficit Loans or Partners Loans made by such General Partner to the Partnership or to pay any accrued but unpaid fees payable to such General Partner or any Affiliate thereof (other than the Development Fee, which shall be paid in accordance with Section 9.04(c)(iii) above);

(v) the Partnership may apply the proceeds of the Development Fee and any other fee payments owed to such General Partner, the Developer or their respective Affiliates to compensate the Partnership and the Limited Partner for damages incurred by the Partnership and the Limited Partner as result of or relating to the events which gave rise to removal of such General Partner and for the reasonable costs and expenses incurred in connection with such removal;

(vi) the remaining or successor General Partner shall cause the Partnership to redeem the removed General Partner's Interest for $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;
(vii) the General Partner shall indemnify the Limited Partner and the Partnership for any and all costs, damages and legal fees incurred by them (individually or collectively) in connection with the removal of such General Partner under Section 9.04 hereof; and

(viii) the Guarantors shall continue to remain liable under the Unconditional Guaranty, except to the extent specifically provided therein.

ARTICLE X

INVESTOR LIMITED PARTNER TRANSFERS

10.01 Transfer of Investor Limited Partner’s Interest.

(a) The Investor Limited Partner may at any time and without the Consent of any other Partner transfer, sell, assign or pledge its Interest to any Affiliate or third party. The Investor Limited Partner or its assignee shall give Notice of such transfer, sale or assignment to the General Partner prior to or within a reasonable time after such transfer, sale or assignment (but no such Notice shall be required in the case of a pledge or collateral assignment by the Investor Limited Partner of its Interest).

(b) The General Partner shall promptly cooperate with any reasonable request by the Investor Limited Partner in connection with the transfer, sale, assignment or pledge of its Interest, including the payment of any transfer taxes due in connection with such a transfer (in all cases but the first transfer of the Interest that results in a transfer tax liability, from funds provided by the Investor Limited Partner or its assignee), and by executing and delivering any certificates, documents or instruments, and causing to be delivered such opinions, in each case for the benefit of the transferee, purchaser, assignee or pledgee of such Interest, as the General Partner is required to deliver or cause to be delivered as a condition of the making by the Investor Limited Partner of any Capital Contribution pursuant to Section 5.01(c), and by entering into any amendments to this Agreement or the exhibits hereto that such transferee, purchaser, assignee or pledgee may reasonably request provided that the same do not reduce or change the timing of, or the obligation of the Investor Limited Partner to make Capital Contributions, increase the obligations or restrict the authority of the General Partner, or otherwise materially adversely affect the essential economic or other interests of the Partners hereunder.

(c) Except for any transfer of the Investor Limited Partner’s Interest under Section 5.05, the Investor Limited Partner whose Interest is being transferred shall pay such third party, out-of-pocket, reasonable expenses, including legal fees and costs and accounting costs (as the latter relates to any termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code), as may be incurred by the Partnership and the General Partner in connection with such transfer.

(d) Nothing in this Agreement shall limit the authority of an Investor Limited Partner which is an entity to cause or permit the sale, transfer and/or assignment of equity interests within itself, in the sole discretion of that Investor Limited Partner, and no such sale, transfer or assignment shall be deemed to constitute a transfer of the Interest of such Investor Limited Partner for any purpose hereof; provided, however that the Investor Limited Partner shall be obligated to pay reasonable accounting costs incurred by the Partnership in the event of a termination of the Partnership for federal income tax purposes under Section 708(b)(1)(B) of the Code as a result of such sale, transfer or assignment.

10.02 Rights of Assignee of Interest.
(a) Except as otherwise provided in Section 10.03, an assignment of an Investor Limited Partner's Interest or a portion thereof shall not entitle the assignee to become a partner of the Partnership, and the assignee shall only be entitled to receive, in accordance with any agreement that it may have with the Investor Limited Partner, all or a portion of the Profits, Losses, items of income, gain, expense, loss or credit, and distributions of the Partnership otherwise allocable to the Investor Limited Partner in respect of such Interest or portion thereof, and the assignee shall not have any other rights of a Partner of the Partnership, under this Agreement or otherwise. For the purpose of allocation of profits, losses and credits, and for the purpose of distributing cash of the Partnership, an assignment of the Investor Limited Partner's Interest shall be effective as of the effective date set forth in the instrument of assignment; provided, however, that neither the Partnership nor the General Partner shall have any liability for any distribution made to the assignor after the effective date of the assignment but prior to receipt by the General Partner of a fully-executed copy of the instrument of assignment.

(b) Except as provided in this Article and as required by operation of law, the Partnership shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Limited Partner of its Interest until the Partnership has received actual Notice thereof.

(c) Any Person who is the assignee of all or any portion of an Investor Limited Partner's Interest, but does not become a Substitute Limited Partner and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article X to the same extent and in the same manner as any Investor Limited Partner desiring to make an assignment of its Interest.

10.03 Admission of Substitute Investor Limited Partner.

(a) Subject to the other provisions of this Article X, an assignee of the Interest of an Investor Limited Partner (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Limited Partner of the Partnership only upon the satisfactory completion of the following:

(i) any Consent of the General Partner required pursuant to this Section 10.03 and any Consent of the Lender and/or the Agency that is required pursuant to the Loan Documents or applicable law shall have been given; any required Consent of the General Partner may be evidenced by the execution by the General Partner of an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner pursuant to the requirements of the Act,

(ii) the assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the General Partner may reasonably require in order to effect the admission of such Person as an Investor Limited Partner;

(iii) an amended Agreement and/or Certificate evidencing the admission of such Person as an Investor Limited Partner shall have been filed for recording pursuant to the requirements to the Act, if necessary; and

(iv) if the assignee is not a natural person, the assignee shall have provided the General Partner with evidence satisfactory to Counsel for the Partnership of its authority to become an Investor Limited Partner under the terms and provisions of this Agreement.
(h) Prior to the first to occur of (i) the making by the Investor Limited Partner of its final Capital Contribution pursuant to Section 5.01(c) or (ii) any event or occurrence described in Section 5.05(a) or Section 9.04 (the period prior to the first to occur of the events described in such two clauses, the "Restricted Period"), no assignee of the Interest of the Investor Limited Partner shall be admitted as a Substitute Limited Partner unless either (i) the assignee is an Affiliate of the Investor Limited Partner, or (ii) the General Partner, in its reasonable discretion, shall have Consented thereto, and the Lender, if required, also shall have consented thereto.

(c) After the Restricted Period, the Investor Limited Partner may at any time and without the Consent of any other Partners (but subject, if applicable, to obtaining any required Consent of the Lender) authorize its assignee to be admitted to the Partnership as the Substitute Limited Partner in its place and stead.

(d) The General Partner shall cooperate with the Person seeking to become a Substitute Limited Partner by preparing the documentation required by this Section and making all official filings and publications. The Partnership shall take all such action, including the filing, if required, of any amended Agreement and/or Certificate evidencing the admission of any Person as an Investor Limited Partner, and the making of any other official filings and publications, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Limited Partner of the conditions contained in this Article X to the admission of such Person as an Investor Limited Partner of the Partnership. Any cost or expense incurred in connection with such admission shall be borne by the Substitute Limited Partner.

10.04 Withdrawal of the Investor Limited Partner. The Investor Limited Partner shall have the right, exercised by giving written notice to the Partnership at any time following the end of the Compliance Period, to withdraw from the Partnership, whereupon the Investor Limited Partner shall cease to be a Partner, shall have no further rights, duties or obligations with respect to the Partnership or any of the other Partners and shall forfeit any balance in its Capital Account. Upon the withdrawal of the Investor Limited Partner from the Partnership (other than in connection with the transfer or sale as set forth in Section 10.01(a)), the Investor Limited Partner shall provide the Partnership with the Affidavit of Non-Foreign Status substantially in the form attached hereto as Exhibit J-2.

ARTICLE XI

RIGHTS AND OBLIGATIONS OF THE INVESTOR LIMITED PARTNER

11.01 Management of the Partnership. No Investor Limited Partner shall take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, no Investor Limited Partner shall have the power or authority to bind the Partnership or to sign any agreement or document in the name of the Partnership. No Investor Limited Partner shall have any power or authority with respect to the Partnership except insofar as the Consent of any Investor Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to limit any right, power or authority of the Investor Limited Partner set forth herein.

11.02 Limitation on Liability of Investor Limited Partner. The liability of each Investor Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. No Investor Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Investor Limited Partner be personally liable for any obligations of the Partnership, except as and to the
extent provided in the Act. No Investor Limited Partner shall be obligated to make loans to the Partnership.

11.03 Other Activities. Any Investor Limited Partner and any Affiliate thereof may engage in or possess interests in other business ventures of every kind and description for its own account, including without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects similar to the Project. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement or to such other business ventures to the income or profits derived therefrom.

11.04 Loans to the Partnership by Investor Limited Partner. In the event that the Investor Limited Partner reasonably determines that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Investor Limited Partner may loan the Partnership such funds as are needed, subject to the approval of any Lender, if so required. Such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iii) shall be payable solely from the assets of the Partnership (including without limitation, the proceeds of any claim against the General Partner under this Agreement such as claims for capital contributions, payments under the Completion Guaranty or Operating Deficit Guaranty and indemnifications (but shall not be recourse to any Partner and shall not increase the amount of any liability of any Partner to the Partnership or the Investor Limited Partner hereunder), provided, however, that any amount of such loan that is outstanding at the time of the acquisition of the Investor Limited Partner’s interest pursuant to Section 5.05 shall be immediately repaid from a capital contribution made by the General Partner at that time for such purpose, and (iv) shall be repaid prior to its stated maturity date as a Partner Loan to the extent funds are available as set forth in the definition of Net Cash Flow in Article II, or with respect to any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01, as provided in Section 7.05. The Investor Limited Partner shall not have a right to make loans pursuant to this Section 11.04 if the funds required by the Partnership are actually provided by the Construction Financing, Permanent Financing, or amounts paid under the Completion Guaranty or the Operating Deficit Guaranty; however, the right of the Investor Limited Partner to make Partner Loans shall be superior to the right of the General Partner to make or obtain loans under Section 8.12.

11.05 Liability for Acts and Omissions. Neither the Investor Limited Partner nor its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to him or it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the Investor Limited Partner pursuant to this Section 11.05 shall not apply in the case of the breach of any express obligation of the Investor Limited Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as Investor Limited Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Investor Limited Partner or any of their respective Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by an Investor Limited Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the Investor Limited Partner or any breach of fiduciary duty as Investor Limited Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but no Partner shall not have any personal liability to the Investor
Limited Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Investor Limited Partner or Affiliate(s) thereof or on account of the payment thereof.

ARTICLE XII

SALE, DISSOLUTION AND LIQUIDATION

12.01 Dissolution of the Partnership. The Partnership shall be dissolved upon the earlier of the expiration of the term of the Partnership, or upon:

(a) the sale or other disposition of all or substantially all of the assets of the Partnership;

(b) the election by the General Partner, with the consent of a Majority in Interest of the other Partners; or

(c) any other event causing the dissolution of the Partnership under the laws of the State unless a Majority in Interest of the Partners (or such greater number as is required by law) elects to continue the Partnership within the period allowed by law.

12.02 Reconstitution of the Partnership. Upon the dissolution of the Partnership pursuant to Section 12.01(e), the parties hereby agree that the Partnership may be reconstituted if a Majority in Interest of the Partners elects to do so and such reconstitution is not prohibited by law. In that event, the business of the Partnership shall not be wound up, but the assets and liabilities of the Partnership shall, to the extent possible, be transferred to a new partnership formed by a general partner designated by a Majority in Interest of the Partners and governed by this Agreement, with such modifications as the general partner may propose with the approval of a Majority in Interest of the Partners.

12.03 Winding Up and Distribution.

(a) Upon the dissolution of the Partnership pursuant to Section 12.01 (except as provided in Section 12.02), (i) a certificate of cancellation shall be filed in such offices within the State as may be required or appropriate, and (ii) the Partnership business shall be wound up and its assets liquidated as provided in this Section 12.03 and the net proceeds of such liquidation, except as provided in Section 12.03(b) below, shall be distributed in accordance with Section 7.05.

(b) It is the intent of the Partners that, upon liquidation of the Partnership, any liquidation proceeds available for distribution to the Partners be distributed in accordance Section 7.05, and the Partners believe that distributions in accordance with positive Capital Account balances, after allocations of gains and losses pursuant to Section 7.04, will generally effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Partners' respective Capital Account balances and the intent of the Partners with respect to distribution of proceeds as provided in Section 7.05, the Liquidator shall, notwithstanding the provisions of Sections 7.02 and 7.04, allocate the Partnership's gains, profits and losses in a manner that will cause, as nearly as possible in accordance with applicable requirements of the Code and the Treasury Regulations, the Capital Account balances of the Partners to be in the ratios that would allow the distribution of liquidation proceeds to the Partners to be in accordance with Section 7.05. Nevertheless, in all events, distributions in liquidation (after taking into account all pre-liquidation distributions made pursuant to Section 7.03 or
7.05) shall be made in accordance with positive Capital Account balances no later than the end of the taxable year of such liquidation or, if later, within ninety (90) days of such liquidation.

(c) The Liquidator shall file all certificates and notices of the dissolution of the Partnership required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Partnership's property and assets, provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Partnership property would cause undue loss to the Partners, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation. Upon the complete liquidation and distribution of the Partnership assets, the Partners shall cease to be Partners of the Partnership, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Partnership.

(d) Upon the dissolution of the Partnership pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Partner, a statement setting forth the assets and liabilities of the Partnership upon its dissolution. Promptly following the complete liquidation and distribution of the Partnership property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Partner, a statement showing the manner in which the Partnership assets were liquidated and distributed.

12.04 Obligation of Partners to Restore Deficit. In the event that the Partnership is liquidated within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(g), if the General Partner's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the General Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). Similarly, in the event the Partnership is so liquidated, if a Class B Limited Partner whose Interest was converted from that of a General Partner has a deficit balance (after giving effect to all contributions, distributions and allocations), then Class B Limited Partner shall make Capital Contributions in the amount of such deficit in compliance with Treasury Regulations Section 1.704-1(b)(2)(ii)(b)(3). In the case where the Investor Limited Partner has made an election under Section 7.08 to be obligated to restore a limited deficit balance, then, in the event that the Partnership is so liquidated, if the Investor Limited Partner's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Investor Limited Partner shall make Capital Contributions in the amount equal to the lesser of (i) such deficit, or (ii) the limited amount the Investor Limited Partner is obligated to restore pursuant to the notice given under Section 7.08. In all other cases, no Limited Partner shall have any obligation to restore any deficit balance in its Capital Account. The foregoing provisions of this Section 12.04 are intended to satisfy the requirements of Treasury Regulation §1.704-1(b)(3) and shall be interpreted consistently therewith.
ARTICLE XIII

BOOKS AND RECORDS, ACCOUNTING, TAX ELECTIONS, ETC.

13.01 Books and Records. The books and records of the Partnership shall be maintained on an accrual basis in accordance with sound federal income tax accounting principles. These and all other records of the Partnership, including tenant files and information relating to the status of the Project and information with respect to the sale by the General Partner or any Affiliate of goods or services to the Partnership, shall be kept at the principal office of the Partnership and shall be available for examination there by any Partner, or its duly authorized representative, at any and all reasonable times. Any Partner, or its duly authorized representative, upon paying the costs of collection, duplication and mailing, shall be entitled to a copy of the list of names and addresses of the Partners.

13.02 Bank Accounts. All funds of the Partnership not otherwise invested shall be deposited in one or more accounts maintained in such banking institutions as the General Partner shall determine, and withdrawals shall be made only in the regular course of Partnership business on such signature or signatures as the General Partner may, from time to time, determine. No funds of the Partnership shall be deposited in any financial institution in which any Partner is an officer, director or holder of any proprietary interest.

13.03 Accountants. The Accountants shall annually prepare for execution by the General Partner all tax returns of the Partnership, shall annually audit the books of the Partnership, and shall certify, in accordance with GAAP, a balance sheet, a profit and loss statement, and a cash flow statement. A full detailed statement shall be furnished to all Partners, showing such assets, properties, and net worth and the profits and losses of the Partnership for the preceding fiscal year. All Partners shall have the right and power to examine and copy, at any and all reasonable times, the books, records and accounts of the Partnership. Notwithstanding anything to the contrary contained herein, the Special Limited Partner shall have the discretion to appoint the Accountants for cause if such Accountant fails to provide, or timely provides, or inaccurately provides, the information required in this Agreement.

13.04 Section 754 Elections. In the event of a transfer of all or any part of the Interest of a General Partner or a Limited Partner, the Partnership shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Partnership interest if, in the sole opinion of the Special Limited Partner, such election would be most advantageous to the Limited Partner. Each Partner agrees to furnish the Partnership with all information necessary to give effect to such election.

13.05 Fiscal Year and Accounting Method. The fiscal year of the Partnership shall be the calendar year. All Partnership accounts shall be determined on the accrual basis.

13.06 Tax Matters Partner.

(a) The General Partner hereby is designated as Tax Matters Partner of the Partnership, and shall engage in such undertakings as are required of the Tax Matters Partner of the Partnership, as provided in Treasury Regulations promulgated under Section 6231 of the Code, provided that, from and after the date of any event or occurrence described in Section 5.05(a) or Section 9.04(a), the Special Limited Partner shall ipso facto have the authority to act as the Tax Matters Partner of the Partnership unless the Special Limited Partner shall at any time give Notice to the General Partner that notwithstanding such event or occurrence the Special Limited Partner directs the General Partner to continue to act as the Tax Matters Partner. Each Partner, by its execution of this Agreement, Consents to
such designation of the Tax Matters Partner and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(b) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within five calendar days after the receipt of any correspondence or communication relating to the Partnership or 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 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.

(c) The Tax Matters Partner shall not without the Consent of the Special Limited Partner, not to be unreasonably withheld or delayed:

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

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any partnership item(s) (within the meaning of Section 6231(a)(3) of the Code);

(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) (within the meaning of Section 6231(a)(3) of the Code);

(v) Intervene in any action brought by any other Partners for judicial review of a final adjustment; or

(vi) Take any other action not expressly permitted by this Section 13.06 on behalf of the Partners of the Partnership in connection with any administrative or judicial tax proceeding.

(d) 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 Special 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 Special 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).

(e) THE PARTNERSHIP SHALL INDEMNIFY AND REIMBURSE THE TAX MATTERS PARTNER FOR ALL EXPENSES, INCLUDING LEGAL AND ACCOUNTING FEES, CLAIMS, LIABILITIES, LOSSES AND DAMAGES INCURRED IN CONNECTION WITH ANY
ADMINISTRATIVE OR JUDICIAL PROCEEDING WITH RESPECT TO THE TAX LIABILITY OF THE PARTNERS. THE PAYMENT OF ALL SUCH EXPENSES SHALL BE MADE BEFORE ANY DISTRIBUTIONS ARE MADE FROM NET CASH FLOW OR ANY DISCRETIONARY RESERVES ARE SET ASIDE BY THE GENERAL PARTNER. TO THE EXTENT THAT THE PARTNERSHIP DOES NOT HAVE SUFFICIENT FUNDS TO PAY SUCH EXPENSES, THE GENERAL PARTNER SHALL HAVE THE OBLIGATION TO PROVIDE FUNDS FOR SUCH PURPOSE. NOTWITHSTANDING THE FOREGOING, THE PROVISIONS ON LIABILITY AND INDEMNIFICATION OF THE GENERAL PARTNER SET FORTH IN SECTION 8.07 SHALL BE FULLY APPLICABLE TO THE TAX MATTERS PARTNER IN ITS CAPACITY AS SUCH.

ARTICLE XIV
REPORTS

14.01 Tax Returns and Related Reports - Due February 15.

(a) The Partnership's federal income tax returns shall be prepared by the Accountants. No later than February 15 of each year, the General Partner shall furnish the Limited Partners with copies of the completed federal income tax return, including a copy of each Limited Partner's Form K-1, the qualifying occupancy summary, and such supporting schedules as may be reasonably requested by the Limited Partner. The General Partner shall not file any such tax returns until the Limited Partner has advised it that it has reviewed the returns and does not object to the filing of the returns, which review the Limited Partner shall complete not less than ten (10) days before the due date of the returns. The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in tax returns notwithstanding any review of said tax returns by the Limited Partner.

(b) The Partnership is required to make a one-time filing of Forms 8609 at the Philadelphia Campus of the Internal Revenue Service prior to the due date of the first Form 1065 of the Partnership on which it claims the Housing Tax Credit.

(i) Within sixty (60) days after completion of Construction and prior to its submission to the State Agency, the Partnership shall submit to the Special Limited Partner a copy of the completed cost certification ("Cost Certification") prepared by the Accountants showing the costs incurred with respect to the Construction of the Project, together with any application for Forms 8609 and/or State Agency Cost Certifications to be submitted to the State Agency or to any other government agency. The General Partner shall not file the application for Forms 8609 and/or the Cost Certification until the Special Limited Partner has advised them that it has reviewed the proposed submission and does not object to its filing, which review the Special Limited Partner shall complete not less than fifteen (15) days before the due date of the filing.

(ii) As soon as they are available, but in all events prior to the filing of the Forms 8609, the General Partner shall provide to the Special Limited Partner fully completed (as to both Parts I and II) and executed (by both the State Agency and the Partnership) copies of the Forms 8609 for all of the buildings in the Project. Part II of the executed Forms 8609 shall elect the 40-60 Set-Aside Test as the Minimum Set-Aside Test. The General Partner shall not file the Forms 8609 until the Special Limited Partner has advised them that it has reviewed the forms and does not object to the filing of the forms, which review the Special Limited Partner shall complete not less than ten (10) days before the due date of the filing.
(iii) The General Partner shall be solely responsible for the truthfulness and accuracy of all information included in the Forms 8609 notwithstanding any review of said forms by the Special Limited Partner. The General Partner shall provide evidence reasonably acceptable to the Special Limited Partner that the Forms 8609 have been properly and timely filed at the Philadelphia Campus of the Internal Revenue Service.

14.02 Annual Financial Statements - Due April 1.

On or before April 1 of each year, the General Partner shall send to the Special Limited Partner all of the following with respect to the preceding calendar year, in a form reasonably acceptable to the Special Limited Partner:

(a) A balance sheet as of the end of the Partnership's fiscal year and statements of operations, Partner's capital (showing separately the capital of the General Partner and each Limited Partner, and showing as separate line items the Partnership's assets that are depreciable over three (3), five (5), seven (7), fifteen (15), twenty seven and one-half (27.5) and forty (40) years), and a statement of cash flows and a statement of cash from operations, all for the year then ended, all of which shall be audited and prepared according to GAAP and accompanied by the Accountant's report thereon. Notwithstanding depreciation methods used for tax purposes, the financial statements of the Partnership shall reflect, and the Accountant's report shall state, that the Project is being depreciated for book purposes over a forty (40) year useful life with respect to real property and over the longest useful life that is consistent with GAAP with respect to personal property, unless otherwise requested by the Special Limited Partner. The financial statements of the Partnership shall also reflect that, in accordance with Section 7.02(a), amounts paid to the General Partner as incentive management fees shall be treated as deductible to the Partnership or gross income allocable to the General Partner.

(b) Beginning with respect to the year following the achievement of Qualified Occupancy and with respect to each year thereafter, the Accountants, or a third party compliance auditor approved by the Special Limited Partner, shall provide a separate report on agreed upon procedures for the purposes of verifying that the Project meets IRS compliance rules regarding income certification. The report shall state that they have chosen at random 20% of the project's tenant files and performed all of the following agreed upon procedures:

(i) Reviewed the terms of the lease and confirm it is in compliance with Section 42 of the Code and the Treasury Regulations promulgated thereunder;

(ii) Confirm income and asset verification forms are in the tenant file;

(iii) Confirm correct calculation of move-in income and confirm documentation supporting the calculation is in the file;

(iv) Where required, confirm proper annual re-certification of income documentation is in the file;

(v) Confirm proper documentation of student status; and

(vi) Confirm that the rents charged do not exceed limits applicable under Section 42 of the Code and the Treasury Regulations promulgated thereunder.

(c) Copies of the Partnership's insurance certificates with endorsements naming the Special Limited Partner as a person to be given notice of cancellation or premium due.

On or before each January 31, the General Partner shall prepare and deliver to the Special Limited Partner a report, in a form provided by the Special Limited Partner on or about December 1 of the preceding year and in substance reasonably satisfactory to the Special Limited Partner, addressing such aspects of the business of the Partnership that may reasonably be considered of a material nature. Such reports shall include, but not necessarily be limited to:

(a) Copies of any reports relating to the Project submitted by the Agency to the Internal Revenue Service, the Partnership or the General Partner within the previous twelve months;

(b) The occupancy levels of the Project during the preceding fiscal year;

(c) Maintenance performed or required to be performed and the sources of funds therefore;

(d) If there are any Operating Deficits or anticipated Operating Deficits, the manner in which such deficits will be funded and the actions being taken or proposed by the General Partner to correct any operating difficulties being experienced by the Partnership; and,

(e) A certification from the General Partner that the General Partner and the Partnership are each qualified as a corporation, limited liability company, or limited partnership (as applicable) in the jurisdiction in which each was formed (and is duly qualified in the jurisdiction where the Project is located if not formed in such jurisdiction) and that, as of the date of such certification, each has filed all required annual reports, paid all taxes, and paid all franchise taxes due on or prior to the date hereof in such jurisdictions. Evidence of the good standing of the Partnership and the General Partner in such jurisdiction(s) shall be attached thereto.

14.04 Annual Budgets.

In connection with the Completion Capital Contribution and on or before November 1 of each year thereafter, the General Partner shall provide the Special Limited Partner with (i) an operating budget in form and substance acceptable to the Special Limited Partner comparing the budgeted income/costs for the following calendar year to the actual income/costs and the budgeted income/costs for the current year, and (ii) a capital expenditures budget in form and substance acceptable to the Special Limited Partner setting forth the planned capital expenditures to be made in the following calendar year and the source of such expenditures (e.g., operating revenues or draws from the Replacement Reserve). In the event the Special Limited Partner does not accept any proposed budget submitted hereunder, (i) the Partnership shall continue to operate under the existing approved operating budget and (ii) capital expenditures shall be subject to Special Limited Partner approval on a case-by-case basis until a new budget is approved by the Special Limited Partner.

14.05 Insurance Reports – Annually.

Upon expiration or cancellation of any insurance policy required to be maintained pursuant to the Insurance Guidelines found in Exhibit E to this Agreement, the General Partner shall provide the Special Limited Partner with evidence of renewal or replacement of such policy together with copies of endorsements naming the Special Limited Partner as a person to be given not less than thirty (30) days notice of premium due, lapse, expiration, cancellation or non-renewal.
14.06 Quarterly Financial Statements.

Within thirty (30) days after the end of each fiscal quarter ending after the Stabilization Capital Contribution, the General Partner shall send to the Special Limited Partner the following, neither of which need to be audited, but both of which shall be in a form acceptable to the Special Limited Partner:

(a) An accrual basis balance sheet of the Partnership as of the end of the quarter showing assets and liabilities including working capital and reserve balances; and

(b) A statement of operations of the Partnership on an accrual basis and acceptable to the Special Limited Partner for the quarter just ended, including without limitation schedules showing aging of accounts payable and accounts receivable.

14.07 Rent Roll and General Partner Certificate.

Within thirty (30) days after the end of each fiscal quarter, the General Partner shall provide the Special Limited Partner with a rent roll and a certificate in the form attached as Exhibit 1 hereto. The rent roll should include the following information for all tenants:

Building Number, Unit Number, Number of Bedrooms, Tenant Name or Vacant, Move In Date, Move Out Date (if applicable), Tenant Rent, Gross Rent

If the General Partner is unable to make all of the statements set forth in Exhibit 1, he or it shall attach a schedule to the certificate stating which of the statements they are unable to make and describing the actions that are currently being taken to remedy the situation.

14.08 Monthly Reports.

The General Partner shall provide within thirty (30) days after the end of each month:

(a) During Construction, copies of all executed A1As, including Documents G702 and G703, and G701's for any change orders, even if not requesting funds from the Investor Limited Partner.

(b) From the time that any units have been leased until the Investor Limited Partner has made its Stabilization Capital Contribution:

(i) Accrual-basis unaudited financial statements that display each month individually and a year to date total; and

(ii) Rent roll including the following information for all tenants:

Building Identification Number (BIN), Number of Occupants, Unit Number, Number of Bedrooms, Tenant Name or Vacant, Move In Date, Move Out Date (if Applicable), Tenant Rent, Net Rent, Current Gross Income, Gross Income at Move-in.

(c) Until the achievement of Qualified Occupancy, Buildings Credit Qualified Report (only required on rehab properties) in the format provided by the Special Limited Partner.

(d) Until the achievement of Qualified Occupancy, initial tenant files for each unit in the Project, including the following items:
(i) Tenant Income Certification: Tenant income certification meeting the requirements of Section 42 of the Code ("TIC") that must be signed and dated by the management representative and all household members over the age of 18.

(ii) Income Verification: Provide a copy of all the third party income verifications from each file, including but not limited to verification of wages, alimony received, child support received, public assistance, student income, welfare payments and social security payments. Note that all tenants 18 and over must have third party income verifications dated within 120 days prior to the TIC or the tenant must certify that they are receiving no income.

(iii) Asset Verification: Provide a certified statement from the tenant indicating they have less than $5,000 in assets (only in states where this is permitted by tax credit issuing agency) or a copy of all the third party asset verifications from each file, including but not limited to verification of cash in bank accounts, stocks, bonds, real estate, and lump sum receipts. All third party asset verifications must be dated within 120 days prior to the TIC. Note that all assets with income (savings accounts, CD’s, etc.) must be verified by third party even if they are less than $5,000. Also, please provide a certified statement from the tenant regarding assets disposed of in the 2 years prior to move-in.

(iv) Student Status Verifications: Provide a copy of the student status certifications from each file indicating any household members that are full time students. Please provide verification of the amounts received for grants and/or scholarships and the cost of tuition for any tenants that are not exempt.

(v) Lease: Provide the following pages from the lease: signature page with both tenant and management signatures and dates, page indicating lease term and page indicating rent amount to be charged.

(vi) Tenant Application: Provide a copy of the signed tenant application from each file.

(vii) Copies of any other documentation required under Treasury Regulations to support the income levels stated on the TIC, and any other supporting information required by the Special Limited Partner.

14.09 Event Reports.

As soon as practicable, but no later than 15 days after any one of the following events shall have occurred, the General Partner shall send the Special Limited Partner a detailed report of such event:

(a) there is a material default by the Partnership under the Project Documents or in payment of any mortgage, taxes, interest or other obligation on secured or unsecured debt;

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

(c) the General Partner has received any notice of a material fact which may substantially affect future Net Cash Flow;
(d) there occurs an investigated criminal incident at the Project;

(e) any failure of the Partnership to comply with applicable laws or regulations or the receipt of any written allegation of such a failure from any government agency;

(f) receipt of an IRS Form 8823 or any notice of any Internal Revenue Service audit of the Partnership; or

(g) any claim or suit filed against the Partnership or the Project.

14.10 Other Reports.

If requested by the Special Limited Partner, the General Partner will provide the Special Limited Partner with copies of any other periodic reports provided by the Partnership to the Lenders and such other reports and information relating to the Partnership, the General Partner or the Guarantors as may reasonably be requested by the Special Limited Partner.

In particular, in the event that the Project is experiencing operating difficulties (for example, Net Operating Income for any three month period is at less than 120% of the Partnership’s annualized mandatory debt service payments, including without limitation, any Permanent Financing), the Special Limited Partner shall be entitled to receive monthly information regarding the Project, including without limitation accrual operating and financial statements and rent rolls.

14.11 Costs of Preparation; Penalties for Late Reports.

The preparation of all Partnership books, records, accounts and reports will be at the expense of the Partnership.

To the extent that any item described in this Article XIV above is not provided within ten (10) days after written notice from the Special Limited Partner that it is overdue, a per day penalty of $100 shall apply for the first 30 days with respect to any late item and the penalty shall be increased to $200 per day thereafter. All penalties shall be paid by the General Partner from their own funds and not funds of the Partnership.

To the extent that the reporting requirements set forth in any of the provisions of this Article XIV are not met, the Special Limited Partner, in its reasonable discretion, may direct the General Partner to dismiss the Accountants, and to designate successor Accountants, subject to the Consent of the Special Limited Partner; provided, however, that if the General Partner and the Special Limited Partner cannot agree on the designation of successor Accountants, the successor Accountants shall be designated by the Special Limited Partner in its sole reasonable discretion, and the fees of such successor Accountants shall be paid by the Partnership.

14.12 Asset Management Fee.

The Partnership shall pay an annual Asset Management Fee to Raymond James Tax Credit Funds, Inc. in the amount of $4,000 per annum which fee shall be paid on December 1 of the year that the first building in the Project is placed in service (pro-rated for such year from such placed-in-service date to December 31) and on June 1st of each year thereafter, which amount shall be increased annually by four percent (4%) of the fee for the prior year. In the event that the Partnership does not have sufficient funds to pay the Asset Management Fee in any year (whether from revenues, the Operating Reserve or funding by the General Partner or Guarantors under the Operating Deficit Guaranty), the unpaid amount shall accrue.
and shall be payable prior to any future distributions of Net Cash Flow or if not fully paid prior to a Capital Transaction, then from net proceeds of such Capital Transaction pursuant to Section 7.05(c). The General Partner shall ensure that any accrued but unpaid Asset Management Fee will be reflected in the annual audited financial statement.

ARTICLE XV

AMENDMENTS

15.01 Amendment by All Partners.

This Agreement may be amended by written agreement of the General Partner, the Special Limited Partner and the Investor Limited Partner.

15.02 Amendment by Investor Limited Partner Only.

This Agreement may also be amended in a writing executed by all Investor Limited Partners (without the Consent or signature of any General Partner or Special Limited Partner) if (i) such amendment is specifically authorized by the terms of this Agreement (for example, pursuant to Section 7.08), or (ii) the proposed amendment does not affect any obligation or right of the General Partner or Special Limited Partner hereunder and does not reduce any obligation of any Investor Limited Partner (for example, any amendment to allocate voting rights or allocations among two or more Investor Limited Partners). The other Partners shall immediately be provided a copy of any amendment adopted pursuant to this Section 15.02.

15.03 Consent of Construction Lender.

Notwithstanding any other provision of this Agreement, but subject to credit adjusters provided herein, none of the amount, timing and/or conditions of the Investor Limited Partner's Capital Contributions as described herein may be amended without the written consent of the Construction Lender as long as the Construction Loan remains outstanding.

ARTICLE XVI

VOTING AND MEETINGS

16.01 Method of Giving Consent. Any Consent required by this Agreement may be given by a written Consent given by the consenting Partners and received by the General Partner or the Person entitled to receive such Consent at or prior to the doing of the act or thing for which the Consent is solicited.

16.02 Submissions to Limited Partner. The General Partner shall give the Limited Partner Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and Consent of the Limited Partner. Such Notice shall include any information required by the relevant provision or by law.

16.03 Meetings: Submission of Matter for Voting. Subject to the provisions of Section 10.01, the Limited Partner shall have the authority to convene meetings of the Partnership and to submit matters to a vote of the Partners to the extent authority for such matter is not expressly delegated to
the General Partner in this Agreement. The vote of each Partner shall be weighted in accordance with its Percentage Interest and a vote of a Majority-in-Interest of the Partners shall be binding on the Partnership and the General Partner.

ARTICLE XVII

SPECIAL LIMITED PARTNER

17.01 Management of the Partnership. Other than as described in this Agreement, the Special Limited Partner shall not take part in the management or control of the business of the Partnership nor transact any business in the name of the Partnership. Except as otherwise expressly provided in this Agreement, the Special 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. The Special Limited Partner shall not have any power or authority with respect to the Partnership except as far as the Consent of the Special Limited Partner shall be expressly required and except as otherwise expressly provided in this Agreement. Notwithstanding the foregoing, nothing in this Agreement shall be construed to limit any right, power or authority of the Special Limited Partner or its Affiliates to act as otherwise set forth herein.

17.02 No Withdrawal of Contributions. The Special Limited Partner does not have the right to withdraw or reduce its contribution to the capital of the Partnership except as provided by law or this Agreement.

17.03 No Right to Partition. The Special Limited Partner does not have the right to require the partition of Partnership property.

17.04 Special Limited Partner’s Rights. The Special Limited Partner is entitled:

(a) to all of the rights granted to limited partners by the Act not inconsistent with this Agreement;

(b) to all rights and powers of the Special Limited Partner as set forth in this Agreement;

(c) upon reasonable times with at least two (2) business days prior notice to the General Partner, to have access to and the right to inspect and copy the books and records of the Partnership.

In the event of the legal disability of a Special Limited Partner, its legal representative shall have all the rights of a Special Limited Partner hereunder.

17.05 Bankruptcy, Insolvency, Dissolution or Cessation of Existence of a Special Investor Limited Partner. Upon the bankruptcy, insolvency, dissolution or other cessation of existence of the Special Limited Partner, its authorized representative will have all of the rights of the Special Limited Partner for the purpose of effecting the orderly winding up and dissolution of its business and such power as the Special Limited Partner possessed to constitute a successor as an assignee of its interest in the Partnership and to join with such assignee in substituting such assignee as an investor limited partner.

17.06 Other Activities. The Special Limited Partner and any Affiliate thereof may engage in or possess interests in other business ventures of every kind and description for its own account, including without limitation, serving as a partner or member of other partnerships or companies which own, either directly or through interests in other partnerships or companies, government-assisted housing projects.
similar to the Project. Neither the Partnership nor any of the Partners shall have any right by virtue of this Agreement in or to such other business ventures to the income or profits derived therefrom.

17.07 Assignment of the Special Limited Partner’s Partnership Interest

(a) The Special Limited Partner’s Partnership Interest is not assignable without the Consent of the Investor Limited Partner, which consent may be withheld in its sole and absolute discretion. An assignment of a Special Limited Partner’s Partnership Interest or a portion thereof shall nevertheless not be effective unless and until a fully executed copy of the instrument of assignment has been received by the General Partner. Except as otherwise provided in Section 17.07(b) hereof and subject to the next sentence, an assignment of the Special Limited Partner’s Partnership Interest or a portion thereof shall nevertheless not entitle the assignee to become a partner of the Partnership, and the assignee shall only be entitled to receive, in accordance with any agreement that it may have with the assignor, all or a portion of the Profits, Losses, items of income, gain, expense, loss or credit, and distributions of the Partnership otherwise allocable to the assignor in respect of such Partnership Interest or portion thereof, and the assignee shall not have any other rights of a partner of the Partnership, under this Agreement or otherwise. Notwithstanding the preceding sentence, any such assignee under an assignment as security for any indebtedness or obligation shall only be entitled to receive, in accordance with any agreement that it may have with the assignor, all or a portion of the distributions of the Partnership otherwise allocable to the assignor in respect of the Partnership Interest or portion thereof assigned to such assignee, and it shall not have any rights of a partner of the Partnership whatsoever, under this Agreement or otherwise.

(b) If there is an assignment of the Special Limited Partner’s Partnership Interest or a portion thereof (other than an assignment as security referred to in the last sentence of Section 17.09(b) hereof) the assignee shall be admitted to the Partnership as a limited partner, and the Special Limited Partner whose Partnership Interest or a portion thereof has been assigned shall cease to be a limited partner of the Partnership, in respect of such Partnership Interest or portion thereof, if and when all of the following requirements have been satisfied:

(i) If the Special Limited Partner’s Partnership Interest or a portion thereof has been assigned (i) executes and delivers to the assignee, and delivers to the General Partner an executed copy of, a document under the terms of which it states that it is its desire that the assignee be admitted to the Partnership as a limited partner, in the place and stead of such Special Limited Partner, in respect of such Partnership Interest or portion thereof; and (ii) executes and delivers to the General Partner such other instruments and documents as the General Partner shall require, in its sole and absolute discretion, which may include, but shall not necessarily be limited to, a document under the terms of which such Special Limited Partner acknowledges and agrees that it remains liable to the Partnership for the performance of any obligations that it may have to the Partnership in respect of the Partnership Interest or portion thereof so assigned; and

(ii) The assignee executes and delivers to the Special Limited Partner whose Partnership Interest or a portion thereof has been assigned to it (and if, for any reason, such Special Limited Partner is not the assignor under the assignment of the Partnership Interest or portion thereof to the assignee, the assignee also executes and delivers to the assignor under such assignment), and delivers to the General Partner an executed copy of, a document under the terms of which the assignee (i) accepts such assignment and states that it is its desire that it be admitted to the Partnership as a limited partner, in the place and stead of such Special Limited Partner, in respect of such Partnership Interest or portion thereof, (ii) assumes and agrees to perform the obligations of such Special Limited Partner to the
Partnership in respect of such Partnership Interest or portion thereof, and (iii) agrees to be bound by, and to perform the provisions of, this Agreement, in respect of the Partnership Interest or portion thereof assigned to it, and the assignee executes and delivers to the General Partner such instruments and documents as the General Partner shall require, which may include, but shall not necessarily be limited to, a conformed counterpart of this Agreement.

(c) The assignee shall pay all third-party, out-of-pocket costs incurred by the Partnership, the General Partner and the Investor Limited Partner in connection with any transfer made hereunder, including reasonable attorney fees incurred in connection therewith.

The Special Limited Partner whose Partnership Interest or a portion thereof has been assigned shall cease to be, and the assignee shall become, a limited partner of the Partnership in respect of the Partnership Interest or portion thereof so assigned, as of the date on which all of the requirements of this Section 17.07 have been satisfied.

The General Partner shall have the right, power and authority to do all things necessary or advisable, in its judgment, to effect the admission to the Partnership as a Special Limited Partner of any assignee who is entitled to be so admitted under the terms of Section 17.07 (b) hereof. The Special Limited Partner hereby agrees (and each assignee who is entitled to be admitted to the Partnership as a limited partner shall be deemed to have agreed, upon the execution of the instruments referred to in Section 17.07 (b) hereof) that it shall, at the request of the General Partner, execute and deliver any and all instruments and documents that the General Partner requests in connection with the admission to the Partnership as a limited partner of any assignee who is entitled to be so admitted under the terms of Section 17.07 (b) hereof.

17.08 Limitation on Liability of Special Limited Partner. The liability of the Special Limited Partner shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act. The Special Limited Partner shall not have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall the Special Limited Partner be personally liable for any obligations of the Partnership, except as and to the extent provided in the Act. The Special Limited Partner shall not be obligated to make loans to the Partnership.

17.09 Loans to the Partnership by Special Limited Partner. In the event that the Special Limited Partner reasonably determines that additional funds are required by the Partnership for any purpose relating to the business of the Partnership or for any of its obligations, expenses, costs or expenditures, the Special Limited Partner may loan the Partnership such funds as are needed, subject to the approval of any Lender, if so required. Such loans shall (i) bear a per annum rate of interest equal to the Prime Rate plus 100 basis points (1 percentage point), (ii) shall not be secured by any mortgage or other encumbrance on the property of the Partnership, (iii) shall be payable solely from the assets of the Partnership (including without limitation, the proceeds of any claim against the General Partner under this Agreement such as claims for capital contributions, payments under the Completion Guaranty or Operating Deficit Guaranty and indemnifications (but shall not be recourse to any Partner and shall not increase the amount of any liability of any Partner to the Partnership or the Special Limited Partner hereunder); provided, however, that any amount of such loan that is outstanding at the time of the acquisition of the Limited Partner Interest pursuant to Section 5.05 shall be immediately repaid from a capital contribution made by the General Partner at that time for such purpose, and (iv) shall be repaid prior to its stated maturity date as a Partner Loan to the extent funds are available as set forth in the definition of Net Cash Flow in Article II, or with respect to any amount of any such loan that is outstanding at the time of the occurrence of any of the events described in Sections 7.05 or 12.01, as provided in Section 7.05. The
Special Limited Partner shall not have a right to make loans pursuant to this Section 17.09 if the funds required by the Partnership are actually provided by the Construction Financing, Permanent Financing, or amounts paid under the Completion Guaranty or the Operating Deficit Guaranty; however, the right of the Special Limited Partner to make Partner Loans shall be superior to the right of the General Partner to make or obtain loans under Section 8.12.

17.10 **Liability for Acts and Omissions.** Neither the Special Limited Partner nor its Affiliates shall be liable, responsible or accountable in damages or otherwise to any of the Partners for any act or omission performed or omitted by him or it, or any of them, in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted to it or any of them by this Agreement and in the best interest of the Partnership, provided that the protection afforded the Special Limited Partner pursuant to this Section 17.10 shall not apply in the case of the breach of any express obligation of the Special Limited Partner as set forth herein, or the gross negligence, misconduct, fraud or any breach of fiduciary duty as Special Limited Partner or its officers, directors, agents or employees with respect to such acts or omissions. Any loss or damage incurred by any Special Limited Partner or any of their respective Affiliates thereof by reason of any act or omission performed or omitted by him or it or any of them in good faith on behalf of the Partnership and in a manner reasonably believed by him or it or any of them to be within the scope of the authority granted by this Agreement and in the best interests of the Partnership (but not, in any event, any loss or damage incurred by an Special Limited Partner or Affiliate thereof by reason of gross negligence, misconduct, or fraud by any of its officers, directors, employees or agents of the Special Limited Partner or any breach of fiduciary duty as Special Limited Partner with respect to such acts or omissions) shall be paid from Partnership assets to the extent available (but no Partner shall not have any personal liability to the Special Limited Partner or Affiliate(s) thereof under any circumstances on account of any such loss or damage incurred by the Special Limited Partner or Affiliate(s) thereof or on account of the payment thereof).

**ARTICLE XVIII**

**GENERAL PROVISIONS**

18.01 **Burdens and Benefits.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

18.02 **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State.

18.03 **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.

18.04 **Separability of Provisions.** Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this 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 which are valid.

18.05 **Entire Agreement.** This Agreement, including the exhibits hereto, sets forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the governance of the Partnership and the conduct of its Partnership business, and there are no representations, promises, agreements or understandings, oral
or written, express or implied, with respect to such governance or business among them other than as set forth or incorporated herein.

18.06 Liability of the Limited Partner. Notwithstanding anything to contrary contained herein, neither the Limited Partner nor any of their members nor any of their partners, general or limited, shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Limited Partner under this Agreement and the recourse of the Partnership and the General Partner shall be strictly limited to the Interest of the Limited Partner. In the event that the Limited Partner shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Limited Partner, shall be against the Interest of the Limited Partner and there shall be no recourse liability to the Limited Partner or any of their members or partners for any deficiency.

18.07 Notices. Notices shall be sent to the following addresses or to such new address as may be specified for a Partner pursuant to a Notice given by such Partner to all other Partners:

To the Investor Limited Partner and Special Limited Partner:

Raymond James Housing Opportunities Fund 10 L.L.C.  
RJHOF-10 L.L.C.  
e/o Raymond James Tax Credit Funds, Inc.  
880 Carillon Parkway  
St. Petersburg, Florida 33716  
Facsimile No.: 727-567-8455  
Attention: Ronald M. Diner, President

With copies to:

Brad M. Tomtishen  
Nuyen, Tomtishen and Aoun, P.C.  
2001 Commonwealth Blvd.  
Suite 300  
Ann Arbor, Michigan 48105  
Facsimile No.: 734-372-4101

To the General Partner:

Sunnyvale Riverstone Housing, LLC  
1730 E. Republic Road, Suite F  
Springfield, Missouri 65804  
Attention: Vaughn C. Zimmerman  
Facsimile No.: 417-883-6343

O'Brien Companies, LLC  
16188 Oak Grove Road  
Buda, Texas 78610  
Attention: Kelly Holden  
Facsimile No.: 512-295-6317
18.08 **Power of Attorney.** The Special Limited Partner hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Partners and the Partnership as shall be legally necessary and sufficient to effect all of the provisions of Sections 5.05 and/or 9.04: *provided, however*, that the Special Limited Partner shall not exercise such power of attorney unless the documents necessary to effect such provisions of Sections 5.05 and/or 9.04 have been submitted to the General Partner prior to exercise. The General Partner shall not grant any other power of attorney without the Consent of the Special Limited Partner.

18.09 **Remedies Cumulative; No Waiver.** Remedies hereunder shall be cumulative, forbearance in enforcing remedies shall not constitute a waiver of such remedies and waiver by any party for any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

18.10 **Interpretation.** This Agreement has been negotiated at arms 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.

NO FURTHER TEXT ON THIS PAGE
IN WITNESS WHEREOF, the parties have affixed their signatures and seals to this Amended and Restated Agreement of Limited Partnership of Sunnyvale Riverstone Trails Apartments, LP as of the date first written above.

GENERAL PARTNER:

Sunnyvale Riverstone Housing, LLC
a Missouri limited liability company

By: O'Brien Companies, LLC
a Texas limited liability company

Its: Managing Member

By: [Signature]

Its: Sole Manager and Sole Member

and

By: VCZ Development, LLC
a Missouri limited liability company

Its: Administrative Member

By: Vaughn C. Zimmerman Revocable Trust Under Restated Trust Agreement dated December 5, 2011

Its: Sole Member

By: [Signature]

Vaughn C. Zimmerman, Trustee

WITHDRAWING LIMITED PARTNER:

Vaughn C. Zimmerman Revocable Trust
Under Restated Trust Agreement dated December 5, 2011

By: [Signature]

Vaughn C. Zimmerman, Trustee

[Signatures continue on following page]
INVESTOR LIMITED PARTNER:

Raymond James Housing Opportunities Fund 10 L.L.C.
a Delaware limited liability company

By: Raymond James Tax Credit Funds, Inc.
a Florida corporation
Its: Managing Member

By: [Signature]
Ronald M. Diner, President

Principal Business Address: 880 Carillon Parkway
St. Petersburg, Florida 33716

SPECIAL LIMITED PARTNER:

RJHOF-10 L.L.C.
a Florida limited liability company

By: Raymond James Tax Credit Funds, Inc.
a Florida corporation
Its: Member

By: [Signature]
Ronald M. Diner, President

Principal Business Address: 880 Carillon Parkway
St. Petersburg, Florida 33716
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet
Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(ii)

2019 Uniform Multifamily Application #19100

Existing Development Name Riverstone Trails

ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section 811 PRA Program)

Describe and attach the request made by the Applicant or Affiliate to the Third Party asking for consent:

______________________________________________________________________________

ATTACH PDF OF THE REQUEST FROM THE APPLICANT OR AFFILIATE TO THE THIRD PARTY BEHIND THIS PAGE.
VCZ Development, LLC
1329 East Lark Street
Springfield, MO 65802

February 14, 2019

Elisa Trendleman
Raymond James
880 Carillon Parkway
St. Petersburg, FL 33716

RE: Section 811

Ms. Trendleman,

VCZ Development, LLC will be submitting the following applications to the Texas Department of Housing and Community Affairs (TDHCA) for consideration for Low Income Housing Tax Credits:

- ZP Redwood Apartments, LP located in Dumas, TX.
- Amber Ridge Apartments, LP located in Angleton, TX.
- Pinewood Crossing Apartments, LP located in San Antonio, TX.
- Carver Ridge Apartments, LP located in Midland, TX.

In order to score maximum points, TDHCA requires the applicant to set aside units in the Section 811 PRA program. Raymond James is the investor the following developments listed on TDHCA’s list of Qualified Existing Developments:

- Riverstone Trails
- Atascocita Pines
- Chisholm Trails
- Montgomery Pines

If any of the above developments are awarded, VCZ Development, LLC requests Raymond James approval to set aside units in the existing developments.

Thank you,

[Signature]
Vaughn Zimmerman
Managing Member
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet
Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(iii)

2019 Uniform Multifamily Application #19100

Existing Development Name: Riverstone Trails

iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party that they are denying an Existing Development from participation).

Describe and attach the response from the Third Party that was received by the Applicant or Owner that reflects their decision not to provide the requested consent:
The limited partner investor met and discussed the Section 811 request, and then sent the attached resolution stating they were declining adding additional Section 811 units to Riverstone Trails.

ATTACH PDF OF THE RESPONSE FROM THE THIRD PARTY THAT REFLECTS THEIR DECISION TO DENY THE REQUESTED CONSENT BEHIND THIS PAGE.
CERTIFICATION OF ALL THE PARTNERS OF
SUNNYVALE RIVERSTONE TRAILS APARTMENTS, LP

The undersigned, being all the partners of Sunnyvale Riverstone Trails Apartments, LP, a Missouri limited partnership, (the “Partnership”) do hereby certify to Texas Department of Housing and Community Affairs (“TDHCA”) the following:

Sunnyvale Riverstone Trails Apartments, LP does hereby certify that we have received a request from TDHCA to set aside additional units in the Section 811 PRA Program in Riverstone Trails Apartments.

Sunnyvale Riverstone Trails Apartments, LP does hereby certify that we have reviewed the Section 811 PRA Program Guidelines required by TDHCA.

Sunnyvale Riverstone Trails Apartments, LP does hereby certify that we do not consent to additional Section 811 units in Riverstone Trails Apartments.

IN WITNESS WHEREOF, each of the undersigned partners have set their hands effective as of this 19 day of February, 2019.

General Partner:
Sunnyvale Riverstone Housing, LLC, a Missouri limited liability company
By: VCZ Development, LLC, a Missouri limited liability company, its Sole Member
By: ____________________________

By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust U/A dated May 5, 1995, as restated, its Sole Member

Investor Limited Partner:
Raymond James Housing Opportunities Fund 10 L.L.C., a Delaware limited liability company
By: Raymond James Tax Credit Funds, Inc., a Florida corporation, its Managing Member
By: ____________________________

Steven J. Klopf, President
Special Limited Partner:

RJHOF-10 L.L.C., a Florida limited liability company
By: Raymond James Tax Credit Funds, Inc.,
a Florida corporation, its Member

By: [Signature]

Steven J. Kropf, President
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet

Introduction

The purpose of this Packet is to formalize the process by which an Applicant establishes its lack of legal authority to commit Section 811 PRA Program Units in a Development as described pursuant to 10 TAC §11.9(c)(6)(A) of the Qualified Allocation Plan ("QAP").

This Packet is required only if all of the following conditions are true:

1) An Applicant is selecting points under Tenant Populations with Special Housing Needs pursuant to 10 TAC §11.9(c)(6) AND

2) An Applicant is seeking to establish its lack of legal authority where an Applicant or Affiliate Owns or Controls an Existing Development that otherwise meets the criteria established by 10 TAC §11.9(c)(6)(B) of the QAP.

One Packet must be submitted for each Existing Development for which the Applicant or Affiliate is seeking a determination that the needed legal authority is lacking and that the Development can be excluded from consideration.

Instructions: Complete the Questionnaire on page 2 of this packet, then complete the fields on each of the subsequent form cover pages, and attach the denoted documentation for each item behind each included cover pages. Submit each Packet, including Attachments in PDF format and include bookmarks for each item. The Packet must be saved and uploaded as one standalone file to the Serv-U folder associated with each 2019 Multifamily Application.

This Packet and all supporting documentation must be uploaded to the Department’s Serv-U system at the same time as, but as a separate document from, the Application. Refer to the Multifamily Programs Procedures Manual posted at http://www.tdhca.state.tx.us/multifamily/apply forfunds.htm for an explanation of the process to set-up a Serv-U Account if needed.

Questions about this Packet may be submitted to Spencer Duran: spencer.duran@tdhca.state.tx.us
Section 811 Project Rental Assistance (“PRA”) Program Supplement Packet

Questionnaire

2019 Uniform Multifamily Application #19100

1) Selecting Points under 10 TAC §11.9(c)(6)?
   □ No – STOP. PACKET SUBMISSION NOT NEEDED
   □ Yes – CONTINUE TO QUESTION 2

2) To obtain Points under 10 TAC §11.9(c)(6), Applicants must first attempt to meet the requirements in §11.9(c)(6)(B).
   Does the Applicant Own or Control and Existing Development that appears on the List of Qualified Existing Developments?
   □ No – STOP. PACKET SUBMISSION NOT NEEDED
   □ Yes – CONTINUE TO QUESTION 3

3) Is the Applicant seeking to establish its lack of legal authority where an Applicant Owns or Controls an Existing Development that appears on the List of Qualified Existing Developments?
   □ No - STOP. PACKET SUBMISSION NOT NEEDED
   □ Yes – CONTINUE TO QUESTION 4

4) Can the Applicant provide all three of the following items listed under §11.9(c)(6)(A)(i)-(iii)?
   □ No - STOP. PACKET SUBMISSION NOT NEEDED
   □ Yes – CONTINUE TO COVER PAGES
   (i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement);

   (ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program); AND

   (iii) Documentation that the Third Party possessing the legal right to withhold a required consent has provided notice of their decision not to provide a required consent (Example: Letter from the Third Party identified in (ii) that they are denying an Existing Development from participation).
2019 Uniform Multifamily Application #19100
Existing Development Name Kimberly Pointe Apartments

(i) Evidence that a Third Party has a legal right to withhold approval for a Property to commit voluntarily to the Section 811 PRA Program. The specific legally enforceable agreement or other instrument that gives the Third Party, such as a lender, the unambiguous legal right to withhold consent must be provided (Examples: Limited Partnership Agreement or Loan Agreement)

Describe the specific legally enforceable agreement being attached: Limited Partnership Agreement

Provide the name of the Third Party: Mountain Boulevard Investors, LLC

List the specific citation in the agreement that clearly denotes the Third Party has a legal right to withhold consent: Notwithstanding any provisions of this Agreement to the contrary, the General Partner may only sell, lease, sublease, exchange, convey, encumber, refinance or otherwise transfer, convey or restrict all or substantially all of the assets of the Partnership, including the Apartment Complex, with the prior Consent of the Limited Partner, which consent may be granted or withheld in its sole discretion.

List the page number in the agreement that clearly denotes the Third Party has a legal right to withhold consent: 1-2

ATTACH PDF OF THE LEGALLY ENFORCEABLE AGREEMENT BEHIND THIS PAGE.
FIRST AMENDMENT TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF MOUNTAIN BOULEVARD APARTMENTS, L.P.

THIS FIRST AMENDMENT TO SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF MOUNTAIN BOULEVARD APARTMENTS, L.P. (the "Amendment") is made and effective as of December 1, 2017 (the "Effective Date"), by and among Mountain Boulevard Housing, LLC, a Missouri limited liability company, as General Partner and Mountain Boulevard Investors, LLC, a Missouri limited liability company, as Limited Partner.

WITNESSETH:

WHEREAS, General Partner and Limited Partner constitute all of the partners of Mountain Boulevard Apartments, L.P., a Missouri limited partnership (the "Partnership"); and

WHEREAS, General Partner and Limited Partner entered into that certain Second Amended and Restated Agreement of Limited Partnership effective as of October 31, 2012 (the "Partnership Agreement"); and

WHEREAS, General Partner and Limited Partner desire to amend and modify the Partnership Agreement in the respects set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, General Partner and Limited Partner agree that the Partnership Agreement is hereby amended and modified in the following respects:

1. Change of Definition of "Apartment Complex". The definition of "Apartment Complex" set forth in Article I of the Partnership Agreement is hereby deleted and the following definition is substituted therefor:

   "Apartment Complex" means the real property consisting of a fee interest in a parcel of land located in City of Houston, Harris County, Texas (the "Land") and in the buildings and all furnishings, equipment and personal property used in connection with the operation thereof (the "Improvements") located at 333 Airtex Boulevard, Houston, Texas and commonly known as Kimberly Pointe Apartments."

2. Amendment of Section 5.4A. Section 5.4A is hereby deleted from the Agreement and the following Section 5.4 is substituted therefor:

   "5.4 Sale, Lease, Conveyance, Encumbrance of Refinancing of Assets of Partnership.

   A. Notwithstanding any provisions of this Agreement to the contrary, the General Partner may only sell, lease, sublease, exchange, convey, encumber, refinance
or otherwise transfer, convey or restrict all or substantially all of the assets of the Partnership, including the Apartment Complex, with the prior Consent of the Limited Partner, which consent may be granted or withheld in its sole discretion. Notwithstanding the foregoing, no such consent shall be required (i) for the leasing of apartments to residential tenants in the normal course of operations and in accordance with the Management Agent’s standard lease agreements, and (ii) the leasing of facilities related to the operation of the Apartment Complex (including, but not limited to the leasing of laundry machines)."

3. Entire Agreement; Ratification. The parties hereto acknowledge that the foregoing provisions constitute the complete and entire amendments and modifications of the Partnership Agreement as of the Effective Date, and except as specifically modified and amended by the foregoing provisions of this Amendment, all other terms of the Partnership are hereby ratified and confirmed. In the event of any conflict between the terms of this Amendment and the terms of the Partnership Agreement, the terms of this Amendment shall govern and control.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Effective Date.

GENERAL PARTNER: MOUNTAIN BOULEVARD HOUSING, LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its sole Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its sole Member

By: Vaughn C. Zimmerman, Trustee of the Vaughn C. Zimmerman Revocable Trust U/A dated May 5, 1995, as restated, its Managing Member
LIMITED PARTNER: MOUNTAIN BOULEVARD INVESTORS, LLC,
a Missouri limited liability company

By: Michael B. Wilhoit, Trustee of the Michael B. Wilhoit Revocable Living Trust U/A
dated January 15, 1987, as amended and restated, its Managing Member
MOUNTAIN BOULEVARD APARTMENTS, L.P.

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE I DEFINED TERMS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3</td>
</tr>
<tr>
<td>ARTICLE II GENERAL</td>
<td></td>
</tr>
<tr>
<td>2.1 Continuation of the Partnership</td>
<td>12</td>
</tr>
<tr>
<td>2.2 Principal Office</td>
<td>12</td>
</tr>
<tr>
<td>2.3 Registered Office; Resident Agent</td>
<td>13</td>
</tr>
<tr>
<td>2.4 Term</td>
<td>13</td>
</tr>
<tr>
<td>2.5 Purpose</td>
<td>13</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE III CAPITAL CONTRIBUTIONS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 General Partner</td>
<td>15</td>
</tr>
<tr>
<td>3.2 Limited Partner</td>
<td>15</td>
</tr>
<tr>
<td>3.3 Treatment of Other Advances</td>
<td>15</td>
</tr>
<tr>
<td>3.4 Capital Accounts; No Interest; Withdrawal</td>
<td>15</td>
</tr>
<tr>
<td>3.5 Liability of Limited Partners</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE IV COMPLIANCE WITH AUTHORITY REQUIREMENTS; PARTNERSHIP BORROWINGS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1 Authority Requirements</td>
<td>16</td>
</tr>
<tr>
<td>4.2 Authorization to the General Partner</td>
<td>17</td>
</tr>
<tr>
<td>4.3 Right to Mortgage</td>
<td>17</td>
</tr>
<tr>
<td>4.4 Loans</td>
<td>17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE V RIGHTS, POWERS AND OBLIGATIONS OF THE GENERAL PARTNERS AND LIMITATIONS THEREON</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Exercise of Management</td>
<td>18</td>
</tr>
<tr>
<td>5.2 Duties and Authority of General Partner</td>
<td>18</td>
</tr>
<tr>
<td>5.3 Delegation of General Partner's Authority; Tax Matters Partner</td>
<td>20</td>
</tr>
<tr>
<td>5.4 Lease, Conveyance or Refinancing of Assets of the Partnership</td>
<td>21</td>
</tr>
<tr>
<td>5.5 Restrictions on Authority</td>
<td>22</td>
</tr>
<tr>
<td>5.6 Activities of Partners</td>
<td>24</td>
</tr>
<tr>
<td>5.7 Dealing with Affiliates</td>
<td>24</td>
</tr>
<tr>
<td>5.8 Indemnification and Liability of the General Partner</td>
<td>24</td>
</tr>
<tr>
<td>5.9 Additional Covenants of General Partner</td>
<td>25</td>
</tr>
<tr>
<td>5.10 Obligation to Repair and Rebuild Apartment Complex</td>
<td>25</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE VI ACCOUNTING, REPORTS, BOOKS, BANK ACCOUNTS AND FISCAL YEAR</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Bank Accounts</td>
<td>26</td>
</tr>
</tbody>
</table>
ARTICLE VII MANAGEMENT AGENT ........................................... 27
7.1 Management Agent and Management Fee ................................ 27

ARTICLE VIII PROFITS AND LOSSES; DISTRIBUTIONS ............... 27
8.1 Allocations of Profits and Losses ........................................ 27
8.2 Distribution and Application of Cash Flow and Proceeds From Sale or Refinancing Transactions .................................. 30
8.3 Overriding Allocations of Profits and Losses ......................... 31
8.4 Certain Additional Allocations ........................................... 35

ARTICLE IX TRANSFER OF LIMITED PARTNER INTERESTS .......... 36
9.1 Assignment of Limited Partner Interests ................................ 35
9.2 Substituted Partners; Admission ......................................... 36
9.3 Assignees ........................................................................... 37

ARTICLE X WITHDRAWAL OF A GENERAL PARTNER; NEW GENERAL PARTNER ......................................................... 37
10.1 Withdrawal ........................................................................ 37
10.2 Effect of Withdrawal; Election to Continue Business ............... 38
10.3 Formation of New Partnership ........................................... 38
10.4 Additional General Partners .............................................. 40
10.5 Amendment of Schedule and Agreement ............................. 40
10.6 Survival of Liabilities ....................................................... 40

ARTICLE XI DISSOLUTION AND TERMINATION OF THE PARTNERSHIP ................................................................. 41
11.1 Events Which Cause a Dissolution ...................................... 41
11.2 Actions of Liquidating Agent Upon Dissolution .................... 41
11.3 Statements on Termination ................................................. 41
11.4 Priority on Liquidation; Distribution of Non-Liquid Assets ...... 42
11.5 Orderly Liquidation ........................................................... 43
11.6 No Goodwill Value ............................................................ 43

ARTICLE XII FOREIGN PARTNERS ................................................ 43
12.1 Certification of Non-Foreign Status ...................................... 43
12.2 Withholding of Certain Amounts Attributable to Interests of Foreign Partners .................................................. 43
### ARTICLE XIII MISCELLANEOUS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.1</td>
<td>Law Governing</td>
<td>44</td>
</tr>
<tr>
<td>13.2</td>
<td>Power of Attorney</td>
<td>44</td>
</tr>
<tr>
<td>13.3</td>
<td>Counterparts</td>
<td>45</td>
</tr>
<tr>
<td>13.4</td>
<td>Partners Independently Bound</td>
<td>45</td>
</tr>
<tr>
<td>13.5</td>
<td>Separability of Provisions</td>
<td>45</td>
</tr>
<tr>
<td>13.6</td>
<td>Address and Notice</td>
<td>45</td>
</tr>
<tr>
<td>13.7</td>
<td>Computation of Time</td>
<td>45</td>
</tr>
<tr>
<td>13.8</td>
<td>Titles and Captions</td>
<td>46</td>
</tr>
<tr>
<td>13.9</td>
<td>Entire Agreement</td>
<td>46</td>
</tr>
<tr>
<td>13.10</td>
<td>Agreement Binding</td>
<td>46</td>
</tr>
<tr>
<td>13.11</td>
<td>Parties in Interest</td>
<td>46</td>
</tr>
<tr>
<td>13.12</td>
<td>Amendments; Other Actions</td>
<td>46</td>
</tr>
<tr>
<td>13.13</td>
<td>Further Assurances</td>
<td>46</td>
</tr>
<tr>
<td>13.14</td>
<td>Remedies Cumulative</td>
<td>47</td>
</tr>
<tr>
<td>13.15</td>
<td>Meetings</td>
<td>47</td>
</tr>
</tbody>
</table>

**Schedules**

- Schedule A – Capital Contributions
MOUNTAIN BOULEVARD APARTMENTS, L.P.
SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

This SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP, is made and effective as of October 31, 2012, by and among Mountain Boulevard Housing, LLC, a Missouri limited liability company, as General Partner, and Mountain Boulevard Investors, LLC, a Missouri limited liability company, as Limited Partner.

WITNESSETH:

WHEREAS, on July 25, 1994, Zimmerman Family Partnership, a Missouri general partnership ("ZFP"), as general partner, executed a Certificate of Limited Partnership (the "Original Certificate") for the formation of Mountain Boulevard Apartments, L.P. (the "Partnership") pursuant to the terms of the Missouri Revised Uniform Limited Partnership act (the "Act"), which Original Certificate was subsequently filed with the Missouri Secretary of State on July 25, 1994; and

WHEREAS, following the conversion of ZFP into a limited liability company known as Zimmerman-Wilhoit, L.L.C., a Missouri limited liability company (the "Initial General Partner"), the Initial General Partner executed an Amendment of Certificate of Limited Partnership effectuating the change in the general partner from ZFP to the Initial General Partner; and

WHEREAS, the Initial General Partner and SunAmerica Housing Fund 133, a Nevada limited partnership entered into that certain Agreement of Limited Partnership dated as of October 1, 1994 (the "Initial Partnership Agreement"); and

WHEREAS, the Initial General Partner subsequently assigned its rights, title and interest in the Partnership to Mountain Boulevard GP, LLC, a Missouri limited liability company, and Mountain Boulevard GP, LLC, executed and filed with the Missouri Secretary of State an amendment to the Certificate of Limited Partnership reflecting the withdrawal of the Initial General Partner from the Partnership and the admission of Mountain Boulevard GP, LLC, to the Partnership as the successor general partner; and

WHEREAS, on or about April 1, 2002, Mountain Boulevard GP, LLC, SunAmerica Housing Fund 133 and SLP Housing III LLC, a Nevada limited liability company, entered into that certain Amended and Restated Agreement of Limited Partnership with respect to the Partnership which, among other things reflected the withdrawal of the Initial General Partner from the Partnership as its general partner, the admission to the Partnership of Mountain Boulevard GP, LLC, as the successor general partner, and the admission of SLP Housing III LLC to the Partnership as the Special Limited Partner; and
WHEREAS, the Partnership was formed to acquire, construct, own and operate a multi-family apartment complex comprised of 144 units located in the City of Ozark, Christian County, Missouri qualified for federal low income housing tax credits under Section 42 of the Internal Revenue Code of 1986; and

WHEREAS, pursuant to the terms of that certain Partnership Interest Purchase And Sale Agreement With Escrow Instructions dated July 25, 2012, Mountain Boulevard GP, LC, has assigned all its interest in the Partnership as the general partner thereof to the General Partner, and SLP Housing III, LLC and SunAmerica Housing Fund 133 have assigned all of their interests in the Partnership, as the limited partners thereof, to the Limited Partner, and in connection with such assignments and pursuant to that certain First Amendment to Amended and Restated Agreement of Limited Partnership dated on or even date herewith Mountain Boulevard GP, LLC, SLP Housing III, LLC and SunAmerica Housing Fund 133 have withdrawn from the Partnership and the General Partner and the Limited Partner have been admitted to the Partnership; and

WHEREAS, the parties hereto desire to enter into this Agreement to provide for, among other things, (i) the continuation of the Partnership, (ii) the payment of Capital Contributions by the Limited Partner and the General Partner to the Partnership, (iii) the reallocation of Profits, Losses, Credits and distributions of Cash Flow and other proceeds of the Partnership among the Partners, (iv) the respective rights, obligations and interests of the parties hereto to each other and to the Partnership and (v) certain other matters;

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth, the parties hereto agree that the Initial Partnership Agreement and the aforementioned Amended and Restated Agreement of Limited Partnership are hereby amended and restated in their entirety to read as follows:

ARTICLE I

DEFINED TERMS

Capitalized terms used in this Agreement shall, unless the context otherwise requires, have the meanings specified in this Article I. Certain additional defined terms are set forth elsewhere in this Agreement.

"Accountants" means such firm or firms of independent certified public accountants as may be engaged by the General Partner from time to time, and shall initially be Reznick Group, P.C., having an address at 7700 Old Georgetown Rd., Suite 400, Bethesda, Maryland 28104-6224.

"Adjusted Capital Account Deficit" means, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of any fiscal year of the Partnership, after giving effect to the following adjustments:
(i) credit to such Capital Account any amounts which such Partner is obligated to restore thereto pursuant to any provision of this Agreement or is deemed to be obligated to restore thereto pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(0)(5) of the Regulations; and


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

"Admission Date" means the day on which the Limited Partner and the General Partner acquire their respective Interests and are admitted to the Partnership pursuant to the terms of this Agreement.

"Affiliate" means, when used with reference to a specified Person, any (i) Person that directly or indirectly controls or is controlled by or is under common control with the specified Person, (ii) Person that is an officer of, partner in or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, partner or trustee, or with respect to which the specified Person serves in a similar capacity and (iii) Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of the specified Person or of which the specified Person is directly or indirectly the owner of 10% or more of any class of equity securities. "Affiliate" of the Partnership or a General Partner does not include a Person who is a partner in one or more partnerships or joint ventures with the Partnership or any other Affiliate of the Partnership if such Person is not otherwise an Affiliate of the Partnership or such General Partner.

"Agreement" means this Second Amended and Restated Agreement of Limited Partnership, as it may be amended from time to time.

"Apartment Complex" means the real property consisting of a fee interest in a parcel of land located in the City of Ozark, Christian County, Missouri (the "Land") and in the buildings and all furnishings, equipment and personal property used in connection with the operation thereof (the "Improvements"). The Improvements consist of a multi-family housing complex of eight (8) buildings with a total of one hundred forty-four (144) apartment units and a clubhouse.

"Assignment" (including the verb form "Assign" and the adjectival form "Assigned") means a valid sale, exchange, transfer or other disposition of all or any portion of an Interest.

"Assignor" means a Partner who makes an Assignment and "Assignee" means a Person who receives an Assignment.
"Authority" means any housing credit agency under Section 42 of the Code or applicable housing finance authority, which is a public body corporate and politic created by the State of Missouri, or other agency authorized to allocate Credits or issue bonds or other evidence of indebtedness to finance residential housing development.

"Bankruptcy" or "Bankrupt" means, with respect to any Partner, such Partner making an assignment for the benefit of creditors, becoming a party to any liquidation or dissolution action or proceeding with respect to such Partner or any bankruptcy, reorganization, insolvency or other proceeding for the relief of financially distressed debtors with respect to such Partner, or a receiver, liquidator, custodian or trustee being appointed for such Partner or a substantial part of such Partner's assets and, if any of the same occur involuntarily, the same not being dismissed, stayed or discharged within 90 days; or the entry of an order for relief against such Partner under Title 11 of the United States Code. A Partner shall be deemed Bankrupt if the Bankruptcy of such Partner shall have occurred and be continuing.

"Capital Account" means, with respect to any Partner, the Capital Account maintained for such Partner in accordance with the following provisions:

(i) to each Partner's Capital Account there shall be credited such Partner's Capital Contributions, such Partner's distributive share of Profits, and any items in the nature of income or gain which are specially allocated pursuant to Article VIII hereof, and the amount of any Partnership liabilities assumed by such Partner or which are secured by any property distributed to such Partner;

(ii) to each Partner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any property distributed to such Partner pursuant to any provision of this Agreement, such Partner's distributive share of Losses, and any items in the nature of expenses or losses which are specially allocated pursuant to Article VIII hereof, and the amount of any liabilities of such Partner assumed by the Partnership or which are secured by any property contributed by such Partner to the Partnership;

(iii) in the event any Interest is Assigned in accordance with the terms of this Agreement, the Assignee shall succeed to the Capital Account of the Assignor to the extent it relates to the Assigned Interest; and

(iv) in determining the amount of any liability for purposes of clauses (i) and (ii) above, there shall be taken into account Section 752(c) of the Code and any other applicable provisions of the Code and the Regulations.

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Section 1.704-1(b) of the Regulations, and shall be interpreted and applied in a manner consistent with such Regulations. In the event the General Partner shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto
(including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Partnership or the Partners), are computed in order to comply with such Regulations, the General Partner may make such modification, provided that it is not likely to have a material effect on the amounts distributable to any Partner pursuant to Section 11.4 hereof upon the dissolution of the Partnership. The General Partner also shall (a) make any adjustments that are necessary or appropriate to maintain equality between the aggregate Capital Accounts of the Partners and the aggregate amount of Partnership capital reflected on the Partnership's balance sheet, as computed for book purposes in accordance with Section 1.704.1(b)(2)(iv)(q) of the Regulations, and (b) make any appropriate modifications in the event unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Regulations.

"Capital Contributions" means, with respect to any Partner, the amount of money and the initial Gross Asset Value of any property (other than money) contributed to the Partnership with respect to the Interest held by such Partner pursuant to the terms of this Agreement in accordance with Schedule A attached hereto. Any reference in this Agreement to the Capital Contribution of a then Partner shall include the contributions to the capital of the Partnership made by any predecessor in interest of such Partner in respect of such Interest of such Partner.

"Cash Expenditures" means all disbursements of cash during the year (excluding distributions to Partners), including, without limitation, payment of operating expenses, the regular payment of debt service, including principal and interest on the Partnership's indebtedness (excluding payments of principal and interest on Voluntary Loans), cost of repair and restoration of the Apartment Complex and amounts allocated to reserves by the General Partner. In addition, the net increase during the year in any escrow account or reserve maintained by or for the Partnership shall be considered a Cash Expenditure during the year. Cash Expenditures payable to Partners or Affiliates of Partners shall be paid after Cash Expenditures payable to third parties, except for payments to a Management Agent which may be an Affiliate of a Partner to the extent such fees are payable and are not subject to deferral. Cash Expenditures shall not include expenses incurred in connection with a Sale or Refinancing Transaction or any expenses or payments to be distributed or paid pursuant to Section 8.2.A hereof.

"Cash Flow" means the excess of Cash Receipts over Cash Expenditures. Cash Flow shall be determined separately for each fiscal year or portion thereof.

"Cash Receipts" means all cash receipts of the Partnership from whatever source derived other than from a Sale or Refinancing Transaction and Capital Contributions, including, without limitation, cash from operations, net insurance recoveries (other than proceeds from title insurance recoveries and other than condemnation or casualty proceeds). In addition, the net reduction in any year in the amount of any escrow account or reserve maintained by or for the Partnership shall be considered a cash receipt of the Partnership for such year. Notwithstanding the foregoing, at the election of the General Partner, Cash Receipts intended for use in meeting the Partnership's obligations (including the cost of acquiring assets or paying debts or expenses) in the subsequent fiscal year shall not be
deemed received until such following year.

"Certificate" means the Original Certificate or any other instrument filed in the Filing Office as the Certificate of Limited Partnership of the Partnership in accordance with the Uniform Act, as amended from time to time.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute.

"Compliance Period" shall have the meaning provided in Section 42(i)(1) of the Code.

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

"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 to qualify for the Credits or to avoid an event of recapture in respect of the Credits.

"Credit Period" shall have the meaning specified in Section 42 of the Code.

"Depreciation" means, for each fiscal year of the Partnership or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such fiscal year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for Federal income tax purposes at the beginning of such fiscal year or other period, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the Federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year or other period bears to such beginning adjusted tax basis; provided, however, that if the Federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the General Partner.

"Entity" means any general partnership, limited partnership, limited liability company, limited liability partnership, corporation, joint venture, trust, business trust, cooperative or association.

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

"General Partner" means Mountain Boulevard Housing, L.L.C., a Missouri limited liability company.

"Governmental Agreements" means all agreements between the Partnership and any Authority with respect to the Apartment Complex and relating to insuring,
supplementing, subsidizing, endorsing or otherwise affecting a Mortgage on the Apartment Complex (including, without limitation, any Regulatory Agreement), Rental Assistance Contract, tax abatements, concessionary financing or other grants, or other governmental assistance to the Apartment Complex or its tenants, regardless of its nature, in each case as the same may be amended from time to time.

"Gross Asset Value" means, with respect to any asset owned by the Partnership, the asset's adjusted basis for Federal income tax purposes, except as follows:

(i) the initial Gross Asset Value of any asset contributed by a Partner to the Partnership shall be the gross fair market value of such asset, as determined by the contributing Partner and the General Partners;

(ii) the Gross Asset Value of each asset shall be adjusted to equal its respective gross fair market value, as determined by the General Partners, as of the following times: (a) the acquisition of an additional Interest by any new or existing Partner in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Partnership to a Partner of more than a de minimis amount of property as consideration for an Interest; and (c) the liquidation of the Partnership within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Regulations; provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the General Partners reasonably determine that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners in the Partnership;

(iii) the Gross Asset Value of any asset distributed to any Partner shall be the gross fair market value of such asset on the date of distribution; and

(iv) the Gross Asset Value of each asset shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such asset pursuant to Section 734(b) or Section 743(b) of the Code, but only to the extent that such adjustment is taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations and Article VIII hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the General Partners determine that an adjustment pursuant to clause (ii) above is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv). If the Gross Asset Value of an asset has been determined or adjusted pursuant to clause (i), (ii) or (iv) above, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits and Losses.

"Gross Effective Income" means the gross income from all sources from the normal operation of the Apartment Complex received on a cash basis (including all public subsidy payments due and payable at such time but not yet received by the Company), but excluding (i) tenant security or other deposits, (ii) Capital Contributions and interest thereon, (iii) interest on reserves not available for distribution, and (iv) the proceeds of insurance payments, except rental interruption insurance.

"Improvements" shall have the meaning specified in the definition of
"Interest" means the entire ownership interest of a Partner in the Partnership at any particular time, including the right of such Partner to any and all benefits to which a Partner may be entitled as provided in this Agreement, together with the obligations of such Partner to comply with all terms and provisions of this Agreement. Except as provided in this Agreement, a Partner's Interest shall not include any interest that such Partner may otherwise have as a creditor of the Partnership.

"Involuntary Withdrawal" means any Withdrawal caused by the death, adjudication of insanity or incompetence, or Bankruptcy of a Partner.

"Lender" means any lender under any mortgage constituting the Mortgage.

"Loan" shall mean that certain loan made to the Project Partnership in the original principal amount of Three Million Four Hundred Sixteen Thousand and 00/100ths Dollars ($3,416,000.00) evidenced by a Promissory Note dated October 31, 2012 in favor of Oak Grove Commercial Mortgage, LLC, and/or Fannie Mae, and secured by that certain Multifamily Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated October 31, 2012 encumbering the Apartment Complex.

"Loan Documents" shall mean the Mortgage, Promissory Notes and all other documents evidencing or securing the Loan provided to the Partnership by the Lender.

"Limited Partner" means Mountain Boulevard Investors, LLC, a Missouri limited liability company.

"Management Agent" means Wilhoit Properties, Inc.

"Management Agreement" means the agreement between the Partnership and the Management Agent in connection with management of the Apartment Complex entered into pursuant to the authority granted by Article VII hereof.

"Mortgage" means any mortgage or deed of trust securing an indebtedness of the Partnership evidenced by the Mortgage Note and encumbering the Apartment Complex, as such indebtedness may be increased, decreased or refinanced in accordance with this Agreement. Where the context admits, the term "Mortgage" shall include any mortgage, deed, deed of trust, note, regulatory agreement, security agreement, assumption agreement or other instrument executed in connection with a Mortgage Note which is binding on the Partnership; and in case any Mortgage is replaced or supplemented by any subsequent mortgage or mortgages, the "Mortgage" shall refer to any such subsequent mortgage or mortgages.

"Mortgage Note" means any promissory note held by a Lender evidencing the indebtedness secured by the Mortgage.

"Nonrecourse Deductions" shall have the meaning set forth in Section
1.704-2(b)(1) of the Regulations.

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

"Partner" or "Partners" means any or all of the General Partner and the Limited Partner.

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

"Partner Nonrecourse Debt Minimum Gain" shall have the meaning set forth in Section 1.704-2(0(2) of the Regulations.

"Partner Nonrecourse Deductions" shall have the meaning set forth in Section 1.704-2(i)(2) of the Regulations.

"Partnership" means the limited partnership governed by this Agreement, as such limited partnership may from time to time be amended or reconstituted.

"Partnership Minimum Gain" shall have the meaning set forth in Section 1.704-2(b)(2) of the Regulations.

"Person" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person as the context may require.

"Prime Rate" means the rate of interest publicly announced from time to time by the Lender as its prime rate.

"Profits" and "Losses" means, for each fiscal year of the Partnership or other period, an amount equal to the Partnership's taxable income or loss for such year or period, 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:

(i) any income of the Partnership that is exempt from Federal income tax and not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss;

(ii) 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 Section 1.704-1(b)(2)(iv)(i) of the Regulations and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss;

(iii) in the event the Gross Asset Value of any Partnership asset is adjusted pursuant to clause (ii) or (iii) of the definition thereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses;
(iv) 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 Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) in lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year or other period; and

(vi) notwithstanding any other provisions hereof, any items which are specially allocated pursuant to Article VIII hereof shall not be taken into account in computing Profits or Losses.

"Regulations" means the Income Tax Regulations (including Temporary Regulations) promulgated under the Code.

"Sale or Refinancing Transaction" means any of the following items or transactions not in the ordinary course of business: a sale, transfer, exchange or other disposition of all or substantially all of the assets of the Partnership, a condemnation of or casualty at the Apartment Complex or any part thereof (other than an event which produces business interruption insurance proceeds or other similar payments), a claim against a title insurance company, the refinancing of any Mortgage Note or other indebtedness of the Partnership and any similar item or transaction; provided, however, that neither distributions which are deemed returns of capital for Federal income tax purposes nor the payment of Capital Contributions by the Partners shall be included within the meaning of the term "Sale or Refinancing Transaction."

"Sale or Refinancing Transaction Proceeds" means all cash receipts of the Partnership arising from a Sale or Refinancing Transaction (including, without limitation, principal and interest received on a debt obligation received as consideration, in whole or in part, on a Sale or Refinancing Transaction).

"State" means the State of Missouri.

"Substituted Partner" means any transferee of the Interest of a Partner who is admitted to the Partnership as a successor partner in respect of the Interest of such Partner.

"Tax Matters Partner" means the Partner designated from time to time as the Tax Matters Partner of the Partnership pursuant to Section 5.3.D hereof.

"Uniform Act" means the Revised Uniform Limited Partnership Act, or its equivalent, as it may be adopted or amended from time to time by the State or any successor statute governing the operation of limited partnerships.
"Voluntary Loan" means a voluntary, unsecured interest-bearing loan of any Partner to the Partnership as described in Section 4.4 hereof.

"Withdrawning" or "Withdrawal" (including the verb form "Withdraw" and the adjectival forms "Withdrawning" and "Withdrawn") means, as to a Partner, the occurrence of the death, adjudication of insanity or incompetence, Bankruptcy, dissolution or liquidation of such Partner, or the withdrawal, removal or retirement from the Partnership of such Partner for any reason, including any Assignment 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.

Each definition or pronoun herein shall be deemed to refer to the singular, plural, masculine, feminine or neuter as the context requires. Words such as "herein," "hereinafter," "hereof," "hereto" and "hereunder," when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

ARTICLE II

GENERAL

2.1 Continuation of the Partnership.

A. The parties hereto acknowledge that on October 31, 2012, Mountain Boulevard Housing, LLC purchased and acquired all of the Interest of Mountain Boulevard GP, LLC as general partner of the Partnership and Mountain Boulevard GP, LLC, thereby withdrew from the Partnership. The parties hereto further acknowledge that on October 31, 2012, Mountain Boulevard Investors, LLC, acquired and purchased all of the Interests of SLP Housing III LLC and SunAmerica Housing Fund 133, a Nevada limited partnership, as the limited partners of the Partnership, all of whom thereby withdrew from the Partnership. By virtue of such acquisition and their execution of this Agreement, Mountain Boulevard Housing, LLC has been admitted to the Partnership as a Substituted Partner and as the sole General Partner and Mountain Boulevard Investors, LLC, has been admitted to the Partnership as a Substituted Partner and as the sole Limited Partner. The Partnership shall be continued as a limited partnership pursuant to this Agreement. The name of the Partnership shall continue to be "Mountain Boulevard Apartments, L.P."

B. As soon after the execution of this Agreement as is practicable, the General Partner shall file (if required by the Uniform Act) an amendment to the Certificate or a Supplemental Affidavit thereto reflecting the provisions of this Agreement in accordance with the Uniform Act. The General Partner shall from time to time file such other documents required by law to (i) effectuate and permit the continuation of the Partnership as a limited partnership under the laws of the State, (ii) enable the Partnership to do business in the State and (iii) protect the limited liability of the Limited Partner under the laws of the State including the preparation and filing of such amendments to this Agreement and any other certificate, document or instrument as may be required under the laws of the State. The Partners shall execute such certificates, documents and instruments and take such
other action as may be necessary to enable the General Partner to fulfill its responsibilities under this Section 2.1.B. The power of attorney granted in Section 13.2 hereof may be exercised by the General Partner to effect the provisions of this Section 2.1.B.

2.2 Principal Office. The principal office of the Partnership shall be located at 1730 East Republic Road, Suite F, Springfield, Missouri 65804. The General Partner may maintain such other offices on behalf of the Partnership in the State as they may from time to time deem advisable. The Partnership's books and records will be made available to the Limited Partner or its representatives at its principal office for Partnership purposes during normal business hours and upon at least three days prior notice. The principal office of the Partnership may be changed by the General Partner, in which event written notice thereof shall be given by the General Partner to all the other Partners.

2.3 Registered Office; Resident Agent. The registered office of the Partnership shall be 1730 E. Republic Road, Suite F, Springfield, Missouri 65804 and Robert Davidson has been appointed the Partnership's registered agent for the service of process in the State.

2.4 Term. The Partnership shall continue in full force and effect until the dissolution and termination of the Partnership pursuant to Article XI hereof.

2.5 Purpose.

A. The sole and singular business and purpose of the Partnership is the ownership, operation and leasing of the Apartment Complex, and in connection therewith, subject to and in accordance with the permission of each applicable Authority and all Governmental Agreements, to make and perform contracts and other undertakings and to engage in any and all activities and transactions as may be necessary or advisable in connection therewith, including, but not limited to, the purchase, transfer, mortgage, pledge and exercise of all other rights, powers, privileges and other incidents of ownership with respect to the Apartment Complex and to borrow money without limitation as to amount or manner and to carry on any and all activities related to any of the foregoing. So long as the LURA (defined in Section 4.1 hereof) remains in effect, the Partnership shall not engage in any other business or purpose other than that specifically authorized in this Section 2.5.

B. In order to carry out its business and purpose under Section 2.5. A hereof, subject to the terms and conditions hereof, the Partnership is hereby authorized to:

(i) acquire, own, lease and sublease real property, and to hold the Apartment Complex for investment purposes;

(ii) renovate, construct, own, maintain and operate the Apartment Complex;

(iii) mortgage, lease, transfer and exchange or otherwise convey and encumber such property and the improvements thereon in furtherance of any and all of the objects of its business in connection with the Apartment Complex;

(iv) enter into, perform and carry out contracts of any kind necessary
to, or in connection with or incidental to, the rehabilitation, renovation, construction, ownership, financing, maintenance and operation of the Apartment Complex, including, but not by way of limitation, any contracts with any Authority which may be desirable or necessary to comply with the requirements of such Authority, including any agreements relating to regulations or restrictions contained in any Mortgages as to rents, sales, charges, capital structure, rate of return and methods of operation;

(v) rent dwelling units therein from time to time, collect the rents therefrom, pay the expenses incurred in connection therewith, and distribute the net proceeds, if any, to the Partners, subject to any requirements which may be imposed by any Authority;

(vi) purchase, transfer, mortgage, pledge and exercise all other rights, powers, privileges and other incidents of ownership with respect thereto and borrow or raise money without limitation as to amount or manner and carry on any and all activities incidental and appropriate to effectuate the purposes of the Partnership; and

(vii) take all other actions permitted by law.

C. Notwithstanding any terms or provisions set forth in this Agreement or the Certificate to the contrary, so long as the Loan Documents remain in effect, the activities and purpose of the Partnership shall be further limited as follows:

(i) the Partnership shall conduct its business authorized under this Agreement solely in its own name through its duly authorized officers or agents so as not to mislead others as to the identity of the entity with which those others are concerned, and particularly use its best efforts to avoid the appearance of conducting business on behalf of any Affiliate or that its assets are available to pay the creditors of any Affiliate. Without limiting the generality of the foregoing, all oral and written communications, including, without limitation, letters, invoices, purchase orders, contracts, statements and loan applications, shall be made solely in the name of the Partnership;

(ii) the Partnership shall maintain its records and books of account separate from those of any Affiliate;

(iii) the Partnership shall obtain proper authorization required by any of the Partnership’s governing documents, any statute, law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority applicable to or binding upon the Partnership for all action requiring such authorization;

(iv) the Partnership shall obtain proper authorization from its Partners for all actions requiring such approval;

(v) the Partnership shall pay its Cash Expenditures or other operating expenses and liabilities from its own funds;

(vi) the Partnership’s financial statements shall disclose the effects of its transactions in accordance with generally accepted accounting principles or such
alternative accounting standards as may be acceptable to the Lender, consistently applied, and shall disclose that its assets are not available to pay creditors of any Affiliate;

(vii) the Partnership's resolutions, agreements and other instruments authorizing any transactions shall be maintained by it as its official records, separately identified and held apart from the records of any Affiliate;

(viii) the Partnership shall maintain an arms-length relationship with its Affiliates and shall not hold itself out as being liable for the debts of any Affiliate;

(ix) the Partnership shall keep its assets and its liabilities wholly separate from those of all other entities, including, but not limited to its Affiliates except, in each case, as contemplated by the Loan Documents; and

(x) the Partnership's sole asset shall be the Apartment Complex, the furnishings, fixtures and proceeds associated therewith and the rents and profits derived therefrom.

ARTICLE III

CAPITAL CONTRIBUTIONS

3.1 General Partner. The Capital Contribution of the General Partner is set forth in Schedule A payable upon the execution of this Agreement by the General Partner and the Limited Partner. The General Partner shall not be required to make any additional Capital Contributions to the Partnership.

3.2 Limited Partner. Subject to compliance with the terms and conditions hereinafter set forth, the Limited Partner shall make the Capital Contribution as set forth in Schedule A payable upon the execution of this Agreement by the General Partner and the Limited Partner. The Limited Partner shall not be required to make any additional Capital Contributions to the Partnership.

3.3 Treatment of Other Advances. If any Partner shall advance funds to the Partnership other than the amount of its Capital Contribution, the amount of such advance shall not be considered a contribution to the capital of the Partnership, but shall be deemed a Voluntary Loan and shall be subject to the provisions of Section 4.4 hereof.

3.4 Capital Accounts; No Interest; Withdrawal. No Partner shall have the right to demand a return of its Capital Contribution, except as otherwise provided in this Agreement. No Partner shall have priority over any other Partner, either as to return of its Capital Contribution or as to profits, losses or distributions, except as otherwise specifically provided herein. Moreover, no General Partner shall be personally liable for the return of the Capital Contribution of any Limited Partner, or any portion thereof, it being expressly understood that any such return shall be made solely from assets of the Partnership, nor shall any General Partner be required to pay the Partnership or any Partner any deficit in its or any other Partner's Capital Account upon dissolution or otherwise, it being understood and agreed
that any deficit in any Capital Account shall not be treated as an asset of the Partnership. Further, no Limited Partner shall be required to pay to the Partnership any deficit in its Capital Account upon dissolution or otherwise, except as provided by law, with respect to third-party creditors of the Partnership; provided, however, that if the Limited Partner has a deficit balance in its Capital Account following the liquidation of its Interest, as determined after taking into account all adjustments to its Capital Account for the taxable year of the Partnership during which such liquidation occurs, the Limited Partner is unconditionally obligated to restore the amount of such deficit balance to the Partnership by the end of such taxable year, or, if later, within 90 days after the date of such liquidation. No interest shall be paid on any Capital Account or Capital Contribution. No Partner shall have the right to demand or receive property other than cash for its Interest. Each of the Partners does hereby agree to, and does hereby, waive any right such Partner may otherwise have to cause any asset of the Partnership to be partitioned or to file a complaint or institute any proceeding at law or in equity seeking to have any such asset partitioned. No Partner shall be entitled to any return of capital or distribution, upon withdrawal or otherwise, except as expressly set forth in this Agreement.

3.5 Liability of Limited Partners. The Limited Partner shall not be liable for any debts, liabilities, contracts or obligations of the Partnership, except as provided by law. The Limited Partner shall be liable only to make payment of its Capital Contributions as and when due under this Agreement.

ARTICLE IV

COMPLIANCE WITH AUTHORITY REQUIREMENTS;
PARTNERSHIP BORROWINGS

4.1 Authority Requirements. During the Compliance Period, the following provisions shall apply: (i) each of the provisions of this Agreement shall be subject to, and the General Partner covenants to act in accordance with, the Credit Conditions and to act in accordance with all applicable Federal, state and local laws and regulations; (ii) the Credit Conditions and all such laws and regulations, as amended or supplemented, shall govern the rights and obligations of the Partners, their heirs, executors, administrators, successor and assigns, and they shall control as to any terms in this Agreement which are inconsistent therewith, and any such inconsistent terms in this Agreement shall be unenforceable by or against any of the Partners; (iii) upon any dissolution of the Partnership or any transfer of the Apartment Complex, no title or right to the possession and control of the Apartment Complex and no right to collect rent therefrom shall pass to any Person who is not, or does not become, bound by the Credit Conditions in a manner that, in the opinion of counsel to the Partnership, would avoid a recapture thereof; and (iv) any conveyance or transfer of title to all or any portion of the Apartment Complex required or permitted under this Agreement shall in all respects be subject to the Credit Conditions and all conditions, approvals or other requirements of the rules and regulations of any Authority applicable thereto. In addition to the foregoing, the General Partner and the Limited Partner, by executing this Agreement, agree to
assume, perform and be bound by all terms and provisions of that certain Declaration Of Land Use Restriction Covenants For Low-Income Housing Tax Credits dated December 20, 1996, as amended (the “LURA”), so long as the LURA shall remain in full force and effect.

4.2 Authorization to the General Partner. Without in any way limiting the right or authority of the General Partner under this Article IV or Article V hereof, the General Partner is specifically authorized to execute all documents required by any Authority or any Lender in connection with the acquisition, construction, rehabilitation or financing of the Apartment Complex. Further, notwithstanding any other provision in this Agreement, the General Partner is hereby authorized to amend this Agreement to effectuate any amendments required by any Authority or any Lender. The General Partner may exercise the power of attorney granted in Section 13.2 hereof to effect the provisions of this Section 4.2.

4.3 Right to Mortgage.

A. The Partnership has obtained financing for the construction and acquisition of the Apartment Complex and has secured the same by the Mortgage securing the Loan. Except for the usual and customary exceptions to nonrecourse loans as may be specifically set forth in the Mortgage securing the Loan, each and every loan secured by the Mortgage which has been or shall be entered into by the Partnership provides and shall continue to provide that no Person, including, but not limited to, the Partnership, any party holding a partnership interest in the Partnership, or any of their Affiliates, shall have any personal liability for the payment of all or any part of the debt secured by such Mortgage, unless the Partners unanimously otherwise agree in writing.

B. The General Partner may modify, refinance or repay the debt secured by the Mortgage with the consent of the Limited Partner, each Lender and each Authority, if required, including without limitation any required transfer or conveyance of Partnership assets for security or mortgage purposes.

4.4 Loans. All borrowings by the Partnership shall be subject to the terms of this Agreement. To the extent borrowings are permitted, they may be made from any source, including any Partner or an Affiliate thereof. Any Partner may make Voluntary Loans to the Partnership with the consent of the other Partner, which consent shall not be unreasonably withheld, provided, however, any Voluntary Loan made by any Partner which is made for the purpose of curing any default under a Mortgage or paying any fine or penalty assessed against the Apartment Complex shall not require the consent of the other Partner. A Partner shall notify the other Partner prior to making a Voluntary Loan. Except as may be otherwise specifically set forth in this Agreement, if any Partner or Affiliate thereof shall lend any monies to the Partnership, such loan shall be unsecured and the amount of any such loan shall not be an increase of such Partner's Capital Contribution nor affect in any way such Partner's share of the Profits and Losses or distributions of the Partnership. Any loan by a Partner or its Affiliate shall be a Voluntary Loan, shall bear interest per annum at a rate equal to two percent in excess of the Prime Rate (but not in excess of the
lawful maximum rate) and shall be repayable as set forth in Article VIII hereof, but in any event only out of the assets of the Partnership; provided, however, that any Voluntary Loan shall be made solely for the benefit of the Partnership.

ARTICLE V

RIGHTS, POWERS AND OBLIGATIONS OF THE GENERAL PARTNERS AND LIMITATIONS THEREON

5.1 Exercise of Management. The overall management and control of the business, assets and affairs of the Partnership shall be vested in the General Partner and, subject to the specific limitations and restrictions set forth in this Article V and in Article IV hereof, the General Partner, in extension of and not in limitation of the powers given it by law, shall have full, exclusive and complete charge of the management of the business of the Partnership in accordance with its purpose stated in Section 2.5 hereof. The Limited Partner shall not take part in the management or control of the business of the Partnership or have authority to bind the Partnership; provided, however, that the Limited Partner may exercise any and all of the rights granted to it under this Agreement. In the event there shall be no general partners, the Person who becomes general partner if the Partnership is continued shall become the General Partner.

5.2 Duties and Authority of General Partner.

A. The General Partner shall devote to the Partnership such time as may be necessary for the proper performance of the duties of the General Partner. Except as set forth in Section 5.6 hereof, the General Partner shall at all times exercise its responsibilities as General Partner in a fiduciary manner. The signature of a General Partner shall be needed on any instrument, document or agreement to bind the Partnership, and third parties may rely fully on any such instrument, document or agreement signed by a General Partner. The Limited Partner agrees to deliver such certificates or affidavits as may be requested by the General Partner affirming that actions taken or to be taken by the General Partner which are authorized under this Agreement have been so authorized. Subject to the terms and conditions hereof, the General Partner shall be obligated, and is hereby authorized and directed, to:

(i) Take all commercially reasonable actions that may be necessary or appropriate to carry out the purposes of the Partnership as described in this Agreement;

(ii) Make inspections of the Apartment Complex and make commercially reasonable efforts to assure that the Apartment Complex is being properly maintained in accordance therewith and necessary repairs are being made;
(iii) Prepare or cause to be prepared in conformity with good business practice all reports that are to be furnished to the Partners or that are required by taxing bodies or other governmental agencies, including operations reports of the Apartment Complex or by or on behalf of the General Partner;

(iv) Cause the property of the Partnership at all times to be insured in a manner similar to other property of like kind in the same locality and in such amounts and on such terms as the General Partner shall deem necessary and prudent;

(v) Obtain and maintain in force or cause to be obtained and maintained in force such other insurance as may be required by applicable law or governmental regulation;

(vi) Obtain and maintain in force or cause to be obtained and maintained in force public liability insurance in amounts as the General Partner shall deem necessary and prudent;

(vii) Comply in all material respects with all Governmental Agreements; and

(viii) Do all other things (subject to the restrictions contained herein) that the General Partner may deem necessary or desirable in its commercially reasonably discretion in order properly and efficiently to administer and carry on the affairs, assets and business of the Partnership, including, but not limited to, the execution of all conveyances, deeds, notes, mortgages or other documents, and the exercise of any and all remedies available to the Partnership under this Agreement in the event of any Partner's default in the payment of its respective required capital. The General Partner shall operate the Apartment Complex and shall cause the Management Agent to manage the Apartment Complex in such a manner that the Apartment Complex shall maintain compliance with the Credit Conditions during the remainder of the Compliance Period applicable to the Apartment Complex.

B. The General Partner agrees that it shall prepare or cause to be prepared an annual budget in connection with the operations of the Apartment Complex for each succeeding fiscal year of the Partnership. The General Partner shall maintain such reserve accounts in such amounts as may be required by the Lender which shall be used for such purposes for the Apartment Complex and/or the Partnership as the General Partner may deem reasonable and prudent or as the Lender may require, including, but not limited to, payment of real estate taxes, insurance, operating costs and replacements. Notwithstanding anything to the contrary contained herein, the Partnership shall not make any expenditure of funds, or commit to make any such expenditure, other than in response to an emergency, except as provided for in an annual budget or as the Partners may otherwise approve; provided, however, that
the General Partner shall have the authority to cause the Partnership to expend in any fiscal year of the Partnership on any group of line items which form a major category on a budget under this Section 5.2.B with respect to such fiscal year, an amount equal to 105% of the amount provided on such budget for such group on any or all items within that group during such fiscal year without seeking the further approval of the Limited Partner.

C. The General Partner shall notify the Limited Partner of any "reportable transactions" in which the Partnership engages, as such term is described in Section 1.6011-4 of the Regulations. Notwithstanding anything to the contrary, the Partnership, the General Partner, the Limited Partner, and each employee, representative or other agent of the foregoing, may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure (as defined in Section 1.6011-4(c) of the Regulations) of the transactions contemplated herein and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment and tax structure.

5.3 Delegation of General Partner's Authority: Tax Matters Partner.

A. For all purposes of this Agreement, including, without limitation, the delivery of certificates and the granting or withholding of all consents and approvals, the General Partner shall have the sole right to act in the name of and on behalf of the Partnership. Subject to the terms and conditions hereof, the General Partner is hereby fully authorized, without the requirement of any act or signature of the other Partners, to take any action of any type and to do anything and everything which a general partner of a limited partnership organized under the Uniform Act may be authorized to take or do thereunder, and specifically, without limitation of such authority, to execute, sign, seal and deliver in the name and on behalf of the Partnership:

(i) any note, mortgage or other instrument or document in connection with the Mortgage, the Mortgage Note or any Governmental Agreement, and all other agreements, contracts, certificates, instruments or documents required by any Authority and/or any Lender in connection therewith or with the acquisition, development, construction, rehabilitation, improvement, operation or leasing of the Apartment Complex or otherwise required by any Authority and/or any Lender in connection with the Apartment Complex;

(ii) any deed, lease, mortgage, mortgage note, bill of sale, contract or any other instrument purporting to convey or encumber the real or personal property of the Partnership;

(iii) any rent supplement or leasing or other contract or agreement providing for public or non-public financial assistance, directly or indirectly, to tenants of the Apartment Complex;

(iv) any and all agreements, contracts, documents, certificates and instruments whatsoever involving the acquisition, development, construction, rehabilitation, improvement, management, maintenance, leasing and operation of the Apartment Complex, including the employment of such Persons as may be
necessary therefor; and

(v) any and all instruments, agreements, contracts, certificates or documents requisite to carrying out the intention and purpose of this Agreement, including, without limitation, the filing of all business certificates, this Agreement and all amendments thereto, and documents required by any Authority and/or any Lender or deemed advisable by the General Partner in connection with any financing.

B. Every contract, agreement, certificate, document or other instrument executed by the General Partner shall be conclusive evidence in favor of every person relying thereon or claiming thereunder that, at the time of the delivery thereof, (i) the Partnership was in existence, (ii) this Agreement had not been terminated or cancelled or amended in any manner so as to restrict such authority (except as shown in any instrument duly filed in the Filing Office) and (iii) the execution and delivery thereof was duly authorized. Any Person dealing with the Partnership or the General Partner may always rely on a certificate signed by the General Partner hereunder:

(a) as to who are the Partners hereunder;

(b) as to the existence or nonexistence of any fact or facts which constitute conditions precedent to acts by the General Partner or are in any other manner germane to the affairs of the Partnership;

(c) as to who is authorized to execute and deliver any instrument, contract, agreement, certificate or document for the Partnership;

(d) as to the authenticity of any copy of this Agreement and amendments thereto; or

(e) as to any act or failure to act by the Partnership or as to any other matter whatsoever involving the Partnership or the Apartment Complex.

C. The Partners hereby consent to the exercise by the General Partner of the powers conferred on it by this Agreement.

D. All of the Partners hereby agree that the General Partner shall be the "Tax Matters Partner" pursuant to the Code and in connection with any audit of the Federal income tax returns of the Partnership; provided, however, that if the General Partner shall withdraw from the Partnership, become Bankrupt or be dissolved or if it shall be determined that the General Partner cannot serve as Tax Matters Partner, the Limited Partner shall thereafter have the right to designate itself or any other General Partner as the "Tax Matters Partner." So long as a General Partner is the Tax Matters Partner, in discharging its duties and responsibilities, it shall act as a fiduciary to the Limited Partner and the Partnership in connection therewith.

E. So long as a General Partner is the Tax Matters Partner, the Limited Partner shall have the right to determine to litigate any administrative determination relating to Federal income tax matters, and shall have the right to litigate such matter in such court
and to settle such matters as the Limited Partner shall decide in its sole discretion.

5.4 Lease, Conveyance or Refinancing of Assets of the Partnership.

A. Except as may be otherwise expressly provided in Section 4.1 hereof and elsewhere in this Agreement, the General Partner is hereby authorized to sell, lease, sublease, exchange, refinance or otherwise transfer, convey or encumber all or substantially all of the assets of the Partnership; provided, however, that the terms of any such sale, exchange, refinancing or other transfer, conveyance or encumbrance of the Property must receive the Consent of the Limited Partner before such transaction shall be binding on the Partnership, which consent shall not be unreasonably withheld after the Compliance Period and prior thereto may be granted or withheld in its sole discretion. Notwithstanding the foregoing, no such consent shall be required (i) for the leasing of apartments to residential tenants in the normal course of operations and (ii) leases or concessions of facilities related to the operation of the Apartment Complex (including but not limited to the leasing of laundry machines).

B. The Limited Partner shall have the right at any time after the beginning of the last year of the Compliance Period to require, by written notice to the General Partner, that the General Partner promptly submit a written request to the applicable state housing credit agency pursuant to Section 42(h)(6)(I) of the Code that such agency endeavor to locate within one year from the date of such written request a purchaser for the Apartment Complex who will continue to operate the Apartment Complex as a qualified low income property, at a purchase price that is not less than the sum of (a) the outstanding balance of all Mortgage Notes plus (b) the Partnership's equity in the Apartment Complex (adjusted for cost of living increases as permitted by Section 42(h)(6)(G) of the Code). In the event that the state housing credit agency obtains an offer satisfying the conditions of the preceding sentence, the General Partner shall promptly notify the Limited Partner in writing with respect to the terms and conditions of such offer, and, if the Limited Partner notifies the General Partner that such offer should be accepted, the General Partner shall cause the Partnership promptly to accept such offer and to proceed to sell the Apartment Complex pursuant to such offer or the General Partner shall have the right exercisable upon sixty days notice of receipt of the offer of such buyer, to purchase the Apartment Complex on the same terms and conditions as such offer, in which event the General Partner shall purchase the Apartment Complex within 120 days following its exercise of such right on the terms and conditions set forth in the offer and subject to any restrictions, including affordable housing restrictions.

C. (i) Subject to the provisions of Section 5.4.B hereof, but notwithstanding any other provision of this Agreement to the contrary, the Limited Partner shall have the right at any time after the first anniversary following the end of the Compliance Period to require, by written notice to the General Partner (the "Required Sale Notice"), that the General Partner promptly use its commercially reasonable efforts to obtain a buyer for the Apartment Complex on the most favorable terms then obtainable.

5.5 Restrictions on Authority. Notwithstanding any other provisions of this Agreement:
A. No General Partner shall have authority to perform any act in violation of any applicable laws or regulations, or any agreement between the Partnership and any Authority or any Lender, or to take any action which under the Uniform Act or this Agreement requires the approval, ratification or consent of some or all of the Partners without first obtaining such approval, ratification or consent, as the case may be.

B. The General Partner shall not have authority to do any of the following acts, except with the consent of the Limited Partner, which consent may, except as set forth below, be granted or withheld in its sole discretion, and the approval, to the extent required, of any Authority and any Lender:

(i) acquire any real or personal property (tangible or intangible) in addition to the Apartment Complex the aggregate value of which shall exceed $10,000 (other than easements or similar rights necessary or appropriate for the operation of the Apartment Complex);

(ii) become personally liable on or in respect of, or guarantee, a Mortgage Note or a Mortgage or any other indebtedness of the Partnership (other than for obligations to trade creditors or others incurred in connection with day to day operation of the Project or as set forth in Section 4.3A hereof, or the customary exceptions to the non-recourse terms of the Mortgage);

(iii) pay any salary, fees or other compensation to a General Partner or any Affiliate thereof, except as authorized by Section 5.7 or Articles VI and VIII hereof or specifically provided for in this Agreement or the Management Agreement;

(iv) sell all or any portion of the Apartment Complex or modify or refinance the Mortgage or incur any indebtedness for borrowed money except as specifically provided in this Agreement and subject to the provisions contained in Section 5.4 hereof;

(v) terminate the services of the Accountant or the Management Agent;

(vi) engage a substitute Management Agent or approve the delegation by the Management Agent of all or a substantial portion of its duties to a third party

(vii) cause the Partnership to redeem or repurchase all or any portion of the Interest of a Partner provided, however, in the event of any default by the Limited Partner in the payment of any Capital Contribution, the General Partner may exercise all rights and remedies for the acquisition of such Limited Partner's Interest or the removal of such Limited Partner from the Partnership;

(viii) accept additional Capital Contributions other than those
expressly provided for in this Agreement;

(ix) admit additional General Partners or Limited Partners to the Partnership except in accordance with the express terms hereof;

(x) cause the Partnership to convert the Apartment Complex to cooperative or condominium ownership;

(xi) cause or permit the Partnership to be merged with any other entity;

(xii) cause or permit the Partnership to make loans to any Partner or any Affiliate; or

(xiii) cause or permit the Partnership to take or omit or suffer any action that would result in a recapture of Credits.

The enumeration of the foregoing rights shall not diminish or affect the existence or exercise of other rights expressly granted to the Limited Partner elsewhere herein.

5.6 Activities of Partners. Any Partner may engage in and have an interest in other business ventures of every nature and description, independently or with others, including, but not limited to, the ownership, financing, leasing, operating, construction, renovation, improvement, management and development of real property whether or not such real property is directly or indirectly in competition with the Apartment Complex. Neither the Partnership nor any other Partner shall have any rights by virtue of this Agreement in and to such independent ventures or the income or profits derived therefrom, regardless of the location of such real property and whether or not such venture was presented to such Partner as a direct or indirect result of his connection with the Partnership or the Apartment Complex.

5.7 Dealing with Affiliates. Subject to the restrictions contained in this Agreement, the General Partner may, for, in the name and on behalf of, the Partnership, enter into agreements or contracts for performance of services for the Partnership as an independent contractor with a General Partner or an Affiliate thereof and the General Partner may obligate the Partnership to pay compensation for and on account of any such services; provided, however, that unless the terms of such compensation and/or services are specified in this Agreement, such compensation and services shall be on terms not less favorable to the Partnership than if such compensation and services were paid to and/or performed by a person who was not a General Partner or an Affiliate thereof.

5.8 Indemnification and Liability of the General Partner.

A. To the maximum extent permitted by law, the Partnership, its receiver or its trustee, shall indemnify and hold harmless the General Partner and its Affiliates from and against any liability, loss or damage incurred by them by reason of any act performed or omitted to be performed by them, including costs and reasonable
attorneys' fees (which attorneys' fees may be paid as incurred) and any amount expended in the settlement of any claim of liability, loss or damage; provided, however, that (i) if such liability, loss or damage arises out of any action or inaction of any Affiliate, such action or inaction must have occurred while such party was engaged in activities which could have been engaged in by the General Partner in its capacity as such or which otherwise was intended in good faith to be in the best interests of the Partnership; (ii) if such liability, loss or damage arises out of any action or inaction of the General Partner or its Affiliates, (a) the General Partner or its Affiliates must have determined, in good faith, that such course of conduct was in the best interests of the Partnership and (b) such course of conduct did not constitute fraud, willful misconduct, or material breach of the provisions of this Agreement by the General Partner or its Affiliates; and (iii) any such indemnification shall be recoverable only from the assets of the Partnership and not from the assets of any Partner. All judgments against the Partnership and the General Partner or its Affiliates, wherein the General Partner or its Affiliates are entitled to indemnification, must first be satisfied from Partnership assets before such General Partner or its Affiliates are responsible for these obligations. The Partnership shall not pay for any insurance covering liability of the General Partner or its Affiliates for actions or omissions for which indemnification is not permitted hereunder; provided, however, that nothing contained herein shall preclude the Partnership from purchasing and paying for such types of insurance, including extended coverage liability and casualty and workers' compensation, as would be customary for any person owning comparable assets and engaged in a similar business, or from naming the General Partner or its Affiliates as additional insured parties thereunder, if such addition does not add to the premiums payable by the Partnership. Nothing contained herein shall be deemed to contract away the fiduciary duty owed to the Limited Partner by the General Partner or its Affiliates under common law, provided, however, the foregoing shall not diminish the provisions hereof. The provision of advances from the Partnership to the General Partner or its Affiliates for legal expenses and other costs incurred as a result of a legal action is permissible if the following three conditions are satisfied: (i) the legal action relates to the performance of duties or services by General Partner or its Affiliates on behalf of the Partnership; (ii) the legal action is initiated by a third party who is not a Limited Partner of the Partnership; and (iii) the General Partner or its Affiliates undertake to repay to the Partnership the funds so advanced in cases in which they would not be entitled to indemnification hereunder.

5.9 Additional Covenants of General Partner. Except in an emergency, upon prior notice, the General Partner shall permit, and shall cause the Management Agent to permit, the Limited Partner and its representatives to have access to the Apartment Complex and personnel employed by the Partnership and by the Management Agent who are concerned with management of the Apartment Complex at all reasonable times during normal business hours and to examine all agreements and plans and specifications and shall deliver copies and such reports as may reasonably be required by the Limited Partner. The Limited Partner shall use commercially reasonably efforts in conducting such inspections so as to not interfere with the normal operations of the Apartment Complex. The General Partner shall promptly provide the Limited Partner with copies of all correspondence, notices and reports sent pursuant to and received under any Authority with respect to the Apartment Complex or any notice of non-
compliance received from any lender holding a Mortgage or any governmental authority.

5.10 **Obligation to Repair and Rebuild Apartment Complex.** With the approval of any Lender and any Authority, if such approval is required, any insurance proceeds received by the Partnership due to fire or other casualty affecting the Apartment Complex will be utilized to repair and rebuild the Apartment Complex in satisfaction of the conditions contained in Section 42Q)(4) of the Code and to the extent required by any Lender and any Authority.

**ARTICLE VI**
**ACCOUNTING, REPORTS, BOOKS,**
**BANK ACCOUNTS AND FISCAL YEAR**

6.1 **Bank Accounts.** The bank accounts of the Partnership shall be maintained in such banking institutions authorized to do business in the State or such other states as permitted by each Authority and as the General Partner shall determine, and withdrawals shall be made on such signature or signatures as the General Partner shall determine. The Partnership's funds shall not be commingled with the funds of any other Person and shall not be used except for the business of the Partnership. All deposits (including security deposits and other funds required to be placed in escrow by any Authority or any Lender and other funds not needed in the operation of the Partnership's business) shall be deposited, to the extent permitted by each Authority or the Lender, in interest-bearing accounts or invested in obligations of or guaranteed by the United States, any state thereof, or any agency, municipality or other political subdivision of any of the foregoing, commercial paper (investment grade), certificates of deposit and time deposits in commercial banks insured by the Federal Deposit Insurance Corporation and in mutual (money market) funds investing in any or all of the foregoing.

6.2 **Books of Account: Fiscal Year.** Complete and accurate books of account, in which shall be entered, fully and accurately, each and every transaction of the Partnership, shall be kept or caused to be kept by the General Partner. The books shall be kept on an accrual basis of accounting, and the fiscal year of the Partnership shall be the calendar year. All of the Partnership's books of account, together with an executed copy of this Agreement and copies of such other instruments as the General Partner may execute hereunder, including amendments thereto, shall at all times be kept at the principal office of the Partnership and, upon at least three days prior written notice, shall be available during normal business hours for inspection by any Partner for partnership purposes or his duly authorized representative or, at the expense of the requesting Partner, for audit by him or his duly authorized representative.

6.3 **Tax Returns and Tax Treatment.** The General Partner shall, for each fiscal year, file on behalf of the Partnership a United States Partnership Return of Income within the time prescribed by law for such filing. The General Partner shall also file on behalf of the Partnership such other tax returns and other documents from time to time as may be required by the Federal government or by any state or any subdivision thereof. All tax returns shall be prepared by the Accountants. The General
Partner shall send a copy of Schedule K-1 or any successor or replacement form thereof, and, upon request, such tax return, to each Partner.

ARTICLE VII
MANAGEMENT AGENT

7.1 Management Agent and Management Fee.

A. The General Partner shall have the responsibility for managing the Apartment Complex and obtaining a management agent (the "Management Agent"). The Management Agent shall be Wilhoit Properties, Inc., a Missouri corporation, which is an Affiliate of the General Partner.

B. The Management Agent shall receive a management fee payable by the Partnership on a monthly basis in accordance with the Management Agreement as approved by each Authority or Lender (if such approval is necessary) which is intended to be executed by the Partnership.

C. The General Partner will have the duty to manage the Apartment Complex during any period when there is no Management Agent and the Partnership will pay the General Partner for such services an annual management fee equal to such amount as each Authority shall approve from time to time or, if no approval is required, a fee equal to the amounts which would have been payable to the Management Agent under the Management Agreement. If at any time the present Management Agent shall cease to act as the Management Agent, the General Partner shall be authorized, subject to the approval of each Authority and Lender (if required) to retain and to enter into a Management Agreement with a different Management Agent on terms at least as favorable to the Partnership as the terms and conditions of the Management Agreement with the present Management Agent or on such other prevailing market terms as exist in the locality of the Apartment Complex for residential projects.

ARTICLE VIII
PROFITS AND LOSSES; DISTRIBUTIONS

8.1 Allocations of Profits and Losses. For tax and accounting purposes, Profits and Losses of the Partnership for each fiscal year shall be allocated to the respective classes of Partners as follows:

A. Subject to Section 8.3 hereof, Profits shall be allocated to the Partners in the following order of priority:

   (i) First to the General Partner until the General Partner has been allocated pursuant to this Section 8.1.A(i) for the current and prior fiscal years an amount equal to the Losses allocated to the General Partner pursuant to the last sentence of Section 8.1.B for all prior fiscal years;
(ii) Second, 99.50% to the Limited Partner and 0.50% to the General Partner until the Partners have been allocated pursuant to this Section 8.1.A(ii) for the current and prior fiscal years, an amount equal to the lesser of (x) the aggregate Losses previously allocated to the Partners pursuant to Section 8.1.B hereof (other than pursuant to the last sentence thereof) for all prior fiscal years to the extent such Losses are greater than the aggregate allocations of Profits previously allocated to the Limited Partner pursuant to this Section 8.1.A(ii) or (y) an amount necessary to bring the Limited Partner's Capital Account back up to zero; and

(iii) Thereafter, to the Partners in accordance with the cumulative distributions pursuant to Sections 8.2.A(iii) and 8.2.B(vi) hereof with respect to the current and all prior fiscal years until the aggregate amount allocated to each Partner pursuant to this Section 8.1.A(iii) equals the aggregate amount distributed to each Partner pursuant to Sections 8.2.A(iii) and 8.2.B(vi) hereof; provided that if the Profits allocable under this Section 8.1.A(iii) for the current and all prior fiscal years exceed the cumulative distributions pursuant to Sections 8.2.A(iii) and 8.2.B(vi) with respect to the current and all prior fiscal years ("Excess Income"), then the Excess Income derived in the current fiscal year shall be allocated to the Partners in accordance with the distribution that would have been made pursuant to Sections 8.2.A(iii) and 8.2.B(vi) hereof had there been such distribution for the current fiscal year.

B. Subject to Section 8.3 hereof, Losses shall be allocated 0.50% to the General Partner and 99.50% to the Limited Partner; provided that the Losses allocated pursuant to this Section 8.1.B shall not exceed the maximum amount of Losses that can be so allocated without causing any Limited Partner to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Partnership. All Losses which would have been allocated to the Limited Partners but for the proviso set forth in the preceding sentence shall be allocated to the General Partner.

C. Nonrecourse Liabilities of the Partnership shall be specially allocated 99.50% to the Limited Partner and 0.50% to the General Partner.

D. (i) Nonrecourse Deductions for any fiscal year of the Partnership or other period shall be specially allocated 99.50% to the Limited Partner and 0.50% to the General Partner.

(ii) Any Partner Nonrecourse Deductions for any fiscal year of the Partnership or other period shall be specially allocated to the Partner who bears the risk of loss with respect to the Partner Nonrecourse Debt to which such Partner Nonrecourse Deductions are attributable in accordance with Section 1.704-2(i) of the Regulations. If with respect to any fiscal year the General Partner shall make Voluntary Loans or shall otherwise advance money to pay or otherwise satisfy operating deficits on behalf of the Partnership, it shall be deemed that such Voluntary Loans or such other advances were first applied to the payment of deductible expenses with respect to such fiscal year up to the aggregate amount of such Voluntary Loans and/or such advances, and the deductions for such expenses shall be allocated to the General Partner. In no event, by reason of the foregoing, shall the General Partner be
allocated deductions attributable to Depreciation of the Property. If such Voluntary Loans or other advances with respect to any fiscal year shall exceed the deductible expenses allocable to the General Partner pursuant to this subparagraph, the General Partner shall be allocated deductible expenses (not attributable to Depreciation) in subsequent fiscal years until the aggregate amount of deductions allocated to the General Partner is equal to the amount of Voluntary Loans or other operating deficit advances.

E. All deductions for charitable contributions made by the Partnership shall be allocated 99.50% to the Limited Partner and 0.50% to the General Partner.

F. Where a distribution of an asset is made in the manner described in Section 734 of the Code, or where a transfer of an Interest permitted by this Agreement is made in the manner described in Section 743 of the Code, the Partnership shall file an election under Section 754 of the Code, in accordance with the procedures set forth in the applicable Regulations. To the extent an adjustment to the adjusted tax basis of any Partnership asset pursuant to Section 734(b) or 743(b) of the Code is required, pursuant to Section 1.704-1(b)(2)(iv)(m) of the Regulations, to be taken into account in determining 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 specially allocated to the Partners in a manner consistent with the manner in which their Capital Accounts are required to be adjusted pursuant to such Section of the Regulations.

G. Except as otherwise provided herein, each Partner shall be allocated Profits and Losses in accordance with this Section 8.1 from the date on which it is admitted to the Partnership. For purposes of determining the Profits, Losses, or any other items allocable to any period, Profits, Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the General Partners using any permissible method under Section 706 of the Code and the Regulations promulgated thereunder.

H. Except as otherwise provided in this Agreement, all items of Partnership income, gain, loss, deduction, and any other allocations not otherwise provided for herein shall be divided among the Partners in the same proportions as they share Profits or Losses, as the case may be, for the fiscal year of the Partnership.

I. During any fiscal year allocation of Profits or Losses which do not arise from a Sale or Refinancing Transaction shall be made before allocation of Profits or Losses arising from a Sale or Refinancing Transaction.

J. If any fee or other compensation payable from the Partnership to a Partner or an Affiliate of a Partner is treated as a distribution for income tax purposes, there shall be allocated to the recipient Partner or to the Partner affiliated with such Affiliate, an amount of income equal to the amount of such payment in the year in which such payment is made or in the first succeeding year in which the Partnership
realizes income.

8.2 Distribution and Application of Cash Flow and Proceeds From Sale or Refinancing Transactions. Except as otherwise provided by this Agreement or required by law (including all applicable rules, directives and regulations of each Authority), cash distributions shall be made to the Partners on the following basis within 60 days after the end of each calendar quarter:

A. Cash Flow shall be applied in the following order of priority:

(i) To pay any fee to the Management Agent that has been deferred;

(ii) To pay any Incentive Fee to Zimmerman Properties, LLC due under the terms of the Incentive Fee Agreement for the month in which such distribution is to be made;

(iii) To pay any Incentive Fee to Zimmerman Properties, LLC that has been deferred;

(iv) To the Partners an amount equal to the unpaid balance of any Voluntary Loan (including interest earned thereon) made by them; and

(v) The balance, 0.50% to the General Partner and 99.50% to the Limited Partner.

B. Subject to the provisions of Section 11.4 hereof, Sale or Refinancing Transaction Proceeds shall be applied in the following order of priority:

(i) To the payment of all of the expenses of such Sale or Refinancing Transaction, and, with regard to damage recoveries or insurance or condemnation proceeds (other than for temporary loss of use), to the payment of all repairs, replacements or renewals resulting from damage to or partial condemnation of the affected property;

(ii) To pay the Incentive Fee due to Zimmerman Properties, LLC under the terms of the Incentive Fee Agreement in an amount equal to 4.5% of the remaining balance after payment of the amounts referred to above in Section 8.2B(i);

(iii) To the payment of all debts and obligations of the Partnership due upon the occurrence of such Sale or Refinancing Transaction other than amounts owing to Partners;

(iii) To establish such reserves as the General Partner in its sole discretion determines to be reasonably necessary for any contingent or foreseeable liability or obligation of the Partnership; provided, however that the balance of any such reserve remaining at such time as the General Partner shall reasonably determine that
such reserve is no longer necessary shall be distributed in accordance with subparagraphs (iv) through (vi) of this Section 8.2.B;

(iv) To the Management Agent, an amount equal to any accrued and unpaid management fees;

(v) To the Partners an amount equal to the unpaid balance of any Voluntary Loan (including interest earned thereon) made by them; and

(vi) The balance, if any, 99.50% to the Limited Partner and 0.50% to the General Partner.

C. Except as otherwise provided in this Section 8.2, each Partner shall share in distributions in accordance with this Section 8.2 from the date on which such Partner is admitted to the Partnership.

8.3 Overriding Allocations of Profits and Losses.

A. (i) Notwithstanding anything contained in Section 8.1 hereof or this Section 8.3 to the contrary, if there is a net decrease in Partnership Minimum Gain during a taxable year of the Partnership, then there shall be allocated to each Partner, before any other allocation of any item of income, gain, loss, deduction or credit is made for such taxable year, items of income and gain for such taxable year (and, if necessary, for subsequent taxable years), in the order provided in Section 1.704-2(j)(2) of the Regulations, equal to such Partner's share of the net decrease in Partnership Minimum Gain during such year as specified in Section 1.704-2(g)(2) of the Regulations, unless an exception specified in Section 1.704-2(f) of the Regulations applies. The allocation contained in this Section 8.3.A(i) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(f) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 8.3.E hereof, all Profits and Losses shall be allocated as provided for in Sections 8.1, 8.3.A(ii), 8.3.B, 8.3.C and 8.3.D hereof.

(ii) Notwithstanding anything contained in Section 8.1 hereof or this Section 8.3 to the contrary, except Section 8.3.A(i) hereof, if there is a net decrease in Partner Nonrecourse Debt Minimum Gain during a taxable year of the Partnership, then there shall be allocated to each Partner who has a share of the Partner Nonrecourse Debt Minimum Gain determined in accordance with Section 1.704-2(i)(5) of the Regulations, items of income and gain for such taxable year (and, if necessary, subsequent taxable years), in the order provided in Section 1.704-2(q)(2) of the Regulations, equal to such Partner's share of the net decrease in Partner Nonrecourse Debt Minimum Gain during such year as specified in Section 1.704-2(i)(5) of the Regulations, unless an exception specified in Section 1.704-2(i)(4) of the Regulations applies. The allocation contained in this Section 8.3.A(ii) is intended to comply with the
minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 8.3.E hereof, all Profits and Losses shall be allocated as provided for in Sections 8.1, 8.3.B, 8.3.C and 8.3.D hereof.

(iii) The Partnership Minimum Gain and, accordingly, the minimum gain chargeback requirement amount for each Partner as of the date of this Agreement, shall be zero (0).

B. Notwithstanding any provisions of Section 8.1 hereof or this Section 8.3 to the contrary, but subject to the provisions of Section 8.3.A hereof, in the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Section 1.704-1(b)(2)(ii)(d)(4), 1.704-1(b)(2)(ii)(d)(5), or 1.704-1(b)(2)(ii)(d)(6) of the Regulations, items of Partnership income and gain (including gross income) shall be specially allocated to each such Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Partner as quickly as possible, provided that an allocation pursuant to this Section 8.3.B shall be made only if and to the extent that such Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article VIII have been tentatively made as if this Section 8.3.B were not in this Agreement. In the event that any such adjustments, allocations or distributions create an Adjusted Capital Account Deficit for more than one Partner in any taxable year of the Partnership, all such items of income and gain of the Partnership for such taxable year and all subsequent taxable years shall be allocated among all such Partners in proportion to their respective Adjusted Capital Account Deficits in such amount and manner sufficient to eliminate such Adjusted Capital Account Deficits as quickly as possible. The allocation contained in this Section 8.3.B is intended to comply with the qualified income offset requirement in Section 1.704-1(b)(2)(ii)(d) of the Regulations, and shall be interpreted consistently therewith. Thereafter, subject to Section 8.3.E hereof, all Profits and Losses shall be allocated as provided for in Sections 8.1, 8.3.C and 8.3.D hereof.

C. Notwithstanding any provisions of Section 8.1 hereof or this Section 8.3 to the contrary, but subject to the provisions of Sections 8.3.A and 8.3.B hereof:

(i) in accordance with Section 704(c) of the Code and the Regulations promulgated 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 as provided in Section 704(c) of the Code 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 Gross Asset Value; (b) in the event the Gross Asset Value of any Partnership asset is adjusted as provided herein, 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 Gross Asset Value in the same manner as under Section 704(c) of the Code and the Regulations promulgated thereunder; and (c) any elections or other decisions relating to the allocations provided in this Section 8.3.C(i) shall be made by the General Partner with the Consent of the Investor Limited Partner as provided in Section 704(c) of the Code in any manner that reasonably reflects the purpose and intention of this Agreement; allocations pursuant to this Section 8.3.C(i) 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 Profits, Losses, other items, or distributions pursuant to any provision of this Agreement;

(ii) in the event any Limited Partner has a deficit Capital Account balance at the end of any fiscal year of the Partnership that is in excess of the sum of (a) the amount such Partner is obligated to restore to its Capital Account (pursuant to the terms of such Partner's promissory note or otherwise) and (b) the amount such Partner is deemed to be obligated to restore to its Capital Account pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, each 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 8.3.C(ii) shall be made if and only to the extent that such Partner would have a deficit Capital Account balance in excess of such sum after all other allocations provided for in this Article VIII have been tentatively made as if Section 8.3.B hereof and this Section 8.3.C(ii) were not in this Agreement;

D. (i) The "Regulatory Allocations" consist of the "Basic Regulatory Allocations," as defined in Section 8.3.D(ii) hereof, the "Nonrecourse Regulatory Allocations," as defined in Section 8.3.D(iii) hereof, and the "Partner Nonrecourse Regulatory Allocations," as defined in Section 8.3.D(iv) hereof

(ii) The "Basic Regulatory Allocations" consist of (a) allocations pursuant to the provisions contained in the last sentence of Section 8.1.B(ii) hereof, and (b) allocations pursuant to Sections 8.1.F, 8.3.B, and 8.3.D(iv) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the Basic Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Basic Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Basic Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, allocations pursuant to this Section 8.3.D(ii) shall only be made with respect to allocations pursuant to Section 8.1.F hereof to the extent the General Partners reasonably determine that such allocations will otherwise be inconsistent with the economic agreement among the Partners.

(iii) The "Nonrecourse Regulatory Allocations" consist of all allocations pursuant to Sections 8.1.D(i) and 8.3.A(i) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the
Nonrecourse Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Nonrecourse Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Nonrecourse Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, (a) no allocations pursuant to this Section 8.3.D(iii) shall be made prior to the taxable year of the Partnership during which there is a net decrease in Partnership Minimum Gain, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Partnership Minimum Gain, and (b) allocations pursuant to this Section 8.3.D(iii) shall be deferred with respect to allocations pursuant to Section 8.1.D(i) hereof to the extent the General Partners reasonably determine that such allocations are likely to be offset by subsequent allocations pursuant to Section 8.3.A(i) hereof.

(iv) The "Partner Nonrecourse Regulatory Allocations" consist of all allocations pursuant to Sections 8.1D(ii) and 8.3.A(ii) hereof. Notwithstanding any other provision of this Agreement, other than the Regulatory Allocations, the Partner Nonrecourse Regulatory Allocations shall be taken into account in allocating items of income, gain, loss and deduction among the Partners so that, to the extent possible, the net amount of such allocations of other items and the Partner Nonrecourse Regulatory Allocations to each Partner shall be equal to the net amount that would have been allocated to each such Partner if the Partner Nonrecourse Regulatory Allocations had not occurred. For purposes of applying the foregoing sentence, (a) no allocations pursuant to this Section 8.3.D(iv) shall be made with respect to allocations pursuant to Section 8.1.D(ii) hereof relating to a particular Partner Nonrecourse Debt prior to the taxable year of the Partnership during which there is a net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt, and then only to the extent necessary to avoid any potential economic distortions caused by such net decrease in Partner Minimum Gain, and (b) allocations pursuant to this Section 8.3.D(iv) shall be deferred with respect to allocations pursuant to Section 8.1.D(ii) hereof relating to a particular Partner Nonrecourse Debt to the extent the General Partners reasonably determine that such allocations are likely to be offset by subsequent allocations pursuant to Section 8.3.A(ii) hereof.

(v) The General Partner shall have reasonable discretion, with respect to each taxable year of the Partnership, to (a) apply the provisions of Sections 8.3.D(ii), (iii) and (iv) hereof in whatever order is likely to minimize the economic distortions that might otherwise result from the Regulatory Allocations, and (b) divide all allocations pursuant to Sections 8.3.D(ii), (iii) and (iv) hereof among the Partners in a manner that is likely to minimize such economic distortions.

(vi) To the extent that Section 8.1 hereof in any of its subsections provides for references to the allocation of Profits or Losses pursuant to particular subsections within Section 8.1 hereof, including, without limitation, the aggregate Profits or Losses previously allocated pursuant to a subsection, such
subsection references shall be deemed to incorporate allocations of Profits or Losses pursuant to this Section 8.3 to the extent that the allocation of Profits or Losses pursuant to this Section 8.3 is of the same category of Profits or Losses.

E. Notwithstanding anything to the contrary contained herein, Sections 8.3.A and 8.3.B hereof shall be applied in the order provided in Section 1.704-2 of the Regulations.

F. Any allocations made pursuant to this Section 8.3 shall be taken into account in the making of subsequent allocations under other sections of this Article VIII in a manner that will, to the maximum extent possible, avoid or eliminate duplicative or excessive allocations of income to any Partner.

8.4 Certain Additional Allocations.

A. For income tax purposes, if the Partnership in any year realizes income or is allowed a deduction (including additional depreciation or amortization as a result of adding an item to its basis) as a result of the transfer of an Interest or the transfer of an interest in property to or from a Partner, the difference between the amount taken into account for tax purposes and the amount otherwise taken into account under this Agreement shall be allocated solely to such Partner.

B. In the event there is more than one General Partner, all Profits and Losses or distributions to the General Partner as a Class shall be allocated among the General Partners as they shall agree; provided, however, that any not-for-profit General Partner and any not-for-profit member, partner or shareholder of any General Partner shall not be allocated Profits or Losses or be distributed distributions greater than .50% of Partnership Profits, Losses and distributions; and further provided, that any such allocation must have substantial economic effect as defined in Section 1.704-1(b)(2) of the Regulations.

C. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Section 1.752-3(a)(3) of the Regulations, the Partner's interests in Partnership Profits are as provided in Section 8.1.D(i) hereof.

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

F. The Partners are aware of the income tax consequences of the allocations made by this Article VIII and hereby agree to be bound by the provisions of this Article VIII in reporting their shares of Partnership income and loss for income tax purposes.
ARTICLE IX
TRANSFER OF LIMITED PARTNER INTERESTS

9.1 Assignment of Limited Partner Interests. The Limited Partner shall have the right to make an Assignment of its Interest only with the consent of the General Partner, such consent not to be unreasonably withheld or delayed. The General Partner shall cooperate with the Limited Partner in facilitating such Assignment by promptly furnishing complete and accurate financial and other relevant data regarding the Partnership, the Apartment Complex, the General Partner and the Affiliates of the General Partner and any other matters reasonably necessary in the judgment of the Limited Partner to facilitate and effect such Assignment provided that the General Partner shall have no responsibility to the Assignees of the Limited Partners, unless admitted to the Partnership. If an Assignee of an Interest transferred by the Limited Partner in accordance with this Section 9.1 desires to be admitted as a Substituted Limited Partner, such Assignee shall be admitted to the Partnership as a Substituted Limited Partner only with the consent of the General Partner, which consent shall not be unreasonably withheld or delayed. Each Substituted Limited Partner shall execute such instrument or instruments as shall be required by the General Partner to signify its agreement to be bound by all the provisions of this Agreement and, the Project Documents, if required, and shall pay reasonable legal fees and filing costs in connection with its substitution as a limited partner hereunder. The Limited Partner shall notify the General Partner as to any proposed Assignment of their Interests. Notwithstanding any terms set forth in this Agreement to the contrary, so long as the LURA (defined in Section 4.1 hereof) shall remain in effect, no Assignment of any Interest shall be effective without the prior written consent of the Missouri Housing Development Commission in each instance.

9.2 Substituted Partners; Admission.

A. The General Partner may not admit any additional partners to the Partnership without the consent of the Limited Partner, which consent may be granted or withheld in its sole discretion.

B. Any Assignee shall not be admitted as a Substituted Partner unless (i) the Assignee expressly agrees to be bound, to the same extent as the Assignor, by the provisions of this Agreement and any other documents required in connection therewith and to assume the obligations of the Assignor hereunder; (ii) the Assignee shall have agreed to pay all reasonable expenses and legal fees relating to the Assignment and its admission as a Substituted Partner and (iii) the Assignor or Assignee shall have provided an opinion to the Partnership that such Assignment has been made in accordance with the registration provisions of any applicable securities laws or is exempt therefrom.

C. Upon the admission of a Substituted Partner, Schedule A shall be amended to reflect the name and address of such Substituted Partner and to eliminate the name and address of the Assignor, and an amendment to this Agreement reflecting
such admission shall be filed in accordance with the Uniform Act. No consent or approval of the Limited Partner (other than the Assignor and the Assignee) shall be required for such amendment and the General Partners may exercise the power of attorney granted in Section 13.2 hereof to effect the provisions of this Article IX.

9.3 Assignees.

A. Any Person who acquires in any manner whatsoever any Interest, irrespective of whether such Person has accepted and adopted in writing the terms and provisions of this Agreement, shall be deemed by the acceptance of the benefit of the acquisition thereof to have agreed to be subject to and bound by all the obligations of this Agreement that any predecessor in interest of such Person was subject to or bound by. A Person acquiring an Interest, including the personal representatives and heirs of a deceased Partner, shall have only such rights, and shall be subject to all the obligations, as are set forth in this Agreement; and, without limiting the generality of the foregoing, such Person shall not have any right to have the value of his Interest ascertained or receive the value of such Interest or, in lieu thereof, profits attributable to any right in the Partnership, except as herein set forth.

B. Any Assignee of an Interest pursuant to an Assignment satisfying the conditions of this Article IX who does not become a Substituted Partner in accordance with this Article IX shall have the right to receive the same share of the profits and losses and distributions of the Partnership to which his Assignor would have been entitled. If such Assignee desires to make an Assignment of his Interest, he shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Partner desiring to make an Assignment.

C. In the event of an Assignment, all obligations of the Assignor to the Partnership hereunder shall be extinguished only by and to the extent of Capital Contributions made by him or his Assignee.

D. In the event that an Assignment shall be made, there shall be filed with the Partnership a duly executed and acknowledged counterpart of the instrument making such Assignment. Such instrument must evidence the written acceptance of the Assignee to all the terms and provisions of this Agreement. If such an instrument is not so filed, the Partnership need not recognize any such purported Assignment for any purpose.

ARTICLE X
WITHDRAWAL OF A GENERAL PARTNER;
NEW GENERAL PARTNER

10.1 Withdrawal.
A. Except for an Involuntary Withdrawal or an Involuntary Assignment, a General Partner may not Withdraw from the Partnership or Assign, pledge or encumber all or any part of its General Partner Interest without the consent of the Limited Partner, which consent shall not be unreasonably denied or withheld, and, to the extent required, of each Authority and each Lender. Notwithstanding any terms of this Agreement to the contrary, so long as the LURA (defined in Section 4.1 hereof) shall remain in effect, no Assignment of the General Partner’s Interest shall be effective without the prior written consent of the Authority in each instance.

B. Each General Partner shall indemnify and hold harmless the Partnership and all Partners from any Withdrawal or Assignment in violation of Section 10.1.A hereof.

C. Upon the Involuntary Withdrawal of a General Partner, its General Partner Interest shall automatically become an Interest of a Class B Limited Partner. Subject to the provisions of Section 10.3.B hereof, the Class B Limited Partner shall be entitled to be repaid any outstanding advances or loans made by the Withdrawing General Partner to the Partnership and to share in the profits and losses and distributions at the same times and in the same manner as the Withdrawing General Partner would have otherwise received as a General Partner, but shall not be entitled to participate in the management of the Partnership's business or to participate in any allocation of profits and losses and distributions payable to the Limited Partner.

10.2 Effect of Withdrawal; Election to Continue Business. Upon the occurrence of an event giving rise to a Withdrawal of a General Partner other than by reason of an Involuntary Assignment, (A) any remaining General Partner, if any, or, if there be no remaining General Partner, the Withdrawing General Partner or its legal representative shall promptly notify the Limited Partner of such Withdrawal (the "Withdrawal Notice"), (B) whether or not the Withdrawal Notice shall have been sent as provided herein, the Limited Partner shall have the right to appoint an additional General Partner and (C) the Partnership shall be dissolved and terminated unless the then General Partner or all of the then General Partners or the Limited Partner elect to continue the business of the Partnership. The Withdrawal of a General Partner shall not be deemed to be effective until the expiration of 90 days from the day on which the Withdrawal Notice has been mailed to the Limited Partner, unless the Limited Partner shall have elected to appoint an additional General Partner as provided herein, whereupon the withdrawal of that General Partner shall be deemed effective upon the notification of all the other Partners by the Limited Partner of such appointment. A Withdrawn General Partner shall remain liable for obligations incurred by it under this Agreement through the effective date of its Withdrawal, even if such Withdrawal shall be an Involuntary Withdrawal and in compliance with or in violation of this Agreement.

10.3 Formation of New Partnership.

A. Subject to the provisions of Section 10.1.A hereof, upon the occurrence of an event giving rise to the withdrawal (other than by reason of an Involuntary Assignment) of a General Partner, if there is then no other General Partner,
or, if there is then one or more other General Partners, but the remaining General Partner or General Partners or the Limited Partner do not elect to continue the business of the Partnership pursuant to Section 10.2 hereof, the Limited Partner may elect within 90 days thereafter in accordance with the Uniform Act to form a new partnership on substantially identical terms to those of this Agreement to carry on the business of the Partnership. In so doing, the Limited Partner shall designate a successor general partner to serve in place of the Withdrawing General Partner with the approval of each Authority and each Lender, if such approval is required; provided, however, that no Person shall be designated or admitted as a successor general partner if he is below the age of majority in the State or has theretofore been adjudged insane or incompetent, and unless, in the opinion of the Partnership's counsel, such Person has a financial net worth to assure that he shall satisfy the financial net worth requirements of the Internal Revenue Service for the Partnership to continue to be treated as a partnership for Federal income tax purposes.

B. (i) If the Limited Partner shall designate a successor general partner and obtain all necessary approvals therefor, the Class B Limited Partner Interest of the Withdrawing General Partner where the Withdrawal was Involuntary shall be transferred to the successor general partner upon its written assumption of the obligations of the Withdrawing General Partner under this Agreement (except for any obligations of the Withdrawing General Partner under this Agreement specifically excepted by the Limited Partner). In such event, the successor general partner shall pay to the Withdrawing General Partner or its legal representative as the purchase price for its Class B Limited Partner Interest an amount to be agreed upon between them.

(ii) Unless any other General Partner shall agree to continue the Partnership pursuant to Section 10.2 hereof, the Interest of such other General Partner other than the Withdrawing General Partner shall be converted into and shall be deemed to be that of a Class B Limited Partner with the same interest in the Partnership as such General Partner had as a general partner prior to the Withdrawal (as reduced in the manner set forth in Section 10.3.B(iii) hereof).

(iii) If no agreement can be reached as to the amount of the purchase price for the Class B Limited Partner Interest of the Withdrawing General Partner under Section 10.3.B(i) hereof and if the successor general partner does not own a 0.50% interest in all material items of profits and losses and distributions of the Partnership, each limited partner of the Partnership (including the person succeeding to the Interest of the Withdrawing General Partner as a Class B Limited Partner and any other Class B Limited Partner) shall transfer a pro rata portion of his Interest to the successor general partner in an amount sufficient to give the successor general partner such 0.50% interest and the successor general partner shall pay to each limited partner of the Partnership (including the person succeeding to the Interest of the Withdrawing General Partners as a Class B Limited Partner and any other Class B Limited Partner) as the purchase price for his Interest, an amount determined by the Investor Limited Partner.

C. In exercising the election permitted under Section 10.3.A hereof,
the successor general partner and all the Limited Partners of the Partnership agree to be bound by the provisions of this Agreement; provided, however, that if this Agreement is amended by them, no amendment shall be made without the consent of the Limited Partner and unless counsel to the Partnership shall issue an opinion that the Partnership shall continue to be treated as a partnership for Federal income tax purposes; provided further, however, that the amended agreement shall be as similar in form and substance to this Agreement as practicable and the successor partnership shall engage in the same business as the Partnership employing the assets and name of the Partnership to the extent possible. No amendment may be made or action taken which decreases the rights of the Withdrawing General Partner.

D. Any new limited partnership formed pursuant to this Section 10.3 shall succeed to all rights and assets of the Partnership subject to all liabilities of the Partnership. Each Limited Partner of the Partnership shall be a limited partner of any limited partnership formed pursuant to this Section 10.3 and agrees to execute all documents and take such further action as may be necessary in connection therewith. Until such time as the new limited partnership agreement is executed by all of the Partners, this Agreement shall continue to be binding on all of the partners of the Partnership. Upon execution of a declaration to be bind by the terms of this Agreement and delivery of such declaration to any partner of the Partnership, the general partner of such new limited partnership shall succeed to all the rights and liabilities of the then general partners of the Partnership under this Agreement.

10.4 Additional General Partners. At any time, the General Partner, with the consent of the Limited Partner, which consent may be granted or withheld in its sole discretion, and subject to any applicable approvals of each Authority and each Lender, may admit an additional general partner to the Partnership with such share of the aggregate General Partner's Interest as shall be agreed upon between the General Partners and the additional general partner. Any additional general partner, as a condition of receiving any Interest, shall agree to be bound by the provisions of this Agreement to the same extent and on the same terms as the General Partner.

10.5 Amendment of Schedule and Agreement. Upon the admission of a successor or additional general partner or the Withdrawal of a General Partner, Schedule A attached hereto shall be amended to reflect such admission or Withdrawal and such amendment shall be filed as required by the Uniform Act. The General Partners may exercise the power of attorney granted in Section 13.2 hereof to effect the provisions of this Section 10.5.

10.6 Survival of Liabilities. It is expressly understood that no Withdrawal, Assignment, pledge or encumbrance of a General Partner's Interest, even if it results in the substitution of the Assignee as a Partner, shall release the Withdrawing General Partner from any liability to the Partnership for the Withdrawing General Partner's acts or omissions occurring prior to such Withdrawal which shall survive such Withdrawal, Assignment, pledge or encumbrance, including, without limitation, those set forth in the Uniform Act.
ARTICLE XI
DISSOLUTION AND TERMINATION OF THE PARTNERSHIP

11.1 Events Which Cause a Dissolution. The Partnership shall continue in full force and effect until the date for the Partnership's dissolution set forth in the Certificate, as the same may be amended from time to time, except that the Partnership shall be dissolved prior thereto upon the happening of any of the following events:

A. An election to dissolve the Partnership made in writing by the General Partner, with the consent of the Limited Partner, which consent may be granted or withheld in its sole discretion;

B. The Withdrawal of a General Partner if the Partnership is not continued in accordance with Section 10.2 hereof;

C. Any event which shall make it unlawful for the existence of the Partnership to be continued; or

D. The sale or other disposition of all or substantially all of the assets of the Partnership.

11.2 Actions of Liquidating Agent Upon Dissolution. Upon the dissolution of the Partnership, the Partnership shall be liquidated in accordance with this Article XI and the Uniform Act. The liquidation shall be conducted and supervised by the General Partner or, if there is no remaining general partner, by a person who shall be designated for such purpose by the Limited Partner (the General Partner, or such person so designated, being hereinafter referred to as the "Liquidating Agent"). The Liquidating Agent shall have all of the rights in connection with the liquidation and termination of the Partnership that a general partner would have with respect to the assets and liabilities of the Partnership during the term of the Partnership, and the Liquidating Agent is hereby expressly authorized and empowered to effectuate the liquidation and termination of the Partnership and the transfer of any assets and liabilities of the Partnership. The Liquidating Agent shall have the right from time to time, by revocable powers of attorney, to delegate to one or more persons any or all of such rights and powers and the authority and power to execute documents in connection therewith, and to fix the reasonable compensation of each such person, which compensation shall be charged as an expense of liquidation. The Liquidating Agent is also expressly authorized to distribute the Partnership's property to the Partners subject to liens.

11.3 Statements on Termination. Each Partner shall be furnished with a statement prepared by the Liquidating Agent which shall set forth the assets and liabilities of the Partnership as at the date of complete liquidation, and each Partner's share thereof. Upon compliance with the distribution plan set forth in Section 11.4 hereof, the Limited Partner shall each cease to be a partner of the Partnership, and the Liquidating Agent shall execute, acknowledge and cause to be filed a certificate of termination of the Partnership.
11.4 Priority on Liquidation: Distribution of Non-Liquid Assets.

A. The Liquidating Agent shall, to the extent feasible, liquidate the assets of the Partnership as promptly as shall be practicable. To the extent the proceeds are sufficient therefor, as the Liquidating Agent shall deem appropriate, the proceeds of such liquidation (after paying the reasonable expenses of liquidation and, if the Liquidating Agent is not the General Partner or an Affiliate, the reasonable compensation of such Liquidating Agent) shall be applied in accordance with the provisions of Section 8.2.B(i) through (vi) hereof, and the balance of such proceeds shall be distributed by the Liquidating Agent to the Partners pro rata in accordance with their respective Capital Accounts, as such accounts are determined after all adjustments are made as required herein to such accounts for the taxable year of the Partnership during which the liquidation occurs.

B. If, in the sole discretion of the Liquidating Agent, he shall determine that it is not feasible to liquidate all or part of the assets of the Partnership or that an immediate sale of all or part of such assets would cause an undue loss to the Partners, the Liquidating Agent shall cause the fair market value of the assets not so liquidated to be determined by independent appraisal. Such assets, as so appraised, shall be retained or distributed by the Liquidating Agent as follows (it being understood that the allocation of specific assets pursuant to this Section 11.4 shall require the consent of the Limited Partner):

(i) The Liquidating Agent shall retain assets having a value (which value shall be equal to the fair market value of such assets less the amount of any liability related thereto) equal to the amount by which the net proceeds of the liquidated assets are insufficient to satisfy the requirements of subparagraphs (i) through (vi) of Section 8.2.B hereof; and

(ii) Thereafter to the Partners pro rata in accordance with their respective Capital Accounts, as such accounts are determined after all adjustments are made as required herein to such accounts for the taxable year of the Partnership during which the liquidation occurs.

Any distribution of assets in kind shall be distributed on the basis of the fair market value thereof and any Partner entitled to any interest in such assets shall receive such interest therein as a tenant-in-common with all other Partners so entitled. If the Liquidating Agent, in his sole discretion, deems it not feasible to distribute to each Partner an aliquot share of each asset, the Liquidating Agent may allocate and distribute specific assets to one or more Partners as tenants-in-common as the Liquidating Agent shall determine to be fair and equitable, taking into consideration, inter alia, the basis for tax purposes of each asset distributed and the effect of crediting or charging the Capital Accounts for any unrealized appreciation or unrealized depreciation.

C. Notwithstanding any other provision of this Article XI, in the event the Partnership is liquidated within the meaning of Section 1.704-1(b)(2)(ii)(g) of the
Regulations but no event specified in Section 11.1 hereof has occurred, the property of the Partnership shall not be liquidated, the Partnership's liabilities shall not be paid or discharged, and the Partnership's affairs shall not be wound up. Instead, the Partnership shall be deemed to have distributed its property in kind to the Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to have contributed such property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

11.5 Orderly Liquidation. A reasonable time shall be allowed for the orderly liquidation of the assets of the Partnership and the discharge of liabilities so as to minimize the losses normally attendant upon a liquidation.

11.6 No Goodwill Value. At no time during continuation of the Partnership shall any value ever be placed on the Partnership name, or the right to its use, or to the goodwill appertaining to the Partnership or its business, either as among the Partners or for the purpose of determining the value of any Interest, nor shall the legal representatives of any Partner have any right to claim any such value. In the event of a termination and dissolution of the Partnership as provided in this Agreement, neither the Partnership name, nor the right to its use, nor the same goodwill, if any, shall be considered as an asset of the Partnership, and no valuation shall be put thereon for the purpose of liquidation or distribution, or for any other purpose whatsoever; nor shall any value ever be placed thereon as between the remaining or surviving Partners and the legal representatives of the estate of any deceased, insane, incompetent, dissolved, liquidated or Bankrupt Partner.

ARTICLE XII

FOREIGN PARTNERS

12.1 Certification of Non-Foreign Status.

A. Each Partner shall upon acquiring a Partnership Interest certify that he is not a Foreign Person on forms to be provided by the General Partner at the time of subscription. At any time that an Interest is transferred or assigned, the transferee shall certify to non-foreign status prior to the transfer or assignment of such Interest. Such certifications shall be made on a form to be provided by the General Partners.

B. Each Partner shall notify the General Partners if he becomes a Foreign Person within 30 days of such change.

C. Prior to a disposition of a United States Real Property Interest, a distribution attributable to a disposition of a United States Real Property Interest or any other distribution by the Partnership, each Partner may be required to certify to non-foreign status.

12.2 Withholding of Certain Amounts Attributable to Interests of Foreign Partners.

A. In the event that either (i) the Partnership's actual or deemed
amount realized upon disposition of any United States Real Property Interest is attributed to a Foreign Partner or (ii) the Partnership has effectively connected taxable income for any taxable year:

(i) any tax required to be withheld under Sections 1445 or 1446 of the Code shall be charged to that Foreign Partner's Capital Account as if the amount of such tax had been distributed to such Partner;

(ii) the General Partner shall have the right to make a loan to the Partnership in an amount equal to the amount of tax required to be withheld pursuant to Sections 1445 or 1446 of the Code to the extent that cash is needed to make the Sections 1445 or 1446 withholding payment attributable to that Foreign Partner; and

(iii) the General Partner may retain appropriate portions of a Foreign Partner's distributions until any withholding obligations relating to that Foreign Partner are satisfied and may apply such distributions to repay any loan made pursuant to Section 12.2.A(ii) hereof.

C. For the purposes of this Section 12.2, any person who fails to provide a certification of a non-foreign status when requested to do so by the General Partner shall be treated as a Foreign Person.

ARTICLE XIII
MISCELLANEOUS

13.1 Law Governing. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri applicable to contracts made and to be performed entirely therein.

13.2 Power of Attorney. Each Partner hereby constitutes and appoints each General Partner who is an individual, each general partner of any General Partner which is a partnership, each managing member or manager of any General Partner which is a limited liability company, and each of the President, each Vice President and the Secretary of any corporate General Partner, his true and lawful attorney-in-fact and agent with full power and authority to act in his name, place and stead to execute, acknowledge, swear to, deliver, file, record and publish any document requisite to carrying out the intention and purposes of the Partnership and this Agreement, including, but not limited to, the execution, acknowledgment, swearing to, delivery, filing, recording and publication of this Agreement and amendments thereto, documents, conveyances, leases, contracts, loan documents and/or counterparts thereof, the execution and filing of appropriate documents with any Authority or any Lender, and all other documents which such persons reasonably deem necessary or appropriate:

A. To qualify or continue the Partnership as a limited partnership;

B. To reflect a modification of the Partnership or an amendment of this Agreement
C. To reflect the dissolution and termination of the Partnership; or
D. To effect transfers, admissions, withdrawals and substitutions of Partners as specifically provided under the terms of this Agreement.

No person shall take any action as an attorney-in-fact of any Partner which is not authorized by the terms of this Agreement or would in any way increase the liability or decrease the rights of such Limited Partner beyond the liability or rights expressly set forth in this Agreement. This power of attorney may be revoked by any Partner by written notice of revocation (the "Notice of Revocation") to the General Partner. Upon receipt by the General Partner of a Notice of Revocation, the General Partner shall file with the appropriate office or agency an amendment to this Agreement reflecting such revocation; provided, however, that until such amendment is filed, any party may rely on this power of attorney as being valid.

13.3 Counterparts. This Agreement may be signed in any number of counterparts, each of which shall be an original for all purposes, but all of which taken together shall constitute only one agreement. The production of any executed counterpart of this Agreement shall be sufficient for all purposes without producing or accounting for any other counterpart thereof. A copy of any party's signature to a counterpart of this Agreement shall be as effective and binding as an original signature by such party.

13.4 Partners Independently Bound. The General Partner and the Limited Partner shall become bound by this Agreement immediately upon its execution thereof and independently of the execution hereof by any other Partner.

13.5 Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein (A) are determined to be invalid or 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 or (B) would cause any Limited Partner to be bound by the obligations of the Partnership (other than under the rules, directives and regulations of any Authority) under the laws of the State as the same may now or hereafter exist, such provision or provisions shall be deemed void and of no effect.

13.6 Address and Notice. All notices, demands, solicitations of consent or approval, and other communications hereunder required or permitted shall be in writing and shall be deemed to have been given (i) when personally delivered, (ii) five days after the date when deposited in the United States mail and sent postage prepaid by registered or certified mail, return receipt requested, (iii) the next business day when deposited with a courier guaranteeing overnight delivery or (iv) the next business day if sent by telefax or other electronic means that is generally available in the business community, addressed as follows: if intended for (A) the Partnership, to its principal place of business or (B) the Partners, to their respective addresses set forth on Schedule A, or to such other address which any Partner shall have given to the Partnership for such purpose by notice hereunder.

13.7 Computation of Time. In computing any period of time pursuant to this
Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included.

13.8 Titles and Captions. All article and section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of this Agreement.

13.9 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.

13.10 Agreement Binding. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, legal representatives and permitted successors and assigns of the parties hereto. So long as the LURA shall remain in effect, the terms thereof shall control and govern over any contradictory terms set forth in this Agreement. So long as the Loan shall remaining outstanding and the Loan Documents in effect, the terms of the Loan Documents shall supercede and govern over any contradictory terms set forth in this Agreement.

13.11 Parties in Interest. Nothing herein shall be construed to be to the benefit of or enforceable by any third party including, but not limited to, any creditor of the Partnership.

13.12 Amendments; Other Actions.

A. This Agreement may not be amended or modified except by the General Partners with the consent of the Limited Partner, which consent may be granted or withheld in its sole discretion, and the approval, if required, of each Authority; provided, however, that all Partners must give their consent in writing to any amendment which would (i) extend the term of the Partnership as set forth in Section 11.1 hereof, (ii) amend this Section 13.12, (iii) increase or extend the liability or obligation of any Limited Partner, (iv) increase the amount of Capital Contributions payable by any Limited Partner, or (v) alter the distribution or allocation to the Partners of any Profits and Losses and distributions of the Partnership.

B. Notwithstanding any other provision of this Agreement, no action may be taken under this Agreement unless such action is taken in compliance with the provisions of the Uniform Act. The General Partner acknowledges and agrees that upon receipt of written notice from the Limited Partner that it desires to exercise the right(s) (a) to consent to the actions specified in Sections 5.5.B(iv), (x), (xi) and (xii) hereof, (b) to receive information and/or reports with regard to the physical and financial condition of the Apartment Complex and/or (c) under Section 10.4 hereof (including the right to appoint a successor General Partner upon the removal of a General Partner), such rights shall be exercisable exclusively by the Limited Partner and this Agreement shall be deemed to have been so amended to reflect that such rights are to be exercised exclusively by the Limited Partner.

13.13 Further Assurances. The Partners will execute and deliver such further instruments and do such further acts and things as may be required to carry out the
intent and purposes of this Agreement.

13.14 Remedies Cumulative. Except as otherwise provided herein, no remedy conferred upon or reserved to the Partnership or any Partner by this Agreement is intended to be exclusive of any other remedy. Except as otherwise provided herein, each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Partnership or any Partner hereunder or now or hereafter existing at law or in equity or by statute.

13.15 Meetings. Meetings of the Partnership may be called by any Partner for any matters for which the Partners may vote as set forth in this Agreement or to obtain information concerning the Partnership. A list of names and addresses of all Partners shall be maintained as part of the books and records of the Partnership and shall be made available upon request to any Partner or its representative at cost. Upon receipt of a request either in person or by registered mail stating the purposes of the meeting, the General Partner shall provide the Partners, within ten days after receipt of such request, written notice of a meeting and the purpose of such meeting to be held on a date not less than 15 nor more than 30 days after receipt of such request, at a time and place within or without the State convenient to the Partners.

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

GENERAL PARTNER

MOUNTAIN BOULEVARD HOUSING, LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its sole Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its sole Member

By: [Signature]
Vaughn C. Zimmerman, Trustee
of the Vaughn C. Zimmerman Revocable Trust
Under Restated Trust Agreement dated
December 5, 2011, its Managing Member
LIMITED PARTNER

MOUNTAIN BOULEVARD INVESTORS,
LLC, a Missouri limited liability company

By: [Signature]
Michael B. Wilhoit, Trustee of the
Michael B. Wilhoit Revocable Living
Trust Under Revocable Trust Agreement
dated January 15, 1987, as amended, its
Managing Member
**SCHEDULE A TO**
**SECOND AMENDED AND RESTATEMENT**
**AGREEMENT OF LIMITED PARTNERSHIP**
**OF MOUNTAIN BOULEVARD APARTMENTS, LP**

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<td>Attention: Michael B. Wilhoit</td>
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</table>
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet
Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(ii)

2019 Uniform Multifamily Application #19100

Existing Development Name Kimberly Pointe Apartments

ii) Documentation that the Third Party, such as a lender, that has the legal right to withhold a required consent was asked to give their consent (Example: Letter from the Applicant or an Affiliate requesting that the above Third Party give permission that if the 2019 Application is awarded, the Existing Development can be committed to the Section811 PRA Program)

Describe and attach the request made by the Applicant or Affiliate to the Third Party asking for consent:

______________________________________________________________________________

ATTACH PDF OF THE REQUEST FROM THE APPLICANT OR AFFILIATE TO THE THIRD PARTY BEHIND THIS PAGE.
VCZ Development, LLC
1329 East Lark Street
Springfield, MO 65802

February 14, 2019

Mountain Boulevard Apartments, LP
1329 East Lark Street
Springfield, MO 65802

RE: Section 811

Mr. Wilhoit,

VCZ Development, LLC will be submitting the following applications to the Texas Department of Housing and Community Affairs (TDHCA) for consideration for Low Income Housing Tax Credits:

- ZP Redwood Apartments, LP located in Dumas, TX.
- Amber Ridge Apartments, LP located in Angleton, TX.
- Pinewood Crossing Apartments, LP located in San Antonio, TX.
- Carver Ridge Apartments, LP located in Midland, TX.

In order to score maximum points, TDHCA requires the applicant to set aside units in the Section 811 PRA program. Raymond James is the investor the following developments listed on TDHCA’s list of Qualified Existing Developments:

- Kimberly Pointe Apartments

If any of the above developments are awarded, JMZ Land Company, LLC requests Mountain Boulevard Apartments, LP approval to set aside units in the existing developments.

Thank you,

[Signature]

Vaughn Zimmerman
Managing Member
Section 811 Project Rental Assistance ("PRA") Program Supplement Packet
Documentation of Request for Consent Cover Page §11.9(c)(6)(A)(iii)

2019 Uniform Multifamily Application #19100

Existing Development Name: Kimberly Pointe Apartments

iii) Documentation that the Third Party possessing the legal right to withhold a required consent
has provided notice of their decision not to provide a required consent (Example: Letter from the
Third Party that they are denying an Existing Development from participation).

Describe and attach the response from the Third Party that was received by the Applicant or Owner
that reflects their decision not to provide the requested consent:
The limited partner investor met and discussed the Section 811 request, and then sent the attached
certification stating they were declining adding additional Section 811 units to Kimberly Pointe
apartments.

ATTACH PDF OF THE RESPONSE FROM THE THIRD PARTY THAT REFLECTS THEIR DECISION
TO DENY THE REQUESTED CONSENT BEHIND THIS PAGE.
CERTIFICATION OF ALL THE PARTNERS OF
MOUNTAIN BOULEVARD APARTMENTS, L.P.

The undersigned, being all of the partners of Mountain Boulevard Apartments, L.P., a Missouri limited partnership (the “Partnership”) do hereby certify to Texas Department of Housing and Community Affairs (“TDHCA”) the following:

Mountain Boulevard Apartments, L.P. does hereby certify that we have received a request from TDHCA to set aside additional units Section 811 PRA Program in Kimberly Pointe Apartments.

Mountain Boulevard Apartments, L.P. does hereby certify that we have reviewed the Section 811 PRA Program Guidelines required by TDHCA.

Mountain Boulevard Apartments, L.P. does hereby certify that we do not consent to additional Section 811 units in Kimberly Pointe Apartments.

IN WITNESS WHEREOF, each of the undersigned partners have set their hands effective as of this 14th day of February, 2019.

“General Partner”:

MOUNTAIN BOULEVARD HOUSING,
LLC, a Missouri limited liability company
By: Zimmerman Properties, LLC, a Missouri limited liability company, its Managing Member
By: Zimmerman Investments, L.L.C., a Missouri limited liability company, its Managing Member

By: ______________________________
Vaughn C. Zimmerman, Trustee of the
Vaughn C. Zimmerman Revocable Trust U/A dated
May 5, 1995, as restated, its Managing Member

“Limited Partner”:

MOUNTAIN BOULEVARD INVESTORS,
LLC, a Missouri limited liability company

By: ______________________________
Michael B. Wilhoit, Trustee of the Michael B. Wilhoit
Revocable Trust U/A dated January 15, 1987, as restated, its Managing Member
At-Risk Set-Aside (Competitive HTC Applications Only) [§11.5(3)]

Qualification: Must meet the requirements of an At-Risk Development in §11.5(3) of the Qualified Allocation Plan.

Documentation must be submitted behind this tab showing that the Development meets the requirements of Texas Government Code §2306.6702(a)(5) and §11.5(3) of the 2019 Qualified Allocation Plan.

PART A: DOCUMENTATION MUST SHOW THAT THE SUBSIDY OR BENEFIT IS FROM ONE OF THE FOLLOWING APPROVED PROGRAMS (mark all that apply):

- Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l)
- Section 236, National Housing Act (12 U.S.C. Section 1715z-1)
- Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q)
- Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s)
- The Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the U.S. Department of Housing and Urban Development as specified in 24 CFR Part 886, Subpart A.
- The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the U.S. Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart C.
- Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485 and 1486)
- Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42)

IN ADDITION, THE SUBSIDY OR BENEFIT IS SUBJECT TO THE FOLLOWING CONDITIONS (mark all that apply):

- The stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (i.e. expiration will occur within two (2) calendar years of July 31, 2019). See §11.5(3)(E) and (F) of the 2019 QAP concerning At-Risk developments qualifying under Section 42 of the Internal Revenue Code.
- The subsidy marked above is a HUD-insured or HUD-held mortgage nearing the end of its mortgage term (the term will end within two (2) calendar years of July 31, 2019), AND the mortgage is eligible for prepayment or has been prepaid.

PART B: DOCUMENTATION MUST SHOW THAT THE APPLICATION PROPOSES TO REHABILITATE OR RECONSTRUCT HOUSING UNITS THAT:

- Are owned by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code and receive assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g); OR
- Received assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g) AND
- Are proposed to be disposed of or demolished by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR
- Were disposed of or demolished within the 2 years preceding the application by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR
- Receive assistance or will receive assistance through the Rental Assistance Demonstration (RAD) program of HUD as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the application for assistance through RAD is included in the applicable public housing authority’s plan that was most recently approved by HUD as specified by 24 C.F.R. Section 903.23.

PART C: THE APPLICATION PROPOSES RELOCATION OF EXISTING UNITS IN AN OTHERWISE QUALIFYING AT-RISK DEVELOPMENT AND DOCUMENTATION MUST SHOW THAT:

- The affordability restrictions and any At-Risk eligible subsidies are approved to be transferred with the Units proposed for Rehabilitation or Reconstruction prior to the tax credit Carryover deadline; AND
- The Application proposes the same number of restricted units; AND EITHER
PART D: REGULATORY BARRIERS NECESSITATE ELIMINATION OF ALL OR A PORTION OF THE FINANCIAL BENEFIT FOR THE DEVELOPMENT, AND:

- Evidence of the legal requirements that will unambiguously cause the loss of affordability is included.
- Development qualifies under §2306.6702(a)(5)(8); AND
  - No less than 25 percent of the proposed Units are public housing units supported by public housing operating subsidy, AND
  - Less than 100 percent of the public housing benefits are being transferred to the proposed Development and the Application includes an explanation of the disposition of the remaining public housing benefits along with a copy of the HUD-approved plan for demolition and disposition.

PART E: THE PROPOSED DEVELOPMENT IS ELIGIBLE TO REQUEST A QUALIFIED CONTRACT UNDER §42, AND THE APPLICATION INCLUDES:

- A copy of the recorded LURA and the first years' IRS Forms 8609 for all buildings showing Part II of the form completed; AND
- If applicable, documentation from the original application regarding the right of first refusal.

Applications proposing the demolition and Reconstruction of Units will be considered New Construction.

2. Existing Development Assistance On Housing Rehabilitation Activities

Part A.
The existing Property is expected to have or continue the following benefit: 

Provide a brief description of the restrictions or subsidies the existing Property will have or continue in the space below:

- A copy of the contract or agreement securing the funds identified above is provided behind this form.
  - The source of funds is:
  - The annual amount of funds is:
  - The number of units receiving assistance:
  - The term of the contract or agreement is (date):
  - The expiration of the contract or agreement is (date):

Part B. Acquisition Of Existing Buildings (applicable only to HTC applications with Acquisition credits requested)

Date of the most recent sale or transfer of the building(s):

In the last ten years, did the previous owner perform rehabilitation work greater than 25% of the building’s adjusted basis? 

Was the building occupied at any time during the last ten years? 

Was the building occupied or suitable for occupancy at the time of purchase? 

Will the acquisition meet the requirements of §42(d)(2)(B)(ii) relating to the 10-year placed in service rule? 

If “Yes”, provide a copy of a title commitment that the Development meets the requirements of §42(d)(2)(B)(ii) as to the 10 year period.

If “No”, does the property qualify for a waiver under §42(d)(6)?
  - If “Yes”, provide the waiver and/or other documentation.
  - How many buildings will be acquired for the Development?
**Existing Development Assistance (continued)**

Are all the buildings currently under control by the Development Owner? [ ]

If “No”, how many buildings are under control by the Development Owner? [ ]

When will the remaining buildings be under control? [ ]

<table>
<thead>
<tr>
<th>Identification or address(es) of Building(s) under Owner’s Control</th>
<th>Type of Control (Ownership, Option, Purchase Contract)</th>
<th>Expiration Date</th>
<th># of Units</th>
<th>Acquisition Cost of Building</th>
</tr>
</thead>
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</tbody>
</table>

Provide the information listed below concerning the acquisition of building(s) for the Development:

1. Building(s) acquired or to be acquired from: [ ] Related Party, [ ] Unrelated Party

2. Building(s) acquired or to be acquired with Buyer’s Basis:

   [ ] Determined with reference to Seller’s Basis  [ ] Not Determined with reference to Seller’s Basis

List below by building address, the date the building was placed in service (PIS), the date the building was or is planned for acquisition, and the number of years between the date the building was placed in service and acquisition. Attach separate sheet(s) with additional information if necessary.

<table>
<thead>
<tr>
<th>Building Address(es)</th>
<th>PIS date of building</th>
<th>Proposed</th>
<th>Years between PIS &amp;</th>
<th>Expiration Date</th>
<th># of Units</th>
<th>Acquisition Cost of Building</th>
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</thead>
<tbody>
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</tr>
</tbody>
</table>

3. **Lead Based Paint (Section 811 PRA and Direct Loan Applications Only)**

Development constructed before January 1, 1978 [ ]

If yes, check each of the following that applies [24 CFR 35.115]:

[ ] Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health or safety, or to protect the property from further structural damage due to natural disaster, fire or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.

[ ] The property will not be used for human residential habitation. This does not apply to common areas such as hallways and stairways of residential and mixed-use properties.

[ ] Housing “exclusively” for the elderly or persons with disabilities, with the provision that children less than six years of age will not reside in the dwelling unit.

[ ] An inspection performed according to HUD standards found the property contained no lead-based paint.

[ ] According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.

[ ] The rehabilitation will not disturb any painted surface.

[ ] The property has no bedrooms.

[ ] The property is currently vacant and will remain vacant until demolition.

2/28/2019
Occupied Developments

Pursuant to §11.204(8)(G) of the QAP, for any Application where any structure on the Development Site is occupied at any time after the beginning of the Application Acceptance Period, even if demolition is proposed, the following items must be provided.

- Historical monthly operating statements of the Development for twelve (12) consecutive months ending no more than three (3) months from the first day of the Application Acceptance Period; or
- The two (2) most recent consecutive annual operating statement summaries; or
- The most recent consecutive six (6) months of operating statements and the most recent available annual operating summary; or
- All monthly or annual operating summaries available.

AND

- **UPLOAD SEPARATELY FROM THE APPLICATION**, a rent roll not more than six (6) months old as of the first day of the Application Acceptance Period that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, and tenant names or vacancy; and
- A written explanation of the process used to notify and consult with the tenants in preparing the Application; (§2306.6705(6)); and
- If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. (§2306.6705(6)); and
- A relocation plan outlining relocation requirements and a budget with an identified funding source that clearly describes relocation process, actions, and costs to the displaced and those not (§2306.6705(6)).

Optional, but only available to developments with no Direct Loan funds. The current property owner is unwilling to provide one or more of the required documents above, and a signed statement from the Applicant attesting to that fact is submitted behind this tab.

Uniform Relocation Act (URA) Applicability for Direct Loan Applications

**NOTE:** The Department's Section 811 PRA program is designed such that HUD-determined URA generally does not apply.

- Application includes a request for Direct Loan funding. If yes, General Information Notice templates and the Voluntary Acquisition Notification can be found here: https://www.tdhca.state.tx.us/program-services/ura/relocation.htm
  (if not, you may skip the remainder of this section)

Each of the following items, as applicable, is provided behind this tab:

- Identification of any business, nonprofit organization, or farm on the site (that is not owned or controlled by the Seller);
- Dated General Information Notice(s) given to current occupant(s) (other than owner occupied structures) that have active lease(s) at the time of this Application, including verification of tenant receipt;
- Dated Voluntary Acquisition Notification to Owner; and
- HUD Relocation Brochure issued to tenants that will be displaced (if known).

Relocation Certification for Direct Loan Applications

The New Construction, Rehabilitation (including Adaptive Reuse), or demolition and Reconstruction of the proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, for the Direct Loan Program under the Section 104(d) of the Housing and Community Development Act of 1974 ("Section 104(d)"), and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).

A displaced person, business, farm, or nonprofit is covered under URA, regardless of income, if they are displaced by acquisition, rehabilitation, or demolition.

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Signature of Applicant

Printed Name

Date

FORM CONTINUES
Relocation Certification for Direct Loan Applications (cont.)

For Direct Loan Applications: A displaced person is covered under Section 104(d) if they are a low-income person displaced by demolition (including acquisition involving demolition) OR conversion (if market rent of the dwelling did not exceed the fair market rent before conversion).

Check all that apply:

☐ The activity involves demolition of existing occupied structures.

☐ The activity involves conversion of occupied rental property occupied by any tenant.

Applicants for Direct Loan funds that plan to rehabilitate, demolish and/or reconstruct occupied housing units must comply with the Section 104(d). By signing below, the Applicant certifies that they will comply with the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) approved by the Department on June 1, 2012.
https://www.tdhca.state.tx.us/program-services/ura/docs/RARAP.pdf

The RARAP, as approved follows the Housing and Community Development Act of 1974, and HUD regulations at 24 CFR §42.325. The Department, through its subgrantees, will offer relocation assistance for lower-income tenants who, in connection with an activity assisted under a Direct Loan move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR §42 350.

The purpose and goals of the RARAP is to:

1. Provide (through its subgrantees) Relocation Assistance
2. Minimize Displacement
3. Ensure a One-for-One Replacement of Lower-Income Dwelling Units

I (we) certify that I (we) have read and understand the Department's approved Residential Anti-Displacement and Relocation Assistance Plan (RARAP), and I (we) will comply will all parts of the plan as they apply to this Application.

Signature of Applicant

Printed Name

Date

2/28/2019
Architectural Drawings Must be Submitted Behind this Tab [§11.204(b)(9)]
(If development is scattered site, consult staff.)

In order to reduce the file size and speed review of drawings, Applicants are encouraged to submit plans as 300dpi images. Following these steps in Adobe Acrobat will convert most plans: File > Print > Printer: Adobe PDF > Advanced > Settings: Custom > [V] Print As Image 300dpi > OK

- Site Plan which:
  - states the size of the site on its face;
  - includes a unit and building type table matrix that is consistent with the Rent Schedule and Building and Unit Configuration forms in labeling the buildings and Units, stating sizes, etc;
  - includes a table matrix specifying the square footage of Common Area space on a building by building basis;
  - identifies all residential and common buildings, in place on the Development Site, and labels them consistently with the Building/Unit Type Configuration form;
  - shows the locations (by unit and floor) of mobility and hearing/visual accessible units (unless included in residential building floor plans);
  - indicates the location and number of parking spaces, garages and carports, as applicable;
  - indicates the location and number of accessible parking spaces, including van accessible spaces;
  - includes information regarding local parking requirements, as applicable;
  - indicates compliant accessible routes or, if a route is not accessible, a cite to the provision in the Fair Housing Design Manual providing for its exemption;
  - indicates placement of detention/retention pond(s) or states there are no detention ponds;
  - clearly delineates the flood plain boundary lines or states there is no floodplain;
  - describes, if applicable, how flood mitigation or other required mitigation will be accomplished; and
  - identifies all pipeline easements on or adjacent to the Development Site (§11.101(2)(I)).

- Residential Building floor plans should include the following, building by building:
  - separate tabulation of the square footage of each of these areas: breezeways, corridors, utility closets, balconies, porches and patios, and any other square footage not included in NRA; and
  - location of accessible units (unless included on Site Plan).

- Common Building floor plans should include tabulations of the square footage of the following spaces that are outside of Net Rentable Area, whether conditioned or unconditioned, building by building:
  - spaces that are accessible to tenants, e.g., offices for tenant/management contact, resident services offices, clubrooms, kitchens, community restrooms, exercise rooms, laundries, porches, patios, mailbox areas, etc. (state each area separately);
  - spaces that are restricted to employees, only, e.g., administrative offices, maintenance areas, equipment rooms, storage areas, etc. (state each area separately); and
  - For Supportive Housing only, specification of space to be used for 75 sq ft/unit common space.

- Unit floor plans for each type of Unit:
  - must include the square footage of each type of Unit; and
  - must include floor plans for the accessible Units.

- Elevations for each side of each building type which include:
  - a percentage estimate of the exterior composition of each elevation; and
  - roof pitch.

- Photos of building elevations for Rehab and Adaptive Reuse developments not altering the unit configuration.

2/28/2019
## Building #1

<table>
<thead>
<tr>
<th>Unit Mark</th>
<th>Description</th>
<th>1st Floor</th>
<th>2nd Floor</th>
<th>3rd Floor</th>
<th>Total By Type</th>
<th><strong>Net(1)</strong> SF/Unit</th>
<th><strong>Net(2)</strong> SF/Unit</th>
<th>Total Bldg</th>
<th><strong>Total Bldg</strong></th>
<th>Patio or Balcony</th>
<th>Exterior Storage</th>
<th><strong>Gross Unit</strong> SF/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>Two Bdrm/Two Bath</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>12</td>
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Subtotals: 8 8 8 24 24,672 25,920

**Total Bldg**

<table>
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<tr>
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<th>3rd Floor</th>
<th>Total Gross SF</th>
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<td>9,552</td>
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**Total Gross SF by Level:** 10,610 10,308 9,930 30,848

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## Building #2

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<th>Unit Mark</th>
<th>Description</th>
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<th>2nd Floor</th>
<th>3rd Floor</th>
<th>Total By Type</th>
<th><strong>Net(1)</strong> SF/Unit</th>
<th><strong>Net(2)</strong> SF/Unit</th>
<th>Total Bldg</th>
<th><strong>Total Bldg</strong></th>
<th>Patio or Balcony</th>
<th>Exterior Storage</th>
<th><strong>Gross Unit</strong> SF/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>Two Bdrm/Two Bath</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>11</td>
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<td>990</td>
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<td>1,284</td>
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</table>

Subtotals: 8 8 8 24 24,672 25,920

**Total Bldg**

<table>
<thead>
<tr>
<th>1st Floor</th>
<th>2nd Floor</th>
<th>3rd Floor</th>
<th>Total Gross SF</th>
</tr>
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<tbody>
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<td>9,552</td>
<td>28,656</td>
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<tr>
<td>1,058</td>
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**Total Gross SF by Level:** 10,610 10,308 9,930 30,848

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## Building #3

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<th>Description</th>
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<th>3rd Floor</th>
<th>Total By Type</th>
<th><strong>Net(1)</strong> SF/Unit</th>
<th><strong>Net(2)</strong> SF/Unit</th>
<th>Total Bldg</th>
<th><strong>Total Bldg</strong></th>
<th>Patio or Balcony</th>
<th>Exterior Storage</th>
<th><strong>Gross Unit</strong> SF/Unit</th>
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</thead>
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<td>2</td>
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Subtotals: 4 4 4 12 12,336 12,960

**Total Bldg**

<table>
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<tr>
<th>1st Floor</th>
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**Total Gross SF by Level:** 5,305 5,154 4,965 15,424

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* Net (1) SF/Unit is calculated as conditioned area - does not include wall framing (paint-to-paint)
** Net (2) SF/Unit is calculated as conditioned area and includes wall framing
*** Gross Unit SF/Unit is calculated as all area under roof, conditioned and non-conditioned

### Clubhouse

| **Tenant Use - Community Room** | 374 S.F. |
| **Tenant Use - Fitness Center** | 328 S.F. |
| **Tenant Use - Computer/Library/Business Center** | 219 S.F. |
| **Tenant Use - Kitchenette** | 109 S.F. |
| **Tenant/Management Leasing Office** | 240 S.F. |
| **Tenant/Office 2** | 212 S.F. |
| **Tenant/Employee Hall & Bathrooms** | 433 S.F. |
| **Employee Janitor's, Mech, Storage Closets and etc.** | 134 S.F. |

**Total Net Area (Conditioned)** 2,049 S.F.

| **Tenant Front Entry Patio** | 54 S.F. |
| **Tenant Back Covered Patio/Sitting Area** | 298 S.F. |
| **Tenant Mail Center** | 82 S.F. |
| **Employee MEP Closet** | 32 S.F. |

**Total Exterior Area (Non-Conditioned)** 466 S.F.

---

* Net (1) SF/Unit is calculated as conditioned area - does not include wall framing (paint-to-paint)
** Net (2) SF/Unit is calculated as conditioned area and includes wall framing
*** Gross Unit SF/Unit is calculated as all area under roof, conditioned and non-conditioned
### Project Summary

<table>
<thead>
<tr>
<th>Unit</th>
<th>Mark Description</th>
<th>Level 1st Floor</th>
<th>Level 2nd Floor</th>
<th>Level 3rd Floor</th>
<th>Total By Unit Type</th>
<th>SF/Unit <strong>Net(1)</strong> SF/Unit <strong>Net(2)</strong> SF/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>Two Bdrm/Two Bath</td>
<td>9 10 10 29 941 990</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2HC</td>
<td>Two Bdrm/Two Bath</td>
<td>1 0 0 1 941 990</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2</td>
<td>Three Bdrm/Two Bath</td>
<td>8 10 28 1,115 1,170</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C2HC</td>
<td>Three Bdrm/Two Bath</td>
<td>2 0 2 1,115 1,170</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotals:**

<table>
<thead>
<tr>
<th>Patio or Exterior Mark Description</th>
<th><strong>Gross Unit</strong></th>
<th><strong>Total</strong> <strong>Net(1)</strong> SF/Unit <strong>Total</strong> <strong>Net(2)</strong> SF/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2 Two Bdrm/Two Bath</td>
<td>92 1,104</td>
<td>27,299 28,710</td>
</tr>
<tr>
<td>B2HC Two Bdrm/Two Bath</td>
<td>92 1,104</td>
<td>941 990</td>
</tr>
<tr>
<td>C2 Three Bdrm/Two Bath</td>
<td>92 1,284</td>
<td>31,220 32,760</td>
</tr>
<tr>
<td>C2HC Three Bdrm/Two Bath</td>
<td>92 1,284</td>
<td>2,230 2,340</td>
</tr>
</tbody>
</table>

**Subtotals:**

<table>
<thead>
<tr>
<th><strong>1st Floor</strong></th>
<th><strong>2nd Floor</strong></th>
<th><strong>3rd Floor</strong></th>
<th><strong>Total Gross SF</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>23,880</td>
<td>23,880</td>
<td>23,880 71,640</td>
</tr>
<tr>
<td>B2HC</td>
<td>2,645</td>
<td>1,890</td>
<td>945 5,480</td>
</tr>
<tr>
<td>C2</td>
<td>26,525</td>
<td>25,770</td>
<td>24,825 77,120</td>
</tr>
<tr>
<td>C2HC</td>
<td>2,230</td>
<td>2,340</td>
<td>1,115 2,445</td>
</tr>
</tbody>
</table>

### Building Summary

<table>
<thead>
<tr>
<th>Building</th>
<th>Total Units</th>
<th><strong>Net(2)</strong> SF</th>
<th>Gross SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building #1</td>
<td>12</td>
<td>25,920</td>
<td>30,848</td>
</tr>
<tr>
<td>Building #2</td>
<td>11</td>
<td>25,920</td>
<td>30,848</td>
</tr>
<tr>
<td>Building #3</td>
<td>6</td>
<td>12,960</td>
<td>15,424</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>64,800</td>
<td>77,120</td>
</tr>
</tbody>
</table>

### Clubhouse

| **Total Net Area (Conditioned)** | 2,049 S.F. |
| **Total Gross Area** | 2,515 S.F. |

* Net (1) SF/Unit is calculated as conditioned area and does not include wall framing (paint-to-paint)
** Net (2) SF/Unit is calculated as conditioned area and includes wall framing
*** Gross Unit SF/Unit is calculated as all area under roof, conditioned and non-conditioned

### Parking

<table>
<thead>
<tr>
<th>Parking Required (2 spaces/unit min. Zoning)</th>
<th>120 Minimum Spaces Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Provided</td>
<td>126 Total Spaces Provided</td>
</tr>
<tr>
<td>Open Parking Provided</td>
<td>118 Spaces</td>
</tr>
<tr>
<td>Standard HC Parking Provided</td>
<td>6 Spaces</td>
</tr>
<tr>
<td>Van Accessible HC Parking Provided</td>
<td>2 Spaces</td>
</tr>
</tbody>
</table>

### Site Notes:

Approximate Land Area: 6.85 Acres (~6.76 Units per Acre)

1. All sidewalks shown will meet the minimum accessibility requirements.
2. Picnic tables and BBQ equipment shall be ADA compliant
3. Tot-Lot and playscape equipment shall be ADA compliant
4. Tot-Lot and playscape area shall be connected to an accessible route with ADA compliant ground cover. Engineered wood fiber playground mulch or approved equal
1. 1,115 SF - NET (1) CONDITIONED AREA
2. 1,170 SF - NET (2) CONDITIONED AREA
3. 1,264 SF - GROSS AREA
   92 SF BALCONY
   22 SF EXTERIOR STORAGE CLOSET

1. NET (1) CONDITIONED AREA IS SQUARE FOOTAGE CALCULATED FROM INTERIOR SURFACE OF WALLS (PAINT TO PAINT).
2. NET (2) CONDITIONED AREA IS SQUARE FOOTAGE CALCULATED FROM EXTERIOR SURFACE OF WALLS (INCLUDES ALL FRAMING).
3. GROSS AREA IS AREA UNDER ROOF CALCULATED FROM EXTERIOR SURFACE OF WALLS (INCLUDES ALL FRAMING, STORAGE AND COVERED PATIOS).
Carver Ridge Apartments
60 Unit Family Community in Midland, TX
Carver Ridge Apartments
60 Unit Family Community in Midland, TX
Carver Ridge Apartments
60 Unit Family Community in Midland, TX
Carver Ridge Apartments
60 Unit Family Community in Midland, TX

Apartment Exterior Finishes
- Total Cement Board
  - Cement Board Siding Area = (+/-80%)
- Total Brick Area
  - Total Masonry Finish = (100%)
Carver Ridge Apartments
60 Unit Family Community in Midland, TX

<table>
<thead>
<tr>
<th>Apartment Exterior Finishes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cement Board = (+/-80%)</td>
</tr>
<tr>
<td>Cement Board Siding Area = (+/-80%)</td>
</tr>
<tr>
<td>Total Brick Area = (+/-20%)</td>
</tr>
<tr>
<td>Total Masonry Finish = (100%)</td>
</tr>
</tbody>
</table>
Carver Ridge Apartments
A 60 Unit Family Community in Midland, TX
Carver Ridge Apts.
60 Unit Family Community in Midland, TX
### Specifications and Building/Unit Type Configuration

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

#### Building Configuration (Check all that apply)

<table>
<thead>
<tr>
<th>Building Configuration</th>
<th>Single Family Construction</th>
<th>SRO</th>
<th>Transitional (per §42(ii)(B))</th>
<th>Duplex</th>
<th>Scattered Site</th>
<th>Fourplex</th>
<th>&gt; 4 Units Per Building</th>
<th>Townhome</th>
</tr>
</thead>
</table>

#### Development will have:

- Fire Sprinklers
- Elevators
- # of Elevators
- Wt. Capacity

#### Number of Parking Spaces (consistent with Architectural Drawings):

<table>
<thead>
<tr>
<th>Space Type</th>
<th>Free</th>
<th>Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shed or Flat Roof Carport Spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attached Garage Spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detached Garage Spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uncovered Spaces</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structured Parking Garage Spaces</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Floor Composition/Wall Height:

- % Carpet/Vinyl/Resilient Flooring
- Ceiling Height
- % Ceramic Tile
- Upper Floor(s) Ceiling Height (Townhome Only)
- % Other

#### Building Details

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># of Bedrooms</th>
<th>Sq. Ft. Per Unit</th>
<th>Number of Stories</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>2</td>
<td>990</td>
<td>1</td>
<td>12 11 6</td>
<td>29</td>
<td>28,710</td>
</tr>
<tr>
<td>BH2</td>
<td>2</td>
<td>990</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>990</td>
</tr>
<tr>
<td>C2</td>
<td>3</td>
<td>1,170</td>
<td>1</td>
<td>11 12 5</td>
<td>28</td>
<td>32,760</td>
</tr>
<tr>
<td>CH2</td>
<td>3</td>
<td>1,170</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2,340</td>
</tr>
<tr>
<td>CH2HC</td>
<td>3</td>
<td>1,170</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td>24 24 12</td>
<td>60</td>
<td>64,800</td>
</tr>
</tbody>
</table>

#### Supportive Housing Applicants Only

Enter the total development common area from the architect’s plans:

**Ensure that this number matches your architectural drawings.**

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

**Note revised definition of "Common Area" at 10 TAC §11.1 (d)(22).**

The lesser of these two numbers added to NRA:

**Use this number to figure points under 11.9(e)(2)**

If a revised form is submitted, date of submission:

2/28/2019
# Accessible Mobility Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:
1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 11.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td>60</td>
<td>5%</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2 (990)</td>
<td>30</td>
<td>5%</td>
<td>1.5</td>
<td>1.5</td>
<td>1</td>
</tr>
<tr>
<td>C2 (1170)</td>
<td>30</td>
<td>5%</td>
<td>1.5</td>
<td>1.5</td>
<td>2</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td></td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which Unit(s) not to Include Under "Units Proposed"*

## EXAMPLE:

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1 (874sqft &amp; 806)</td>
<td>68</td>
<td>5%</td>
<td>3.4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2/2 (950 sqft &amp; 100)</td>
<td>36</td>
<td>5%</td>
<td>1.8</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>3/2 (1120 sqft &amp; 11)</td>
<td>4</td>
<td>5%</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>68</td>
<td></td>
<td>3.4</td>
<td>4.2</td>
<td>4</td>
</tr>
</tbody>
</table>

*NOTE: Required is 4, but calculation yields 4.2. Applicant selected which to round down Under "Units Proposed"*

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments.

By: [Signature]

Printed Name: [BRYAN E. HULST]

Firm Name (if applicable): [PARKER ASSOCIATES TULSA, LLC]

Date: [2-28-19]

2/28/2019
# Accessible Hearing/Visual Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:
1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 11.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B2 (990)</td>
<td>30</td>
<td>2%</td>
<td>0.6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C2 (1,170)</td>
<td>30</td>
<td>2%</td>
<td>0.6</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>60</td>
<td></td>
<td>1.2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which to include under “Units Proposed”

---

**EXAMPLE**

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1/1</td>
<td>28</td>
<td>2%</td>
<td>0.56</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2/2</td>
<td>36</td>
<td>2%</td>
<td>0.72</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3/3</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>2%</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>2%</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>68</td>
<td></td>
<td>1.36</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

*NOTE: Required is 2, but calculation yields 3. Applicant selected which Unit(s) to include under “Units Proposed”

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing and/or visual impairment.

By: [Signature]

Printed Name: Bryan E. Hust

Firm Name (If applicable): Parker Associates Tulsa, LLC

Date: 2/28/2019
Accessible Parking Calculation

Although Fair Housing Standards may apply in unusual circumstances, ADA Standards typically determine the required number of Accessible Parking Spaces (APSs). This worksheet is intended to handle typical (ADA) cases, where all parking spaces are within a single parking lot. However, it might be possible to determine the APS requirements of multiple lots (or facilities) by completing this same worksheet for each of the lots. The worksheet might also be usable for Developments with less than one parking space to serve each dwelling unit, by filling in the information on page one, bypassing inapplicable spaces in the first section of page two, and completing the second section of page two, "Distribution of APSs Among the Various Types of Parking", referencing ADA Table 208.2. In unique cases where Fair Housing applies, or where this worksheet cannot be applied, create a certification specifying the types and numbers of the parking spaces applicable, including standard and accessible parking for dwelling units and amenities (e.g., office, mail kiosk, laundry, dumpster, pool, playground, etc., collectively, "amenities"), and for each type of parking facility, e.g., surface spaces, carports, garages, etc., for staff review. Links to the applicable accessibility rules are provided below.

ADA Design Manual, Ch. 2, Sec. 208:  
FHA Design Manual Page 2.23:  

Accessible Parking for Facilities and Amenities

Determining the number of APSs that serve the dwelling units requires accounting for APSs that do not serve dwelling units. In the yellow spaces below, identify the individual amenities served by an APS. Groups of amenities in close proximity typically are allowed to share a single APS. If groups of amenities share one APS (or APSs), identify each such group. In the yellow space to the right of each of these identifications, state the number of APSs designated to serve the amenity or group identified. If parking is provided near dumpsters, at least 1 dumpster must have an APS. The total of these APSs will be subtracted from the total of all types of parking spaces to determine the number of parking spaces that serve the dwelling units and the APSs required for the dwelling units.

| Amenity: | Identification of amenity, or amenities of a group, that the APS serves | APSs:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Office, etc.:</td>
<td>Clubhouse, BBQ/Picnic Area and Playground</td>
<td>2</td>
</tr>
<tr>
<td>Amenity 1:</td>
<td>Trash Enclosure</td>
<td>1</td>
</tr>
<tr>
<td>Amenity 2:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenity 3:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenity 4:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenity 5:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenity 6:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total of Accessible Parking Spaces that Do Not Serve Dwelling Units: 3
Accessible Parking for Residential Units

This portion of the worksheet was written for Developments having at least one parking space serving each dwelling unit, having surface parking spaces as the APSs that are not for dwelling units, and having only one parking lot, i.e., none of the parking spaces are physically segregated from the others by gates or by curbs or other barriers that require vehicles to exit the Development to travel between separate parking lots that serve it. The worksheet might, or might not be, useful for other cases.

Enter the information indicated below.

Total dwelling Units in the Development: 60

Total surface parking spaces: 126

Total carports: 0

Total garages: 0

Total parking spaces of all types: Calculated from above: 126

Total APSs that serve non-residential purposes (i.e. office, amenities, etc.): Calculated on prior pages: 3

Total of all types of parking spaces that serve dwelling units: Calculated from above: 123

APSs for mobility accessible units (5% of unit count, if spaces are sufficient): Calculated from above: 3

Parking spaces that serve dwelling units in excess of one per unit (if applicable): Calculated from above: 63

APSs required in excess of one per mobility accessible unit: Calculated from above: 2

Total APSs required (including dwelling units and facilities/amenities): Calculated from above: 8

All Developments, including those having fewer than one parking space serving each dwelling unit, should use this portion of the worksheet. Enter the number of APSs indicated by ADA Table 208.2 for the total of each type of parking space, i.e., surface spaces, carports, etc., including both amenity spaces and dwelling unit spaces.

Distribution of APSs Among the Various Types of Parking

Minimum number of surface parking spaces (include dwelling unit and amenity spaces) that must be APSs: 5

Minimum number of carports that must be APSs: 0

Number of garages that must be APSs: 0

APSs that Must Be Van Spaces

Total Van APSs required, including all types of spaces: Calculated from above: 2

Minimum number of surface parking spaces that must be van APSs: Calculated from above: 1

Minimum number of carports that must be van APSs: Calculated from above: 0

Minimum number of garages that must be van APSs: Calculated from above: 0

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D. There will be at least one accessible parking space per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed among the parking types provided. Where parking for amenities or non-residents is provided, a sufficient number of accessible spaces will be provided.

Signature: Bryan E. Hulst

Printed Name: Parker Associates Tulsa, LLC

Date: 3/1/2019
Rent Schedule

Unit types must be entered from smallest to largest based on "# of Bedrooms," and "Unit Size," then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit".

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

<table>
<thead>
<tr>
<th>HTC Units</th>
<th>MF Direct Loan Units (HOME Rent/Inc)</th>
<th>Nat’l HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected /Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30%</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>990</td>
<td>1,980</td>
<td>611</td>
<td>57</td>
<td>554</td>
<td>1,108</td>
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<td></td>
<td></td>
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<tr>
<td>TC 50%</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>990</td>
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<td>1,018</td>
<td>57</td>
<td>961</td>
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<tr>
<td>TC 60%</td>
<td>18</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>990</td>
<td>17,820</td>
<td>1,057</td>
<td>57</td>
<td>1,000</td>
<td>18,000</td>
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</tr>
<tr>
<td>MR</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>990</td>
<td>4,950</td>
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<td>57</td>
<td>1,100</td>
<td>5,500</td>
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<tr>
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<td>3</td>
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<td>2.0</td>
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<td>TC 50%</td>
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<td>2</td>
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<td>70</td>
<td>1,106</td>
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RENT LIMITS

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<th>AMFI %</th>
<th>Number of Leases</th>
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<tr>
<td>20</td>
<td>$517</td>
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<td>30</td>
<td>$475</td>
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<td>60</td>
<td>$359</td>
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<tr>
<td>70</td>
<td>$339</td>
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TOTAL

60

64,800

63,751

Non Rental Income $0.00 per unit/month for:
Non Rental Income 0.00 per unit/month for:
Non Rental Income 10.00 per unit/month:
App & NSF Fees / Lost Deposits & Interest 600

POTENTIAL GROSS MONTHLY INCOME 64,351

- Provision for Vacancy & Collection Loss % of Potential Gross Income: 7.50% (4,826)
- Rental Concessions (enter as a negative number) Enter as a negative value

EFFECTIVE GROSS MONTHLY INCOME 59,525

x 12 = EFFECTIVE GROSS ANNUAL INCOME 714,296

Self Score Total: 122

Rent Designations (select from Drop down menu)

If a revised form is submitted, date of submission: 2/28/2019
## Rent Schedule (Continued)

<table>
<thead>
<tr>
<th>HOUSING</th>
<th>% of Li</th>
<th>% of Total</th>
<th>% of Li</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>TC20%</td>
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</tr>
<tr>
<td>TC30%</td>
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<tr>
<td>TC40%</td>
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<td>0</td>
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<tr>
<td>TC50%</td>
<td>20%</td>
<td>17%</td>
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<tr>
<td>TC60%</td>
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<td>58%</td>
<td>35</td>
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<tr>
<td>TC70%</td>
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<tr>
<td>TC80%</td>
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<table>
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<tr>
<th>TAX CREDITS</th>
<th>% of Li</th>
<th>% of Total</th>
<th>% of Li</th>
<th>% of Total</th>
</tr>
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<tbody>
<tr>
<td>HTC Li Total</td>
<td>20%</td>
<td>17%</td>
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<tr>
<td>EO</td>
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<td>0</td>
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</tr>
<tr>
<td>MR</td>
<td>20%</td>
<td>17%</td>
<td>10</td>
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<th>NATIONAL HOUSING TRUST FUND</th>
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<th>% of Total</th>
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<tr>
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<tr>
<td>HTF Li Total</td>
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<td>MR</td>
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<tr>
<td>MR Total</td>
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<tr>
<td>HTF Total</td>
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### MORTGAGE REVENUE

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<td>MRB70%</td>
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<td>MRB80%</td>
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### BOND

<table>
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<th>% of Total</th>
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</thead>
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<td>MRBMR Total</td>
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<tr>
<td>MRB Total</td>
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</table>

### DIRECT LOAN

<table>
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<tbody>
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</tr>
<tr>
<td>40%</td>
<td>0</td>
</tr>
<tr>
<td>LH/50%</td>
<td>0</td>
</tr>
<tr>
<td>HH/60%</td>
<td>0</td>
</tr>
<tr>
<td>HH/80%</td>
<td>0</td>
</tr>
<tr>
<td>Direct Loan Li Total</td>
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<tr>
<td>Direct Loan Total</td>
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</table>

### OTHER

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Total OT Units</td>
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</tbody>
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<table>
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<tr>
<th>BEDROOMS</th>
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<th>% of Li</th>
<th>% of Total</th>
</tr>
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<tr>
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<tr>
<td>5</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### ACQUISITION + HARD

- Cost Per Sq Ft: $116.75
- Cost Per Sq Ft: $84.53

**DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.**

2/28/2019
### Utility Allowances [§10.614]

Applicant must attach documentation to this form to support the “Utility Allowance” estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614(k). This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter’s insurance) please provide an estimate, description and documentation of those as well.

<table>
<thead>
<tr>
<th>Utility</th>
<th>Who Pays</th>
<th>Energy Source</th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>Source of Utility Allowance &amp; Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>Tenant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Cooking</td>
<td>Tenant</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
<td>5</td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Other Electric</td>
<td>Tenant</td>
<td></td>
<td></td>
<td>13</td>
<td>5</td>
<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>Tenant</td>
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<td></td>
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<td>5</td>
<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Water Heater</td>
<td>Tenant</td>
<td></td>
<td></td>
<td>14</td>
<td>5</td>
<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Water</td>
<td>Landlord</td>
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<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Sewer</td>
<td>Landlord</td>
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<td>22</td>
<td>5</td>
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<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
<tr>
<td>Trash</td>
<td>Landlord</td>
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<td>16</td>
<td>5</td>
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<td></td>
<td></td>
<td>Midland County PHA - 10/1/2018</td>
</tr>
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<td>Flat Fee</td>
<td>Tenant</td>
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<td>Tenant</td>
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**Total Paid by Tenant**

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<td>$ 57.0</td>
<td>$ 70.0</td>
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**Other (Describe)**

If a revised form is submitted, date of submission:

2/28/2019
## Allowances for Tenant-Furnished Utilities and Other Services

See Public Reporting Statement and Instructions on back.

### MIDLAND COUNTY, TEXAS

#### Unit Type: MULTI-FAMILY

**Date (mm/dd/yyyy):** 10/1/2018

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<tr>
<th>Utility or Service</th>
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<th>1 BR</th>
<th>2 BR</th>
<th>3 BR</th>
<th>4 BR</th>
<th>5 BR</th>
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<tbody>
<tr>
<td><strong>Heating</strong></td>
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<td></td>
</tr>
<tr>
<td>a. Natural Gas</td>
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<td>3</td>
<td>4</td>
<td>6</td>
<td>7</td>
<td>9</td>
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<tr>
<td>b. Bottle Gas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Oil / Electric</td>
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<td>8</td>
<td>11</td>
<td>13</td>
<td>16</td>
<td>19</td>
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<tr>
<td>d. Coal / Other</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Cooking</strong></td>
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<tr>
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<td>3</td>
<td>3</td>
<td>4</td>
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<tr>
<td>b. Bottle Gas</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Oil / Electric</td>
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<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>d. Coal / Other</td>
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<td></td>
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<td><strong>Other Electric</strong></td>
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<td><strong>Air Conditioning</strong></td>
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<td>9</td>
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<td>b. Bottle Gas</td>
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<tr>
<td>c. Oil / Electric</td>
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<td>14</td>
<td>18</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>d. Coal / Other</td>
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<tr>
<td><strong>Water</strong></td>
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<td>16</td>
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</table>

### Range/Microwave

- 1 Bd: 8.00+ 4.00+ 11.00+ 13.00+ 5.00+
- 2 Bd: 10.00+ 13.00+ 15.00+ 16.00+ 18.00+
- 3 Bd: 11.00+ 14.00+ 18.00+ 18.00+ 7.00+

### Refrigerator

- 1 Bd: 21.00+ 21.00+ 4.20+ 5.00+
- 2 Bd: 32.00+ 22.00+ 5.40+ 6.00+
- 3 Bd: 68.00+ 68.00+ 70.00+ 138.00+

### Name of Family

### Address of Unit

- With W/S

### Number of Bedrooms

- 1 Bd: 21.00+ 4.20+ 85.00+
- 2 Bd: 32.00+ 57.00+ 111.00+
- 3 Bd: 68.00+ 70.00+ 138.00+

Previous editions are obsolete. Refer Handbook 7420.8.
# PHA Contact Information

This listing is ordered by city and based on the information in IMS/PIC system.

<table>
<thead>
<tr>
<th>PHA Code</th>
<th>Name, Phone, Fax, Email</th>
<th>Physical Address</th>
<th>Type</th>
</tr>
</thead>
</table>
| TX379    | Housing Authority of Midland  
Phone: (432)682-0011  
Fax: (432)685-1976  
Email: jcastaneda@mcha2.org | SCHARBAUER  
MIDLAND  
TX, 79705 | Low-Rent |
| TX060    | Housing Authority of the City of Mineola  
Phone: (903)569-3519  
Fax: (903)569-1683  
Email: mineolapha@suddenlinkmail.com | 784 GOODSON Circle  
MINEOLA  
TX, 75773 | Low-Rent |
| TX298    | Housing Authority the City of Mineral Wells  
Phone: (940)325-3327  
Fax: (940)325-6852  
Email: harry_mwha@suddenlinkmail.com | 200 NE 27TH Street  
MINERAL WELLS  
TX, 76067 | Combined |
| TX046    | Mission Housing Authority  
Phone: (956)585-9747 x304  
Fax: (956)585-1004  
Email: joelagonzalez@missionha.org | 1300 E. 8TH STREET  
MISSION  
TX, 78572 | Combined |
**PHA Contact Information**

This listing is ordered by city and based on the information in IMS/PIC system.

<table>
<thead>
<tr>
<th>PHA Code</th>
<th>Name, Phone, Fax, Email</th>
<th>Physical Address</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Phone: (254)435-2601</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fax: (254)435-6009</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Email: <a href="mailto:meridianhousing@sbcglobal.net">meridianhousing@sbcglobal.net</a></td>
<td></td>
<td></td>
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<tr>
<td>TX158</td>
<td>Housing Authority of Merkel</td>
<td>731 N 1ST Street</td>
<td>Combined</td>
</tr>
<tr>
<td></td>
<td>Phone: (325)928-4891</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fax: (325)928-5518</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Email: <a href="mailto:tuckercindy@ymail.com">tuckercindy@ymail.com</a></td>
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<tr>
<td>TX436</td>
<td>City of Mesquite Housing Office</td>
<td>1616 N. Galloway Avenue</td>
<td>Section 8</td>
</tr>
<tr>
<td></td>
<td>Phone: (972)216-6427 x6427</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Fax: (972)216-6429</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Email: <a href="mailto:abueno@cityofmesquite.com">abueno@cityofmesquite.com</a></td>
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<td>TX354</td>
<td>Mexia Housing Authority</td>
<td>701 N SHERMAN Street</td>
<td>Low-Rent</td>
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<tr>
<td></td>
<td>Phone: (254)562-6321</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Fax: (254)562-7610</td>
<td></td>
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<td></td>
<td>Email: <a href="mailto:worthamjenkins@sbcglobal.net">worthamjenkins@sbcglobal.net</a></td>
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<td>TX534</td>
<td>Midland County Housing Authority</td>
<td>1710 Edwards Street</td>
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<td></td>
<td>Phone: (432)570-4155</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Fax: (432)570-4250</td>
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## General & Administrative Expenses

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<td>Advertising</td>
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<td>Legal fees</td>
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<td>Postage &amp; office supplies</td>
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<td>Telephone</td>
<td>$5,000</td>
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<td>Computer/Software</td>
<td>$5,000</td>
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<tr>
<td>Other</td>
<td>$</td>
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<tr>
<td>Total General &amp; Administrative Expenses:</td>
<td>$21,035</td>
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</table>

### Management Fee
- **Percent of Effective Gross Income:** 5.00%
- **Management Fee:** $35,715

### Payroll, Payroll Tax & Employee Benefits
- **Management:** $37,500
- **Maintenance:** $25,400
- **Other:** $5,000
- **Total Payroll, Payroll Tax & Employee Benefits:** $62,900

### Repairs & Maintenance
- **Elevator:** $4,000
- **Exterminating:** $4,000
- **Grounds:** $3,500
- **Repairs:** $30,000
- **Pool:** $2,750
- **Other:** $5,000
- **Total Repairs & Maintenance:** $44,250

### Utilities (Enter Only Property Paid Expense)
- **Electric:** $12,500
- **Natural gas:** $4,000
- **Trash:** $12,000
- **Water/Sewer:** $22,500
- **Other:** $5,000
- **Total Utilities:** $47,000

### Property Taxes
- **Annual Property Insurance:** $32,500
- **Payments in Lieu of Taxes:** $0
- **Total Property Taxes:** $32,500
- **Reserve for Replacements:** $250
- **Annual reserves per unit:** $15,000

### Other Expenses
- **Cable TV:** $5,000
- **Supportive Services (Staffing/Contracted Services):** $12,600
- **TDHCA Compliance fees ($40/HTC unit):** $2,000
- **TDHCA Direct Loan Compliance Fees ($34/MDL unit):** $2,000
- **TDHCA Bond Compliance Fees (TDHCA as Bond Issuer Only - $25/MRB unit):** $2,000
- **Bond Trustee Fees:** $2,000
- **Security:** $2,000
- **Other:** $5,000
- **Total Other Expenses:** $14,600

### TOTAL ANNUAL EXPENSES
- **Expense per unit:** $4800
- **Expense to Income Ratio:** 40.32%
- **NET OPERATING INCOME (before debt service):** $426,296
  - **Annual Debt Service**
    - **BBVA Compass Bank:** $347,140
    - **TDHCA Bond-Issuer Admin Fee (0.10%):** $347,140
  - **TOTAL ANNUAL DEBT SERVICE:** $347,140
  - **Debt Coverage Ratio:** 1.23
  - **NET CASH FLOW:** $79,156

### If a revised form is submitted, date of submission: 2/28/2019
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

<table>
<thead>
<tr>
<th>INCOME</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$765,012</td>
<td>$780,312</td>
<td>$795,918</td>
<td>$811,837</td>
<td>$828,074</td>
<td>$914,260</td>
<td>$1,009,417</td>
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<tr>
<td>Secondary Income</td>
<td>$7,200</td>
<td>$7,444</td>
<td>$7,491</td>
<td>$7,641</td>
<td>$7,794</td>
<td>$8,605</td>
<td>$9,500</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$772,212</td>
<td>$787,756</td>
<td>$803,409</td>
<td>$819,476</td>
<td>$835,867</td>
<td>$922,865</td>
<td>$1,018,917</td>
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<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($57,916)</td>
<td>($59,074)</td>
<td>($60,256)</td>
<td>($61,451)</td>
<td>($62,690)</td>
<td>($69,215)</td>
<td>($76,419)</td>
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<tr>
<td>Rental Concessions</td>
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<td></td>
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<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$714,296</td>
<td>$728,582</td>
<td>$743,154</td>
<td>$758,017</td>
<td>$773,177</td>
<td>$853,650</td>
<td>$942,499</td>
</tr>
</tbody>
</table>

| EXPENSES | |
|----------|--------|--------|--------|--------|--------|---------|--------|
| General & Administrative Expenses | $21,035 | $21,666 | $22,318 | $22,986 | $23,675 | $23,476 | $31,817 |
| Management Fee | $35,715 | $36,429 | $37,158 | $37,901 | $38,659 | $42,683 | $47,125 |
| Payroll, Payroll Tax & Employee Benefits | $62,900 | $64,787 | $66,731 | $68,733 | $70,795 | $82,070 | $95,142 |
| Repairs & Maintenance | $44,250 | $45,578 | $46,945 | $48,353 | $49,804 | $57,736 | $66,932 |
| Electric & Gas Utilities | $12,500 | $12,875 | $13,261 | $13,659 | $14,069 | $16,310 | $18,907 |
| Water, Sewer & Trash Utilities | $34,500 | $35,535 | $36,602 | $37,699 | $38,830 | $45,015 | $52,184 |
| Annual Property Insurance Premiums | $15,000 | $15,450 | $15,914 | $16,391 | $16,883 | $19,572 | $22,689 |
| Property Tax | $32,500 | $33,475 | $34,479 | $35,514 | $36,579 | $42,405 | $49,159 |
| Reserve for Replacements | $15,000 | $15,450 | $15,914 | $16,391 | $16,883 | $19,572 | $22,689 |
| Other Expenses | $14,600 | $15,038 | $15,489 | $15,954 | $16,432 | $19,050 | $22,064 |
| TOTAL ANNUAL EXPENSES | $288,000 | $296,283 | $304,807 | $313,580 | $322,608 | $371,857 | $428,729 |

| NET OPERATING INCOME | $426,296 | $432,399 | $438,347 | $444,437 | $450,569 | $481,793 | $513,770 |

| DEBT SERVICE | |
|--------------|--------|--------|--------|--------|--------|---------|--------|
| First Deed of Trust Annual Loan Payment | $347,140 | $347,140 | $347,140 | $347,140 | $347,140 | $347,140 | $347,140 |
| Second Deed of Trust Annual Loan Payment | | | | | | | |
| Third Deed of Trust Annual Loan Payment | | | | | | | |
| Other Annual Required Payment | | | | | | | |
| Other Annual Required Payment | | | | | | | |
| ANNUAL NET CASH FLOW | $79,156 | $85,159 | $91,207 | $97,297 | $103,429 | $134,653 | $166,630 |

| CUMULATIVE NET CASH FLOW | $79,156 | $164,315 | $255,522 | $352,819 | $456,248 | $510,542 | $620,657 |
| Debt Coverage Ratio | 1.23 | 1.25 | 1.26 | 1.28 | 1.30 | 1.39 | 1.48 |
| Asset Management Fee | $4,600 | $4,120 | $4,244 | $4,371 | $4,502 | $5,219 | $6,050 |
| Deferred Developer Fee | $12,307 | | | | | | |

By signing below (I we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under $11.9(e)(1) relating to Financial Feasibility)

Signature, Authorized Representative, Construction or
Permanant Lender

Signature, Authorized Representative, Syndicator

Ken Overshiner
Printed Name

Date
James Dunton
Printed Name

Phone: (713) 966-2303
Email: ken.overshiner@bbva.com

Date
2-28-19

2/28/2019
## 15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or assumptions other than straight-line growth made during the pro forma period should be attached to this exhibit.

### INCOME

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
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<td>$820,074</td>
<td>$914,260</td>
<td>$1,009,417</td>
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<td>Secondary Income</td>
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<td>$7,344</td>
<td>$7,491</td>
<td>$7,641</td>
<td>$7,794</td>
<td>$8,605</td>
<td>$9,500</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$772,212</td>
<td>$787,656</td>
<td>$803,409</td>
<td>$819,478</td>
<td>$835,857</td>
<td>$922,865</td>
<td>$1,018,917</td>
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<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($57,916)</td>
<td>($59,074)</td>
<td>($60,256)</td>
<td>($61,461)</td>
<td>($62,690)</td>
<td>($69,215)</td>
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<td>Rental Concessions</td>
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<td>$0</td>
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<td>EFFECTIVE GROSS ANNUAL INCOME</td>
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<td>$728,582</td>
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<td>$753,017</td>
<td>$763,157</td>
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### EXPENSES

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<td>$15,450</td>
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<td><strong>$594,233</strong></td>
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### DEBT SERVICE

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<tr>
<td>Third Deed of Trust Loan Payment</td>
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<tr>
<td>Other Annual Required Payment</td>
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<tr>
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<td></td>
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<tr>
<td><strong>ANNUAL NET CASH FLOW</strong></td>
<td><strong>$78,156</strong></td>
<td><strong>$85,159</strong></td>
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<td><strong>$97,257</strong></td>
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<td><strong>$134,653</strong></td>
<td><strong>$165,630</strong></td>
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<td></td>
</tr>
</tbody>
</table>

By signing below I (we) are certifying that the above 15-Year pro forma is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank’s current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under $11.9(e)(1) relating to Financial Feasibility)

**Signature, Authorized Representative, Construction or Permanent Lender**

Ken Overshine  
Printed Name:  
Phone: (713) 966-2303  
Email: ken.overshiner@bbva.com  
Date: 2/28/19

**Signature, Authorized Representative, Syndicator**

James Dunton  
Printed Name:  
Date:
Off-Site Cost Breakdown

This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.

**This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

<table>
<thead>
<tr>
<th>A.</th>
<th>B.</th>
<th>C.</th>
<th>D.</th>
<th>E.</th>
<th>F.</th>
<th>G.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity</td>
<td>Labor or Unit Price</td>
<td>Materials or # of Units</td>
<td>Total Construction Costs</td>
<td>Acquisition Costs</td>
<td>Engineering / Architectural Costs</td>
<td>Total Activity Costs</td>
</tr>
</tbody>
</table>

**ALL contingency must be included in the Contingency line item on the Development Cost Schedule and NOT on this form**

Signature of Registered Engineer responsible for Budget Justification

Seal

Printed Name

Date

If a revised form is submitted, date of submission: 2/28/2019

Total -$
Site Work Cost Breakdown

This form must be submitted with the Development Cost Schedule as justification of Site Work costs.

Column A: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

Columns B and C: In determining actual construction cost, two different methods may be used:
- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; OR
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

Column D: To arrive at total construction costs in Column D:
- If based on labor and materials, add Column B and Column C totaling to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

Column E: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

Column F: Engineering/architectural costs must be broken out by the Site Work activity.

Column G: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>A</th>
<th>Activity</th>
<th>B. Labor or Unit Price</th>
<th>C. Materials or # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Demolition</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>Asbestos Abatement (Demolition Only)</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>3</td>
<td>Detention</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>4</td>
<td>Rough grading</td>
<td>$ 310,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 310,000.00</td>
</tr>
<tr>
<td>5</td>
<td>Fine grading</td>
<td>$ 45,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 45,000.00</td>
</tr>
<tr>
<td>6</td>
<td>On-site concrete</td>
<td>$ 180,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 180,000.00</td>
</tr>
<tr>
<td>7</td>
<td>On-site electrical</td>
<td>$ 20,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 20,000.00</td>
</tr>
<tr>
<td>8</td>
<td>On-site paving</td>
<td>$ 225,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 225,000.00</td>
</tr>
<tr>
<td>9</td>
<td>On-site utilities</td>
<td>$ 100,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 100,000.00</td>
</tr>
<tr>
<td>10</td>
<td>Decorative masonry</td>
<td>$</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>11</td>
<td>Bumper stops, striping &amp; signs</td>
<td>$ 10,000.00</td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td>$ 10,000.00</td>
</tr>
<tr>
<td>12</td>
<td>Other (specify- see footnote 1)</td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
</tbody>
</table>

Total $ 890,000

Signature of Registered Engineer: [Signature]

Printed Name: MICHAEL R. OSBORN

Date: 2/25/18

If a revised form is submitted, date of submission: 2/19/2019
# Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Cost</td>
</tr>
</tbody>
</table>

## ACQUISITION
- Site acquisition cost
- Existing building acquisition cost
- Closing costs & acq. legal fees
- Other (specify) - see footnote 1
- Other (specify) - see footnote 1

| Subtotal Acquisition Cost | $750,000 | $0 | $0 |

## OFF-SITES
- Off-site concrete
- Storm drains & devices
- Water & fire hydrants
- Off-site utilities
- Off-site paving
- Off-site electrical
- Other (specify) - see footnote 1
- Other (specify) - see footnote 1

| Subtotal Off-Sites Cost | $0 | $0 | $0 |

## SITE WORK
- Demolition
- Asbestos Abatement (Demolition Only)
- Detention
- Rough grading
- Fine grading
- On-site concrete
- On-site electrical
- On-site paving
- On-site utilities
- Decorative masonry
- Bumper stops, striping & signs
- Other (specify) - see footnote 1

| Subtotal Site Work Cost | $890,000 | $0 | $890,000 |

## SITE AMENITIES
- Landscaping
- Pool and decking
- Athletic court(s), playground(s)
- Fencing
- Other (specify) - see footnote 1

| Subtotal Site Amenities Cost | $185,000 | $0 | $185,000 |

---

2/28/2019
## BUILDING COSTS*:

<table>
<thead>
<tr>
<th>Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>475,000</td>
<td>475,000</td>
</tr>
<tr>
<td>Masonry</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Metals</td>
<td>1,662,400</td>
<td>1,662,400</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>735,000</td>
<td>735,000</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>165,000</td>
<td>165,000</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>140,000</td>
<td>140,000</td>
</tr>
<tr>
<td>Finishes</td>
<td>735,000</td>
<td>735,000</td>
</tr>
<tr>
<td>Specialties</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Equipment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Furnishings</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Special Construction</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mechanical (HVAC; Plumbing)</td>
<td>815,000</td>
<td>815,000</td>
</tr>
<tr>
<td>Electrical</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Subtotal Building Costs Before 11.9(e)(2)</strong></td>
<td>$5,477,400</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Voluntary Eligible Building Costs (After 11.9(e)(2))**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Other (specify) - see footnote 1</strong></td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Subtotal Building Costs Before 11.9(e)(2)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>6.10%</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

**TOTAL BUILDING COSTS & SITE WORK (including site amenities)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contingency</strong></td>
<td>6.10%</td>
<td>$400,000</td>
</tr>
</tbody>
</table>

**TOTAL HARD COSTS**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>%THC</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>5.38%</td>
<td>$373,975</td>
<td>373,975</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>1.79%</td>
<td>$124,650</td>
<td>124,650</td>
</tr>
<tr>
<td>Contractor profit (&lt;6%)</td>
<td>5.38%</td>
<td>$373,975</td>
<td>373,975</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTOR FEES**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CONTRACTOR FEES</strong></td>
<td>$872,600</td>
<td>$0</td>
</tr>
</tbody>
</table>

**TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL CONSTRUCTION CONTRACT Before 11.9(e)(2)</strong></td>
<td>$7,825,000</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Voluntary Eligible "Hard Costs" (After 11.9(e)(2))**

<table>
<thead>
<tr>
<th>Cost Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Voluntary Eligible &quot;Hard Costs&quot; (After 11.9(e)(2))</strong></td>
<td>$0.00 psf</td>
<td>$0.00 psf</td>
</tr>
</tbody>
</table>

If NOT seeking to score points under §11.9(e)(2), E96:E97 should remain BLANK. True eligible cost should be entered in line items E83 and E87:E91. If requesting points under §11.9(e)(2) related to Cost of Development per Square Foot, enter the true or voluntarily limited costs  in E77:E78 that produces the target cost per square foot in D77:D78. Enter Requested Score for §11.9(e)(2) at the bottom of the schedule in D202.
## Soft Costs

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>172,000</td>
<td>172,000</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>18,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>70,000</td>
<td>70,000</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>25,000</td>
<td></td>
</tr>
<tr>
<td>Accounting fees</td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>Impact Fees</td>
<td></td>
<td>1,500,000</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Appraisal</td>
<td>6,000</td>
<td>6,000</td>
</tr>
<tr>
<td>Market analysis</td>
<td>8,000</td>
<td>8,000</td>
</tr>
<tr>
<td>Environmental assessment</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Soils report</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Survey</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Real property taxes</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Tenant Relocation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

**Subtotal Soft Cost**

<table>
<thead>
<tr>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,846,500</td>
<td>$0</td>
</tr>
</tbody>
</table>

## Financing

### Construction Loan(s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>440,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>104,750</td>
<td>104,750</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>62,850</td>
<td>62,850</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Credit Report</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Discount Points</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

### Permanent Loan(s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>48,250</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td></td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
</tr>
<tr>
<td>Credit report</td>
<td></td>
</tr>
<tr>
<td>Discount points</td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Prepaid MIP</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

### Bridge Loan(s)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>0</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>0</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>0</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
</tr>
</tbody>
</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>COST CATEGORY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>$38,680</td>
</tr>
<tr>
<td>Tax and/or bond counsel</td>
<td></td>
</tr>
<tr>
<td>Payment bonds</td>
<td></td>
</tr>
<tr>
<td>Performance bonds</td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td></td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td>$40,000</td>
</tr>
<tr>
<td>Tax opinion</td>
<td></td>
</tr>
<tr>
<td>Refinance (existing loan payoff amt)</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Financing Cost: $764,530

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>COST CATEGORY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consultant fees</td>
<td>$1,266,000</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td></td>
</tr>
<tr>
<td>Profit or fee</td>
<td>$1,266,000</td>
</tr>
</tbody>
</table>

Subtotal Developer Fees: $1,266,000

### RESERVES

<table>
<thead>
<tr>
<th>COST CATEGORY</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up - new funds</td>
<td>$140,400</td>
</tr>
<tr>
<td>Rent-up - existing reserves*</td>
<td></td>
</tr>
<tr>
<td>Operating - new funds</td>
<td>$317,570</td>
</tr>
<tr>
<td>Operating - existing reserves*</td>
<td></td>
</tr>
<tr>
<td>Replacement - new funds</td>
<td></td>
</tr>
<tr>
<td>Replacement - existing reserves*</td>
<td></td>
</tr>
<tr>
<td>Escrows - new funds</td>
<td></td>
</tr>
<tr>
<td>Escrows - existing reserves*</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Reserves: $457,970

*Any existing reserve amounts should be listed on the Schedule of Sources.

### TOTAL HOUSING DEVELOPMENT COSTS

Subtotal Financing Cost: $764,530
Developers Fees: $1,266,000
Reserves: $457,970

Total Housing Development Costs: $12,910,000

The following calculations are for HTC Applications only.

**Deduct From Basis:**
- Federal grants used to finance costs in Eligible Basis
- Non-qualified non-recourse financing
- Non-qualified portion of higher quality units §42(d)(5)
- Historic Credits (residential portion only)

Total Eligible Basis: $0

**High Cost Area Adjustment (100% or 130%)** 130%

Total Adjusted Basis: $12,701,910

Applicable Fraction: 83%

Total Qualified Basis: $10,584,502

Applicable Percentage: 9.00%

Credits Supported by Eligible Basis: $952,605

Credit Request (from 17. Development Narrative): $897,000

Requested Score for 11.9(e)(2): 12

**11.9(c)(2) Cost Per Square Foot: DO NOT ROUND!** Applicants are advised to ensure that the figure is not rounding down to the maximum dollar figure to support the elected points.

Name of contact for Cost Estimate: Matt Zimmermann

Phone Number for Contact: (417) 890-3238

If a revised form is submitted, date of submission: 2/28/2019
## Schedule of Sources of Funds and Financing Narrative

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
</tr>
<tr>
<td>BBVA Compass Bank</td>
<td>Conventional Loan</td>
<td>$10,475,000</td>
<td>6.00%</td>
<td>$4,825,000</td>
</tr>
</tbody>
</table>

### Debt

### Third Party Equity

| HTC | $897,000 | $807,219 | $8,072,193 | 0.9 |

### Grant

| §11.9(d)(2)LPS Contribution | |

### Deferred Developer Fee

| VCZ Albatross Development, LLC | $12,307 |

### Other

| Direct Loan Match | Reduced Fees | $500 | $500 |

| Total Sources of Funds | $11,282,719 | $12,910,000 |

| Total Uses of Funds | $12,910,000 |
**INSTRUCTION:** Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Sources of funds for the proposed 60-unit development in Midland include: (1) RRVA Compass Bank as the construction and permanent lender. The construction loan will be $10,475,000 with an interest rate at 6% with a term of 24 months and interest only payments. The $5,650,000 of the construction loan will be paid from the 2nd installment of tax credit equity at construction completion. The balance, $4,825,000 will convert to a permanent loan with an interest rate of 6%, 30 year amortization, and a 17 year term. (2) Raymond James will be the limited partner and purchase the tax credits at a price of $.90. The tax credit equity will be contributed as follows; 10% $807,219 at initial closing, 80% $6,457,754 at construction completion, and 10% $807,219 at stabilization for a total of $8,072,193 based on an annual credit amount of $897,000. (3) VCZ Albatross Development will be the developer and will defer $12,307 of its developer fee which will be repaid from available cashflow after all operating losses are met. By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

<table>
<thead>
<tr>
<th>Signature, Authorized Representative, Construction or Permanent Lender</th>
<th>Printed Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Signature]</td>
<td>[Printed Name]</td>
<td>2/26/19</td>
</tr>
</tbody>
</table>

**Telephone:** 513-966-2303  
**Email address:** ken@overfield.com

The initial operating reserve deposit will equal $317,570 (6-months) which includes $7,500 (6-months) for replacement reserve and after stabilization, annually $15,000 ($250 per unit) paid monthly.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

| N/A |

2/25/2019
Financial Capacity, Owner Equity, and Appraisal Requirements
(Multifamily Direct Loan Applications Only, if applicable)

[§13.8(c)(6) and (7)]

Financial Capacity (10 TAC §13.8(c)(6))
except for Developments also financed through the USDA §515 program, the Application MUST include:

- A letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10% of the Total Housing Development Cost as a short term loan for Development; OR
- Evidence of a line of credit or equivalent tool equal to at least 10% of the Total Housing Development Cost from a financial institution that is available for use during the proposed development activities.

Owner Equity and Appraisal Requirements (10 TAC §13.8(c)(7))
If the Direct Loan is the only source of Department funding for the Development (no HTC being requested), the Development Owner MUST provide:

- equity in an amount not less than 20% of Total Housing Development Costs; and
- if proposing new construction, an "as completed" appraisal pursuant to 10 TAC §11.304 which results in total repayable loan to value of not greater than 80%; or
- if proposing rehabilitation, the "as is" appraisal required by 10 TAC §11.205(4) may meet this requirement without needing an "as completed" appraisal provided the loan to value is not greater than 80%.

As a result of providing owner equity in an amount greater than 5% of Total Housing Development Costs, the following must be provided in accordance with 10 TAC §11.204(7)(C):

- A letter - not older than 6 months from the date the of Application submission - from a Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed or pledged; and
- A letter - not older than 6 months from the date the of Application submission - from the Development Owner’s bank or banks confirming that such funds are and will remain available at commitment and until the required investment is completed.

2/28/2019
Match in the amount of at least 5% of the Multifamily Direct Loan funds requested must be documented with a letter from the anticipated provider of Match indicating the provider’s willingness and ability to make a financial commitment should the Development receive an award of Multifamily Direct Loan funds. The information provided must be consistent with all other documentation in the Application.

Indicate the amount and source of Match funds in the appropriate spaces in the table below.

Generally, a Related Party contribution to the Development is not considered eligible Match. Please see 10 TAC §13.2(8) as well as the Match Guidance below.

<table>
<thead>
<tr>
<th>Type of Match Pledged</th>
<th>Pledged Amount</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Federal Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waived, foregone or deferred fees and charges (ex: debris removal and container fees, tap fees, building permits, other mandatory fees charged by the local municipality) **CANNOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INCLUDE DEVELOPER FEES**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Market Interest Rate Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Abatement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Non-Professional Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Federally Funded Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Value of Donated Use of Site Preparation or Construction Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Construction Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Site Preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Demolition Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Real Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Value of Match Pledged</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Total Amount of MF Direct Loan funds Requested</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>Percentage of MF Direct Loan Funds to be Matched (Total Value of Match /MF Direct Loan Funds Requested)</td>
<td>#DIV/0!</td>
<td></td>
</tr>
</tbody>
</table>
### 1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

Name of the Local Political Subdivision providing the funding:

- **City of Midland**

- A letter from an official of the political subdivision stating that the political subdivision will provide a loan, grant, reduced fees or contribution of other value type, and the terms under which it will be provided is in the application.
- The dollar value of the contribution must be in the letter and must equal $500 or more if Urban and $250 or more if Rural or USDA.
- The commitment of development funding is reflected in the Application as a financial benefit to the Development, i.e. reported as a source of funds on the Sources and Uses Form and/or reflected in a lower cost in the Development Cost Schedule, such as notation of a reduction in building permits and related costs.

**Total Points Claimed:** 1

### 2. Financial Feasibility (§11.9(e)(1))

- Eligible Pro-Forma and letter stating the Development is financially feasible. 0
- **Eligible Pro-Forma and letter stating Development and Principals are acceptable.** 18

**Total Points Claimed:** 18

### 3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

- Percent of Units restricted to serve households at or below 30% of AMGI 8.33%
- HTC funding request as a percent of Total Housing Development Cost 6.95%

**Eligibility for points:**

- Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding 0
- Housing Tax Credit Request 3
- Housing Tax Credit Request 2
- Housing Tax Credit Request 1

*Be sure no more than 50% of Developer fees are deferred.*

**Total Points Claimed:** 3

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2/28/2019
ALL SUPPORTING DOCUMENTS MUST BE CONSISTENT WITH THE SOURCES AND USES

- Executed Pro Forma from Permanent or Construction Lender
- Letter from lender regarding approval of Principals (consistent with Template)
- Evidence of all Permanent and Construction Financing (term sheets, loan agreements)

**NOTE:** Term sheets and/or loan documents from debt and equity providers must **include a statement confirming they are aware the Applicant intends to elect income averaging.** If the term sheet speaks to unit designations, ensure those unit designations are consistent with the rent schedule and site plan.

- Evidence of any Gap Financing, terms included
- Evidence of any Owner Contributions, with financial support if required
- Evidence of Equity Financing (HTC applications only)
- Letter from Texas Historical Commission (THC) indicating preliminary eligibility for historic (rehabilitation) tax credits and documentation of Certified Historic Structure status as detailed in QAP §11.9(e)(6) was submitted behind TAB 19.
- Letter from Local Political Subdivision evidencing a loan, grant, reduced fees or contribution of other value to benefit the Development. [QAP §11.9(d)(2)]
- Evidence of Rental Assistance/Subsidy
February 27, 2019

Carver Ridge Apartments, LP
Attn: Ben Mitchell
1329 East Lark Street
Springfield, MO 65804

Re: Carver Ridge Apartments, Midland, Texas

Dear Ben,

BBVA Compass Bank (the "Bank") is pleased to provide you with this Letter of Terms for the Construction and Permanent financing of the Carver Ridge affordable housing community. The following terms and conditions were based upon a preliminary review of the Borrower's 2019 TDHCA Housing Tax Credit Application:

Construction Loan:

Borrower: Carver Ridge Apartments, LP

Collateral: The Subject Loan shall be secured by a first mortgage lien and an assignment of rents and leases on the 60-unit LIHTC project to be located in Midland, Texas. Additionally, the Loan shall be secured by an Assignment of the General Partner Interest and Deferred Developer's Fee.

Amount: Up to $10,475,000. The Loan amount shall be limited to 80% of the LIHTC Investment Value, which is the combined value of the Tax Credits plus the stabilized value of the Real Estate based upon an Appraisal acceptable to the Bank.

Interest Rate: 1 month Libor + 2.75%. Interest-only payments shall be due monthly. Bank is utilizing a 6% interest rate.

Fees: 1% origination fee. Additionally, the Borrower shall be responsible for the reimbursement of other costs related to the extension of this loan including, but not limited to: appraisal fees, the Bank's legal fees, environmental and other third party review fees.

Maturity: Twenty-four (24) months from closing with a six month extension at Bank's option.

Guarantee: Full payment and completion guarantees and environmental indemnity by a guarantor or guarantors satisfactory to BBVA Compass.

Tax Credit Equity: Approximately $8,072,192. Equity pay in schedule and investor must be acceptable to BBVA Compass.

Repayment: Construction loan will be repaid from equity funded at completion or after completion, along with the permanent loan (if any).

Loan to Value: Up to 80% including the value of the real estate and tax credits.

Conditions to Closing:

BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC.
Borrower, Managing Member, and Guarantor certify that there are no defaults, no material litigation and no material adverse change in the financial or project information provided to Bank in connection with the Loan request.

- Receipt, review and approval of appraisal, environmental assessment, construction consultant and other third party reports.
- Contractor shall be acceptable to bank.
- All documentation satisfactory to Bank and its legal counsel.
- Evidence of a commitment by a tax credit investor acceptable to Bank for the acquisition of 9% low income housing tax credits on terms, including pay-in schedule amounts and timing, acceptable to Bank.
- All subsidy funds must be committed and closed simultaneously with the closing of the Loan.
- Final project budget to be approved by Bank, including a 5% hard cost contingency.
- Receipt of all required municipal and other governmental approvals.
- Approval of current financial statements of the Guarantor.
- Borrower counsel opinion in form and content satisfactory to Bank.
- Mortgage title insurance policy insuring the bank’s lien shall contain no objectionable liens, including matters of the survey.
- Bank shall receive and approve the following items prior to the closing of the construction loan:
  - Final plans and specs stamped by architect.
  - Copy of construction contract and final budget.
  - Copy of builders risk policy with Compass Bank named as loss payee.
  - Copy of recorded limited partnership and syndication agreements.
- All terms subject to market fluctuation.

Acknowledgement Of Sources: The Bank acknowledges all proposed sources of funds as represented on the Schedule of Sources of Funds.

Permanent Loan:

Provided that there are no events of default, the Borrower may elect to exercise the option to convert the Construction Loan to the Permanent Loan provided that 1) the Construction Loan has been Paid down to the Perm Loan Amount; 2) the Property has achieved a minimum occupancy of 90% for 90 days; and 3) the Property has achieved a Pro Forma Debt Service Cover Ratio of 1.15.

Amount: Up to $4,825,000. The Loan amount shall be limited to 80% of the stabilized value of the Real Estate based upon an Appraisal acceptable to the Bank.

Interest Rate: Fixed rate based on the 15 year USD Swap + 320 bps for a 24 month forward rate lock. The Bank used an underwriting rate of 6.00%.

Fee: 1% of the permanent loan amount as well as any required third-party report updates and Bank legal fees.

Maturity: Fifteen (15) years.

Amortization: Thirty (30) years.

Recourse: The loan is specifically to be non-recourse.

Prepayment: Following conversion, the loan will have standard prepayment (yield maintenance) penalties. Prior to conversion, there are no break fees.
Unless extended by the Bank at its sole discretion, the preliminary terms contained in this proposal shall automatically expire December 31, 2019, and are subject to receipt, review and acceptance of all due diligence materials by BBVA Compass. BBVA Compass cannot issue a legally binding lending commitment until formal credit approval has been obtained.

BBVA Compass wishes to thank you for the opportunity to provide financing for this project. If you have any questions, please feel free to contact me at 713-966-2303.

Sincerely,

[Signature]

Ken L. Overshiner
Senior Vice President,
Community Development Capital
February 26, 2019

Carver Ridge Apartments, LP
Attn: Ben Mitchell
1329 East Lark Street
Springfield, MO 65804

Re: Carver Ridge Apartments, Midland, Texas

Dear Ben,

I have received and reviewed the 15 year pro forma for Carver Ridge Apartments. The attached 15 year pro forma was prepared by Carver Ridge Apartments, LP, the applicant, and indicates that the development would maintain no less than a 1.15 debt coverage ratio throughout the initial fifteen years of operation following stabilization. The proforma is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the current underwriting parameters of BBVA Compass and consistent with the loan terms indicated in the term sheet. These projections, which indicate that the Development is expected to be feasible for fifteen years, are made based upon the preliminary information provided by the borrower, and are subject to further due diligence review and revision by BBVA Compass.

Additionally, BBVA Compass has performed a preliminary review of the credit worthiness of Carver Ridge Apartments, LP, and its principals, VCZ Development LLC and Vaughn C. Zimmerman Updated Revocable Trust. At this time, BBVA Compass has no reservations with Carver Ridge Apartments, LP, or any of the principals or guarantors of the borrower. We anticipate no additional guarantors or financial strength will be needed to facilitate a loan to this borrower, other than those requirements disclosed herein.

Please be advised that this letter does not represent a commitment by BBVA Compass to provide financing for the Development, nor an offer to commit. Any such commitment would be subject to receipt and satisfactory review of all then-current due diligence materials required by BBVA Compass.

If you should have any questions, please feel free to contact me at 713-966-2303.

Sincerely,

[Signature]

Ken L. Overshiner
Senior Vice President
Community Development Capital

BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC.
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

<table>
<thead>
<tr>
<th>INCOME</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$755,012</td>
<td>$780,312</td>
<td>$795,518</td>
<td>$811,837</td>
<td>$828,074</td>
<td>$514,260</td>
<td>$1,009,417</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>$7,200</td>
<td>$7,344</td>
<td>$7,491</td>
<td>$7,641</td>
<td>$7,794</td>
<td>$8,055</td>
<td>$9,500</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$772,212</td>
<td>$787,656</td>
<td>$803,009</td>
<td>$819,478</td>
<td>$835,867</td>
<td>$522,855</td>
<td>$1,018,917</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($57,916)</td>
<td>($59,074)</td>
<td>($60,256)</td>
<td>($61,461)</td>
<td>($62,680)</td>
<td>($69,215)</td>
<td>($76,419)</td>
</tr>
<tr>
<td>Rental Concessions</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$714,296</td>
<td>$728,582</td>
<td>$743,154</td>
<td>$758,017</td>
<td>$773,177</td>
<td>$553,650</td>
<td>$942,499</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Administrative Expenses</td>
<td>$21,035</td>
<td>$21,666</td>
<td>$22,316</td>
<td>$22,986</td>
<td>$23,675</td>
<td>$27,446</td>
<td>$31,817</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$35,715</td>
<td>$36,429</td>
<td>$37,153</td>
<td>$37,891</td>
<td>$38,659</td>
<td>$42,683</td>
<td>$47,125</td>
</tr>
<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits</td>
<td>$62,800</td>
<td>$64,787</td>
<td>$66,761</td>
<td>$68,733</td>
<td>$70,795</td>
<td>$82,070</td>
<td>$95,142</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>$44,250</td>
<td>$45,578</td>
<td>$46,948</td>
<td>$48,353</td>
<td>$49,804</td>
<td>$57,736</td>
<td>$66,932</td>
</tr>
<tr>
<td>Electric &amp; Gas Utilities</td>
<td>$12,500</td>
<td>$12,875</td>
<td>$13,261</td>
<td>$13,659</td>
<td>$14,069</td>
<td>$16,310</td>
<td>$18,307</td>
</tr>
<tr>
<td>Water, Sewer &amp; Trash Utilities</td>
<td>$34,500</td>
<td>$35,353</td>
<td>$36,601</td>
<td>$37,959</td>
<td>$38,830</td>
<td>$45,015</td>
<td>$51,184</td>
</tr>
<tr>
<td>Annual Property Insurance Premiums</td>
<td>$15,000</td>
<td>$15,450</td>
<td>$15,914</td>
<td>$16,391</td>
<td>$16,883</td>
<td>$19,572</td>
<td>$22,689</td>
</tr>
<tr>
<td>Property Tax</td>
<td>$32,500</td>
<td>$33,475</td>
<td>$34,479</td>
<td>$35,514</td>
<td>$36,579</td>
<td>$42,405</td>
<td>$49,159</td>
</tr>
<tr>
<td>Reserve for Replacements</td>
<td>$15,000</td>
<td>$15,450</td>
<td>$15,914</td>
<td>$16,391</td>
<td>$16,883</td>
<td>$15,572</td>
<td>$22,689</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$14,600</td>
<td>$15,038</td>
<td>$15,483</td>
<td>$15,935</td>
<td>$16,432</td>
<td>$15,950</td>
<td>$21,084</td>
</tr>
<tr>
<td>TOTAL ANNUAL EXPENSES</td>
<td>$288,000</td>
<td>$296,823</td>
<td>$304,607</td>
<td>$313,580</td>
<td>$322,608</td>
<td>$371,857</td>
<td>$428,729</td>
</tr>
<tr>
<td>NET OPERATING INCOME</td>
<td>$426,296</td>
<td>$432,299</td>
<td>$438,347</td>
<td>$444,547</td>
<td>$450,569</td>
<td>$481,793</td>
<td>$553,770</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEBT SERVICE</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Deed of Trust Annual Loan Payment</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
</tr>
<tr>
<td>Second Deed of Trust Annual Loan Payment</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
</tr>
<tr>
<td>Third Deed of Trust Annual Loan Payment</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
<td>$347,140</td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
<td>$347,140</td>
<td>$347,140</td>
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<td>Other Annual Required Payment</td>
<td>$347,140</td>
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<tr>
<td>ANNUAL NET CASH FLOW</td>
<td>$79,156</td>
<td>$85,159</td>
<td>$91,207</td>
<td>$97,297</td>
<td>$103,429</td>
<td>$134,653</td>
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<td>CUMULATIVE NET CASH FLOW</td>
<td>$79,156</td>
<td>$164,315</td>
<td>$255,522</td>
<td>$352,819</td>
<td>$456,248</td>
<td>$1,051,452</td>
<td>$1,804,657</td>
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<tr>
<td>Debt Coverage Ratio</td>
<td>1.23</td>
<td>1.25</td>
<td>1.26</td>
<td>1.28</td>
<td>1.30</td>
<td>1.39</td>
<td>1.48</td>
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<tr>
<td>Asset Management Fee</td>
<td>$4,000</td>
<td>$4,120</td>
<td>$4,244</td>
<td>$4,371</td>
<td>$4,502</td>
<td>$5,219</td>
<td>$6,050</td>
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<tr>
<td>Deferred Developer Fee</td>
<td>12,307</td>
<td></td>
<td></td>
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</tbody>
</table>

By signing below I (we) are certifying that the above 15-Year pro forma is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminary considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under $119(e)(1) relating to Financial Feasibility)

Ken Overshiner
Printed Name
Phone: (713) 965-2303
Email: ken.overshiner@bbva.com

Date: 2/28/2019

Signature, Authorized Representative, Construction or Permanent Lender

James Dunton
Printed Name

Date

Signature, Authorized Representative, Syndicator
VCZ Albatross Development, LLC

February 27, 2019

RE: Carver Ridge; Midland, Texas

To Whom It May Concern:

VCZ Albatross Development, LLC, the Developer for Carver Ridge Apartments, LP agrees to defer $12,307 of its developer fee or any other amount necessary to create sufficient sources to pay all uses.

VCZ Albatross Development, LLC

[Signature]

Vaughn C. Zimmerman, a member
February 28, 2019

Vaughn C. Zimmerman
VCZ Albatross Development, LLC
1329 E Lark
Springfield, MO 65804

Re: Partnership: Carver Ridge Apartments, LP
    Property Name: Carver Ridge
    City/State: Midland, TX

Dear Vaughn:

This letter will confirm our agreement ("Agreement") whereby Raymond James Tax Credit Funds, Inc. ("RJTCF") shall attempt to effect a closing ("Closing") of an investment by a Fund sponsored by RJTCF (the "RJTCF Fund") in the above named partnership ("Partnership") on the assumptions, terms, and conditions contained in this letter, or such other assumptions, terms and conditions as are acceptable to you, RJTCF and the RJTCF Fund.

CURRENT ASSUMPTIONS:

I. DESCRIPTION OF THE PROJECT AND THE INVESTMENT.

   A. Project:

       1. New Construction
       2. Units: 60
       4. Estimated Construction Completion Date: September 2020.
       5. Estimated 100% Occupancy Date: May 2021.
       6. Set-aside Requirements: Five of the units must be leased at 30% or less than median income, ten of the units must be leased at 50% or less than median income, thirty-five of the units must be leased at 60% or less than median income and ten units may be leased as market rate units.
       7. Rental Assistance:
          a. Number Of Units: N/A.
          b. Amount: N/A.
          c. Term: N/A.
          d. Source: N/A.
       8. Management:
          b. Management Fee: 5.0% of gross collected rents.
       9. General Contractor: Zimmerman Properties Construction, LLC.

   B. Tax Credit Information:

       1. Assumed Partnership Annual Credits: $897,000.
       2. The RJTCF Fund’s Share of Partnership Annual Credits: 99.99%
       3. Assumed the RJTCF Fund ’s Annual Credits: $896,910

Raymond James Tax Credit Funds, Inc.
A Subsidiary of Raymond James Financial, Inc.
880 Carillon Parkway • St. Petersburg, FL 33716
800-438-8088 • 727-567-8455 Fax
rjcf.com
4. **Applicable Fraction:** 83.33%
5. **Applicable Percentage:** 9.00%
6. **First Credit Year:** 2020.

**C. Equity Investment:**

1. Estimated $0.99 per dollar of the RJTCF Fund’s Credits ("Credit Price"), subject to market conditions and availability of funds.

2. The RJTCF Fund’s Estimated Total Capital: $8,072,193.
   Note that the RJTCF Fund’s estimated actual contributions are based on actual credits delivered. If actual RJTCF Fund Credits are less than the assumed amount, estimated capital contributions will be reduced by the shortfall times the Credit Price. If actual The RJTCF Fund Credits are greater than the assumed amount ("Excess Credits"), then the RJTCF Fund estimated Capital Contributions will be increased by an amount equal to the Excess Credits times the Credit Price up to 105% of the Estimated Total Capital, unless such increase is attributable to an additional reservation of Credits. The RJTCF Fund will specify under which terms it will purchase any Excess Credits attributable to an additional reservation of Credits, and/or those that would otherwise cause capital contributions to exceed 105% of the Estimated Total Capital. The General Partners can accept or reject those terms. Any Excess Credits that the RJTCF Fund is unwilling to buy or that the General Partners are unwilling to sell at the price specified by the RJTCF Fund shall be allocated to the General Partners.

3. **Installment Payment of Estimated Capital Contributions:**
   a. $807,219 (10%) at Closing of which $40,000 shall be paid to RJTCF as reimbursement of expenses incurred in connection with due diligence
   b. $6,457,754 (80%) at Construction Completion
   c. $807,219 (10%) at Stabilized Operations ("Stabilization Capital Contribution"), of which $25,000 may be held back and paid when all required tax filing information and Forms 8609 are received and audited financials for the year of Breakeven Operations are available.

   All payments will be subject to various deliveries required by the RJTCF Fund as described in the definitive documents, including without limitation, updates of representations and warranties previously given to the RJTCF Fund.

4. **Timing Adjusters:**
The capital contribution of the RJTCF Fund shall be reduced by 70% of the shortfall between the Credits actually delivered and the Credits assumed to be delivered in 2020 and 2021. Currently, it is assumed that the Partnership will deliver $300,000 of Credits in 2020 and the Maximum Amount of Credits in 2021. The capital contribution of the RJTCF Fund shall be adjusted if and to the extent that the RJTCF Fund is admitted after Credits have begun to run by an amount equal to the credits not received by the RJTCF Fund times the credit price.

**D. Allocation of Distributions:**
1. **Asset Management Fee:** The RJTCF Fund shall receive an annual asset management fee of $4,000, increasing at 4% per year prior to any cash distributions. The Asset Management Fee shall begin once the Project has been placed in service and shall be prorated for the year that the Project is placed in service. The fee shall be cumulative to the extent unpaid in any year and shall be payable from sale proceeds of the property to the extent not previously paid. The fee must be paid in order for the Partnership to remain Current; thus, if cash flow is not sufficient to pay the fee, it shall be paid from available reserves or from loans made by the General Partner or Guarantors under the Operating Deficit Guaranty.

2. **Cash From Operations:** Cash available to be distributed after paying Partnership expenses, funding the Replacement Reserve, and maintaining working capital reserves. Cash From Operations shall be allocated in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including amounts to be paid under Tax Credit Guaranty;
   b. To replenish the Operating Reserve if the balance therein is less than the Operating Reserve Minimum;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. 89.99% to the General Partners as an incentive management fee;
   f. The balance 0.01% to the General Partners, and 99.99% to the RJTCF Fund.

   In all events, the RJTCF Fund must receive at least 10% of the amount available for distributions to partners and payment of incentive management fees to the General Partners.

3. **Cash From Sale or Refinancing:** Proceeds available after paying all debts and liabilities and establishing any required reserves shall be allocated in accordance with capital accounts, in the following order:

   a. To the RJTCF Fund to the extent of any amounts owed, including unpaid amounts under Tax Credit Guaranty;
   b. To pay any accrued but unpaid Asset Management Fee;
   c. To the Developer to pay any unpaid Deferred Development Fee;
   d. To the General Partners or Guarantors to repay any loans due under the Operating Deficit Guaranty;
   e. The balance, 90% to the General Partners and 10% to the RJTCF Fund

   The distribution of Cash From Sale or Refinancing shall be subject to the requirement of the Internal Revenue Code that liquidating distributions be made in accordance with capital accounts.

E. **Allocations of Profits and Losses:**

1. **Operating Profits and Losses:** 99.99% RJTCF Fund; 0.01% General Partner.
2. **Credits and Depreciation:** 99.99% RJTCF Fund; 0.01% General Partner.
3. Gain or Loss on Sale: So as to bring the capital accounts into the ratios that will allow Proceeds of Sale to be distributed 90% to the General Partners and 10% to the RJTCF Fund, to the extent possible given the requirements of the Internal Revenue Code and the Treasury Regulations.

4. Operating Losses Prior to Credit Delivery: At the discretion of the RJTCF Fund, Operating Losses attributable to the period prior to the start of Credit delivery may be specially allocated to the General Partners.

F. Developer and Development Fee:

1. Developer: VCZ Albatross Development, LLC
2. Estimated Development Fee: $1,266,000.
3. Development Fee is currently estimated to be paid as follows:
   a. $125,000 at Closing.
   b. $125,000 at Construction Completion
   c. The balance at Stabilized Operations.

   If necessary, part of the development fee, not to exceed $200,000, will be deferred beyond the date of the RJTCF Fund’s final capital contribution installment, without interest, and shall be paid in accordance with the terms of allocations of Cash From Operations and Cash from Sale or Refinancing or, if not paid within 15 years after placed-in-service date, from General Partners’ capital as described below. It is currently estimated that there will be a deferred development fee in the amount of $12,307.

G. Reserves:

1. Replacement Reserve: $15,000 per year ($250/unit) beginning at the earlier of six months after completion of construction or the first month of Stabilized Operations, increased by 3% per year thereafter. In the aggregate, no more than $10,000 will be withdrawn from the Replacement Reserve in any calendar year without the approval of the RJTCF Fund.

2. Lease-up Reserve: $140,400, to be funded at the second capital contribution. The Lease-up Reserve shall be used to fund operating deficits prior to the Stabilization Capital Contribution. To the extent that funds remain in the Lease-Up Reserve after such contribution, these funds will be transferred to the Operating Reserve to meet the Operating Reserve Requirement and shall be held therein.

3. Operating Reserve: $317,570. The operating reserve account (the “Operating Reserve Account”) shall be established with a lending institution, acceptable to the Limited Partner, and such Operating Reserve Account shall be funded at the time of the funding of the Stabilization Capital Contribution in an amount equal to $317,570, all of which may be held by the Permanent Lender. Such Operating Reserve Account shall be maintained for the duration of the Compliance Period (after which, funds on deposit may be released and distributed as Net Cash Flow) and shall be used exclusively to pay for Operating Deficits incurred by the Partnership after the date of the Stabilization Capital Contribution; provided however, that all withdrawals from the Operating Reserve Account that would cause aggregate draws in any one fiscal year to exceed $10,000.00 shall be made only with the Consent of the Limited Partner, which shall not be unreasonably withheld, delayed or conditioned. Notwithstanding anything to the contrary
contained herein, should the balance in the Operating Reserve Account fall below $100,000 (the "Operating Reserve Minimum"), Net Cash Flow on each Payment Date will be deposited in the Operating Reserve Account to maintain such minimum balance.

H. Obligations of General Partners:

1. General Partners: Carver Ridge Housing, LLC.
2. General Partners’ Capital: $0 (estimate).
3. The General Partners agree that to the extent any deferred development fee has not been repaid from cash flow at the end of twelve years from the date the property is placed in service (or at the time of removal of the General Partners), they will contribute sufficient capital so that the partnership can pay any amount of the deferred fee outstanding at that time.
4. Guaranties:
   a. Completion Guaranty – The General Partners will guarantee lien-free completion of the Property and will pay any of the below costs that are in excess of the allowed sources of funds (including any allowed deferred development fee). Such costs include costs to:

   (1) acquire the Property and complete construction substantially in accordance with plans and specifications and free from any defects;
   (2) pay all acquisition and construction costs, including any construction period interest, costs, fees, and reserves; and
   (3) pay all operating expenses, debt service and capital maintenance items that exceed rental and other income through the date the RJTCEF Fund makes its final capital contribution.

Any excess costs will not be considered loans or capital contributions. General Partners will also advance funds as needed during construction if proceeds of financing and/or capital contributions are not yet available to pay such costs. Such advances will be repaid, without interest, once such sources of funds become available.

The General Partners will also guaranty that the permanent financing will close and that the debt service on the permanent financing will not exceed an amount that would allow the Partnership to achieve Stabilized Operations within a reasonable time. Any reduction in principal amount of, or interest rate on, the permanent financing necessary to achieve Stabilized Operations will be considered an excess cost to be funded under the Completion Guaranty.

In the event that certain events occur, the RJTCEF Fund shall have the right to require the General Partners to repurchase the RJTCEF Fund’s interest for a price that returns 110% of its investment to date plus interest and any tax liability attributable to such payment. Examples of such events include failure to complete construction, achieve breakeven operations or achieve Stabilized Operations by agreed-upon dates, failure to replace withdrawn commitments for, or close, permanent financing,
loss of rental assistance, failure to qualify for at least seventy (70%) of the expected Credits, etc.

b. **Tax Credit Guaranty** – Guaranty that expected Credits will be available to the RJTCF Fund and Credits taken will not be recaptured. If the actual annual Credits available to the RJTCF Fund in any year are lower than the Credits expected, the General Partners shall reimburse the RJTCF Fund for the shortfall on a dollar for dollar basis. If it is determined that the shortfall in Credits will apply to future years as well, General Partners will refund an amount equal to the present value of those future credits. If the RJTCF Fund is subject to recapture (including disallowance of credits) of previously claimed credits, the General Partners shall reimburse the RJTCF Fund for its recapture amount. To the extent that payments in respect of the Tax Credit Guaranty are taxable, the payments shall be grossed-up to reimburse the RJTCF Fund for the tax liability.

This guaranty shall apply to a period that ends at the end of the LIHTC compliance period.

The General Partners will not be obligated if the reduction in the amount of Credits or recapture is a result of a change in the tax law or the disposition by the RJTCF Fund of its interest.

To the extent that payments under the Tax Credit Guaranty are not made or are insufficient to compensate the RJTCF Fund for amounts due the RJTCF Fund as a result of reduced or recaptured Credits, the amounts, plus interest, will be paid as a priority from all available cash, including Cash From Operations or Sale Proceeds.

c. **Operating Deficit Guaranty** – Guaranty that the Partnership will have sufficient funds to remain current in its obligations during a specified period and that General Partners will make subordinated, interest-free loans to the Partnership to the extent necessary to meet obligations, including Asset Management Fee, debt service and the funding of reserves, for the entire 15 year LIHTC compliance period.

General Partners shall also be responsible throughout the entire Compliance Period for deficits attributable to the failure to obtain or the loss of any property tax abatement expected to be received by the Project.

Operating deficit loans shall not bear interest and shall be payable on a subordinated basis from available cash, including Cash from Operations and Sale Proceeds.

The maximum obligations of the General Partners under this Operating Deficit Guaranty will not exceed RJTCF’s Total Payments.

1. **Obligations of the Guarantors:**

2. Guarantors guarantee that the General Partners will perform all of their obligations under the partnership agreement, including, without limitation, guaranties, repurchase obligations and the obligation to make a capital contribution as and when required to pay deferred development fee.

J. **Intentionally Deleted.**

K. **Financing:**

1. Construction Financing
   a. Lender: BBVA Compass Bank.
   b. Amount: $10,475,000.
   c. Rate: 6.00% (estimate) Interest-only.
   d. Terms: 24 months.
   e. Maturity: TBD.

2. Permanent Financing - First Mortgage
   a. Not to Exceed Amount: $4,825,000.
   b. Lender: BBVA Compass Bank.
   c. Funds at Stabilization.
   d. Non recourse.
   e. Not tax-exempt bond financed.
   f. Term (years): 15.
   g. Amortization period (years): 30.
   h. Interest rate: 6.00%.
      i. Fixed.
      ii. Annual payment: Not to exceed $347,140.
   i. Prepayment provisions: None (penalties, etc.)

L. **Additional Financing.**

1. Local Community Grant – City of Midland will donate $500 at completion.

M. **Schedules.**

The following preliminary schedules have been prepared by RJTCF to reflect its understanding of the transaction. These schedules will be finalized based on due diligence and become a part of the definitive documentation described below:

1. Sources and Uses of Funds schedule (reflecting conditions at completion) is attached as Schedule A.
2. Construction Sources and Uses of Funds is attached as Schedule B.
3. Pro Forma Operating Budget is attached as Schedule C.

N. **Definitive Documents**

All of the terms and conditions of the investment shall be set forth in definitive documents to be negotiated by the parties including but not limited to an Amended and Restated Agreement of Limited Partnership, together with certain closing exhibits (including various Guaranty Agreements). Such documents shall be consistent with the terms and conditions set forth in this letter with such changes as
the parties may agree are appropriate. Once executed, the definitive documents shall supersede this letter, which shall be of no further force or effect. RJTCF will begin preparation of the definitive documents upon the completion of our due diligence to our satisfaction, as determined in our sole discretion.

II. INFORMATION REQUIRED BY THE RJTCF FUND - DUE DILIGENCE AND REPORTING REQUIREMENTS

The specific information required by the RJTCF Fund prior to Closing, as a condition of making its capital contribution, and on an ongoing basis throughout the term of the Partnership, are as follows:

A. Before closing, the RJTCF Fund will require receipt of those items set forth in Appendix A.
B. Before making its various capital contribution installments, the RJTCF Fund will require receipt of those items set forth in Appendix B.
C. The RJTCF Fund will require reports from time to time, as described in Appendix C.

III. THE RJTCF FUND EXIT RIGHTS

The RJTCF Fund shall have the right to require the General Partners to acquire its interest after the end of the compliance period for a price equal to the amount the RJTCF Fund would receive if the Partnership sold the Project at fair market value, paid its debts and distributed the remaining assets in accordance with the provisions relating to distribution of sales proceeds. If the General Partners fail to acquire the RJTCF Fund's interest, then the RJTCF Fund shall have the right, without the concurrence of the General Partners, to order a sale of the Project.

IV. OTHER ASSUMPTIONS TO CLOSING

1. Prior to Closing, there shall have been no changes in tax laws or Treasury pronouncements, or changes in interpretations of existing tax issues that would materially and adversely affect this investment.
2. In the event an investment in the Partnership requires HUD Previous Participation Certification (HUD Form 2530), the ability of the RJTCF Fund and its investor members to request and obtain HUD 2530 approval in accordance with the electronic filing requirements promulgated by HUD.
3. RJTCF and the RJTCF Fund's review and approval in its sole discretion of all due diligence materials, including the construction and permanent loan commitments, proposed extended use agreement, real estate, plans and specifications, market study (including any additional market studies determined by the RJTCF Fund and the fund to be necessary - at the Partnership's expense), basis for the Credits, operating budgets, construction and lease-up budgets, current financial statements of the General Partners, other guarantors and their affiliates, verification of background information to be provided by the General Partners and their affiliates, and references to be provided by the General Partners.
4. Satisfactory inspection of the property by RJTCF and the RJTCF Fund investors.
5. Approval by the Investment Committee of RJTCF and the RJTCF Fund investors of the terms and conditions of the investment in their sole discretion based on then current market conditions.
6. Availability of investment funds.
7. The negotiation of definitive documents as described herein (and this Agreement shall terminate if all such documents are not executed and delivered by the Closing date).
V. TERM

The initial term of this Agreement shall be for a period of nine months from the date of this letter, with a closing (Closing Date) no later than December 15, 2019, providing that either party may terminate this Agreement by giving the other party at least 30 days written notice and both parties can agree in writing to an extension. If due diligence activities and negotiation of definitive documents continue beyond termination of this Agreement, the parties shall not be bound hereunder, but only to the extent provided in definitive documents or other written agreements that are actually executed and delivered.

VI. EXCLUSIVITY

You acknowledge that RJTCF Fund will expend significant effort and expense, and may forego other investment opportunities, in connection with its best efforts to effect a Closing. You agree that you will not solicit or entertain any offers by other parties to acquire an equity interest in the Partnership during the Term of this Agreement. Furthermore, you agree to reimburse RJTCF Fund for due diligence expenses, up to a maximum of $10,000, if you violate the conditions set forth herein.

VII. FEES

At the Closing, the Partnership shall pay $40,000 or greater negotiated amount to the RJTCF Fund for the costs associated with the due diligence process and preparation of Partnership documents and legal opinions. A higher amount may be appropriate, for example, if the RJTCF Fund undertakes significant work to obtain the title policy, close complicated financings, etc. Such additional charges are subject to negotiation and no amount greater than $40,000 will be incurred or due to the RJTCF Fund from the Partnership without your agreement. At the Investor’s request, and at Partnership expense, the legal opinion(s) must be updated or reissued after Admission to assure continued accuracy of the legal conclusions set forth in such opinions. You will be responsible for payment of the $40,000 or greater agreed upon fee if the Investment does not close for any reason other than the transaction does not close by the Closing Date or any agreed upon extension.

VIII. CONFIDENTIALITY

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed to any third party except those who are in a confidential relationship with you, or where the same is required by law.
IX. ACCEPTANCE

If these terms and conditions are acceptable to you, please sign and return one copy of this memorandum. If not accepted by March 15, 2019, this offer shall terminate.

By acceptance of this letter, you authorize Raymond James Tax Credit Funds, Inc. to make any credit inquiries that we may deem necessary as part of our underwriting process. These credit inquiries may be performed on the General Partners, Guarantors, or any significant business operation of General Partners or Guarantors. This authorization also applies to follow-up credit inquiries that we may deem necessary after our admission to the Partnership.

For more than 25 years Raymond James Tax Credit Funds and our affiliates have been involved with the development of affordable housing. We have provided equity for more than 1,900 properties nationwide. We look forward to working with you again.

Sincerely,

[Signature]

James Dunton
VP - Director of Acquisitions
Raymond James Tax Credit Funds, Inc.

Accepted:

[Signature]
By: General Partner
Date: 2/23/19

[Signature]
By: Guarantor
Date: 2/23/19
RESOLUTION NO. 2012-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIDLAND, SUPPORTING THE PROPOSED DEVELOPMENT OF AFFORDABLE HOUSING APARTMENTS AND CONFIRMING THAT THE CITY SHALL PROVIDE AN LOAN GRANT, REDUCED FEE OR CONTRIBUTION OF $500.00 FOR SUCH DEVELOPMENT; THE APPLICANT IS CARVER RIDGE APARTMENTS, LP; THE PROPOSED DEVELOPMENT IS LOCATED AT 1301 E. DORMARD AVENUE, MIDLAND, TEXAS 79705; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

WHEREAS, Carver Ridge Apartments, LP, has proposed a development for affordable rental housing located at 1301 East Dormard Avenue – Midland in Midland County, Texas; and

WHEREAS, Carver Ridge Apartments, LP, has advised that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2019 9% Competitive Housing Tax Credits for proposed development; and

WHEREAS, the City of Midland seeks to support the development of affordable housing within the city limits;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the City of Midland, Texas, acting through its governing body, hereby confirms that it supports the proposed development to be located at 1301 East Dormard Avenue, Midland, Texas.

SECTION TWO. That, for and on behalf of the governing body of the City of Midland, Texas, the City Secretary is hereby authorized, empowered and directed to certify these resolutions and the City Manager or its designee is hereby authorized, empowered and directed to sign a letter related to the funding commitment to TDHCA.

SECTION THREE. That the City of Midland, Texas, acting through its governing
body, hereby confirms that it shall provide a loan, grant, reduced fee or contribution of other
value in the amount of $500.00 to Carver Ridge Apartments, LP, Midland, Texas 79701.

On motion of Council member ______ Love____, seconded by Council member
____ Hotchkiss_____, the above and foregoing resolution was adopted by the City Council of the
City of Midland at a regular meeting on the ______ 22nd ______ day of ______ January____, A.D., 2019 by
the following vote:

Council members voting “AYE”: Trost, Hotchkiss, Love, Morales, Dufford, Lacy, Robnett

Council members voting “NAY”: None

ATTEST

_________________________
Amy M. Turner, City Secretary

RECOMMENDED AND APPROVED:

_________________________
Courtney Sharp, City Manager

APPROVED AS TO CONTENT
AND COMPLETENESS:

_________________________
Charles Harrington, Development Services Director
APPROVED ONLY AS TO FORM:

[Signature]

John Gillemiller, City Attorney
CERTIFICATION

THE STATE OF TEXAS
COUNTY OF MIDLAND

I, SueAnn Reyes, Deputy City Secretary of the City of Midland, Midland County, Texas, do hereby certify that the following is a true and correct copy of a Resolution styled:

RESOLUTION NO. 2019-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIDLAND, SUPPORTING THE PROPOSED DEVELOPMENT OF AFFORDABLE HOUSING APARTMENTS AND CONFIRMING THAT THE CITY SHALL PROVIDE A LOAN, GRANT, REDUCED FEE OR CONTRIBUTION OF $500.00 FOR SUCH DEVELOPMENT; THE APPLICANT IS CARVER RIDGE APARTMENTS, LP; THE PROPOSED DEVELOPMENT IS LOCATED AT 1301 E. DORMARD AVENUE, MIDLAND, TEXAS 79705; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

which was duly passed and approved at a regular meeting of the City Council of said City on the 22nd day of January, 2019, showing those present and the motions and votes made and taken in connection with said Resolution on file in this office.

WITNESS my hand and seal of said City this the 29th day of January, 2019.

SueAnn Reyes, Deputy City Secretary
Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to two (2) points provided the ownership structure meets one of the following requirements in parts 1 OR 2 below;

1. Application is attempting to score as a Qualified Nonprofit or certified HUB with ownership interest and material participation and meets the criteria below:

   - If attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside
   - If attempting to score as a certified HUB, evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab
   - The Qualified Nonprofit or certified HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 50% and no less than 5% for any category.

   - Ownership Interest: **20.00%**
   - Cash flow from operations: **20.00%**
   - Developer Fee: **10.00%**

   - Total: **50.00%** (Must equal at least 50% regardless of structure)

   - The Qualified Nonprofit or certified HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period.

   - A detailed narrative describing how that material participation will be achieved is included.

   - The Qualified Nonprofit or certified HUB has experience directly related to the housing industry.

   - A detailed narrative describing experience in each category is included.

   - Mark all that apply

     - Property Management
     - Construction
     - Development
     - Financing
     - Compliance

   - No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.

   - Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

   Points Claimed: **2**

2. Application is attempting to score as a participating Nonprofit or certified HUB and meets the criteria below:

   - A certified HUB will participate in Development Services or provide onsite tenant services, and evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab.

   - A Nonprofit will participate in Development Services or provide onsite tenant services, and evidence from a state or federal source of the organization’s nonprofit status is provided behind this Tab.

   - Evidence of experience in the provision of Development Services or in the provision of on-site tenant services as well as a detailed narrative describing how the HUB or Nonprofit will provide such services must be included behind this tab.

   Points Claimed: **0**

   Total Points Claimed: **2**
The Texas Comptroller of Public Accounts (CPA) administers the Statewide Historically Underutilized Business (HUB) Program for the State of Texas, which includes certifying minority and woman-owned businesses as HUBs and is designed to facilitate the participation of minority and woman-owned businesses in state agency procurement opportunities.

We are pleased to inform you that your application for certification/re-certification as a HUB has been approved. Your company’s profile is listed in the State of Texas HUB Directory and may be viewed online at http://www.window.state.tx.us/procurement/cmbl/hubonly.html. Provided that your company continues to meet HUB eligibility requirements, the enclosed HUB certificate is valid for four years.

You must notify the HUB Program in writing of any changes affecting your company’s compliance with the HUB eligibility requirements, including changes in ownership, day-to-day management, control and/or principal place of business. Note: Any changes made to your company’s information may require the HUB Program to re-evaluate your company’s eligibility.

Please reference the enclosed pamphlet for additional resources, such as the state’s Centralized Master Bidders List (CMBL), that can increase your chance of doing business with the state.

Thank you for your participation in the HUB Program! If you have any questions, you may contact a HUB Program representative at 512-463-5872 or toll-free in Texas at 1-888-863-5881.

Texas Historically Underutilized Business (HUB) Certificate

Certificate/VID Number: 1454077231700
File/Vendor Number: 473619
Approval Date: 03-DEC-2015
Scheduled Expiration Date: 03-DEC-2019

The Texas Comptroller of Public Accounts (CPA), hereby certifies that

ALBATROSS DEVELOPMENT, LLC

has successfully met the established requirements of the State of Texas Historically Underutilized Business (HUB) Program to be recognized as a HUB. This certificate printed 04-DEC-2015, supersedes any registration and certificate previously issued by the HUB Program. If there are any changes regarding the information (i.e., business structure, ownership, day-to-day management, operational control, business location) provided in the submission of the business’ application for registration/certification as a HUB, you must immediately (within 30 days of such changes) notify the HUB Program in writing. The CPA reserves the right to conduct a compliance review at any time to confirm HUB eligibility. HUB certification may be suspended or revoked upon findings of ineligibility.

Paul Gibson, Statewide HUB Program Manager
Texas Procurement and Support Services

Note: In order for State agencies and institutions of higher education (universities) to be credited for utilizing this business as a HUB, they must award payment under the Certificate/VID Number identified above. Agencies and universities are encouraged to validate HUB certification prior to issuing a notice of award by accessing the Internet (http://www.window.state.tx.us/procurement/cmbl/cmbilhub.html) or by contacting the HUB Program at 1-888-863-5881 or 512-463-5872.
Albatross Development is a fully integrated advocate for the creation of multifamily communities. Established in 2011 with the goal of producing superior communities, the principal, Sandy Watson, has a total of over 17 years in the real estate industry. Her extensive experience in selecting solid real estate markets and product design has allowed her to assemble a team of dedicated development professionals devoted to the design, financing, construction and management of the highest quality affordable living available.

Albatross Development concentrates its development efforts on families and seniors for those living on moderate or fixed incomes. By utilizing financing structures such as Housing Tax Credits (HTC), Tax Exempt Mortgage Backed Revenue Bonds, grant and subsidies from other federal, state and local municipalities, Albatross is able to create luxury apartment communities with high-end amenities, yet lease them at affordable rates.

Because the company's focus is based on sound real estate principles, the proposed market for an Albatross property is scrutinized in detail to ascertain feasibility. All communities are analyzed from a long-term perspective, and the Albatross team has designed proven and effective systems for successful development. Particular attention is paid to the employment, economic and demographic characteristics in determining the viability and depth of each market. In addition to the due diligence from a market standpoint, Albatross also takes into consideration the physical components of each project. Each specific site is chosen for its unique features to allow for a prime location and ease of development. Product type is another key factor, and Albatross specializes in responding to the varying demands of any location while utilizing cost effective designs and market-oriented amenities.

Albatross is committed and can guarantee that genuine concern, care and consideration is given to provide the absolute best living environment and amenities to the residents of its community. Their mission is to develop a sustainable community that residents can take pride in, and city leaders can be proud of.
Sandy Watson
5822 Gallant Run Ln., Frisco, Texas 75033
Phone: 512.971.9866 Fax: 512.961.8048 E-Mail: SWatson@AlbatrossDevelopment.com

Profile
President and Owner of Albatross Development, specializing in LIHTC development, reconstruction and qualified site selection. Experienced Multi-site Senior Property Manager known for maximizing NOI, and minimizing turnover. 12 years of REIT management experience, with strong financial analysis and forecasting abilities. Seasoned contract negotiator with a history of developing effective client relationships while promoting marketing initiatives. Recognized for attention to detail. Appointed to the National Board of Customer Service for Gables Residential.

Experience
Albatross Development, Frisco, TX 2011-Current
President, Owner Developer

Since the inception of Albatross Development, Sandy Watson has originated and developed over 1,000 apartment units throughout the State of Texas. Participation includes originations, LIHTC applications, financing, development, construction and asset management.

<table>
<thead>
<tr>
<th>Properties:</th>
<th>City:</th>
<th>Units</th>
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<tbody>
<tr>
<td>Logan’s Pointe</td>
<td>Mt. Vernon</td>
<td>100 Units</td>
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<td>North Grand Villas</td>
<td>Amarillo</td>
<td>142 Units</td>
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<td>Silversage Point at Western C.</td>
<td>Fort Worth</td>
<td>120 Units</td>
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<td>Oak Ridge Apartments</td>
<td>Nolanville</td>
<td>48 Units</td>
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<td>Reserve at McAlister</td>
<td>Fort Worth</td>
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<td>The Vineyard</td>
<td>Lubbock</td>
<td>96 Units</td>
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<td>Reserve at Hagan</td>
<td>Whitehouse</td>
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<td>Kirby Park</td>
<td>San Angelo</td>
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<td>Cascade Villas</td>
<td>Wichita Falls</td>
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<td>Glen Park</td>
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<td>60 Units</td>
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<tr>
<td>Hill Court</td>
<td>Granbury</td>
<td>48 Units</td>
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Licensed Texas Real estate Agent  
License # 54680

Gables Residential, Dallas TX  
Multi Site, Sr. Property Manager

- Create annual budgets, quarterly forecasts, and variance reports.
- Develop positive and effective relationships with vendors and contractors.
- Successfully Leased up Multiple Uptown Dallas Properties.
- Multi-site Supervisor of a 16 member operational team, with a focus on internal training and development.
- Risk Management, Lease Management and Asset Management.
- Marketing Coordinator and Director of Planning Committee.

Southwest Housing Management, Dallas TX  
Marketing Director, Property Manager

- Managed new Construction Lease Up with personally designed marketing campaign.
- Ensured Branding was consistent and effective to meet and exceed performance goals.
- Managed a 248-unit property and maintained 98% occupancy while increasing NOI.
- Ensured LIHTC Compliance at all times.

Equity Residential, Palm Desert California  
Multi Site, Sr. Property Manager

Education

Collin County Jr. College, Plano, TX  
McLennan Jr. College, Waco, TX

Qualifications

MS Windows, Microsoft Office, Outlook, Excel. AMSI, YARDI, RIS, TAA, NALP, Fair Housing Certified, LIHTC Certified. Licensed Texas Real Estate agent # 546801.
MATERIAL PARTICIPATION PLAN

Background

Carver Ridge Apartments, LP, a Missouri limited partnership company (the "Partnership"), will own and operate a housing tax credit residential rental project located in Midland, Midland County, Texas, to be known as Carver Ridge Apartments (the "Project"). Carver Ridge Housing, LLC, a limited liability company ("General Partner") will serve as a managing member of the Partnership. VCZ Development, LLC, a Missouri limited liability company ("Developer") will enter into a development agreement with the Partnership to provide development services for the Project. Albatross Development, LLC, a Texas limited liability company ("HUB") is a historically underutilized business that will materially participate in the development and operation of the Project, and will receive allocations of ownership interests, cash flow, and developer fee for the Project.

The Partnership is applying for points (the "Sponsor Characteristics Points") under Section 11.9(b)(2) of the 2019 Qualified Allocation Plan from the Texas Department of Housing and Community Affairs (the "TDHCA"). This Material Participation Plan sets forth the role of the HUB in the development and operation of the Project, as well as the shares of ownership interests, developer fee, and cash flow to be allocated to the HUB.

Material Participation

During the Compliance Period (as defined in Section 42(i) of the Internal Revenue Code), the HUB (or its successor) shall materially participate in the development and operation of the Project. The HUB shall devote such time and effort as necessary to assist the Developer in the development of the Project and such time and effort as necessary to operate the Project. During the development of and throughout the Compliance Period for the Project, the HUB shall maintain its Certification with the Texas Comptroller of Public Accounts as a HUB.

1. Development of the Project. The HUB will engage in the following activities during the development phase of the Project:
   (i) advise the Developer regarding the design of the Project;
   (ii) review the Project's plans and specifications;
   (iii) assist in the selection of architects and consultants with respect to the development and construction of the Project;
   (iv) assist in obtaining construction financing for the Project; and
   (v) assist in obtaining all local approvals and permits necessary for the construction of the Project.

2. Construction of the Project. The HUB shall engage in the following activities during the construction phase of the Project:
(i) review the submission of construction loan draw requests to the construction lender;

(ii) attend construction progress meetings with the contractor and/or subcontractors;

(iii) review any changes to the Project sources and uses;

(iv) review any changes to the Project completion schedule;

(v) attend meetings with sources of financing, including the construction lender.

3. Operation of the Project. The HUB will materially participate in all aspects of operating the Project throughout the Compliance Period, including the following services:

(i) determine the housing needs of low income families, and the manner in which the Project can be developed in a cost-effective manner to serve such needs;

(ii) coordinate with local service agencies, including housing authorities, welfare and social services departments, churches and other organizations operating for the purpose of assisting low-income families, and advise such agencies about the availability of the Project as desirable housing for low-income families, and promote and encourage such agencies to refer potential residents to the Project;

(iii) consider ways in which the availability of the Project as suitable housing for low income families may be made more widely known in the community;

(iv) obtain information from and consult with low income tenants in the Project as to services which might be provided to such tenants by the Partnership;

(v) obtain information from and consult with residents concerning social and educational services from the community which might be provided at the Project;

(vi) ensure that the Project is developed and operated as a low-income housing project in accordance with Section 42 of the Code and in compliance with TDHCA rules and regulations;

(vii) assist the Developer in securing funding for the Project;

(viii) assist in supervising the management agent for the overall day-to-day management of the Project;

(ix) review the annual operating budget for the Project;

(x) review any changes to the Project's marketing plan or management plan; and
(xi) perform all of its duties as the General Partner of the Partnership as set forth in the partnership agreement with the equity investor.

Ownership, Cash Flow, and Developer Fee

The share of ownership by the HUB will be 30% of the general partner interest in the Partnership. The overall ownership interests in the Partnership will be 99.99% by the investor limited partner and 0.01% by General Partner.

The share of cash flow from operations to be allocated to the HUB will be no less than 10%.

The HUB's share of the developer fee will be no less than 10%.

In no event will the combination of ownership, cash flow from operations, and developer fee shares shall not be less than 50%. In no event will the percentage share for each of these categories (ownership, cash flow, developer fee) be less than 5%.

Conclusion

The HUB will materially participate in major decisions regarding the development, construction, and operation of the Project. The Partnership will allocate ownership interests in the general partner, cash flow shares, and developer fee splits to the HUB that total at least 50%. The share for each of these categories will be at least 5%. At all times the HUB will materially participate and obtain meaningful compensation in the Project. A resume for the HUB is attached to this Material Participation Plan.
Owner and Developer Organization Charts

Applicants should note that subsequent changes to the Development Ownership structure presented in this section will require the written consent of the Department.

Pursuant to §11.204(13)(A) of the QAP, submit three separate charts. One showing the complete organizational structure of each of the following entities: Development Owner, Developer, and Guarantor.

The organization charts must include:

- The names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer, and/or Guarantor.
- Nonprofit entities, public housing authorities, publicly traded corporations, individual board members and executive directors must be included in Organization charts.
- Any and all trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.

In the case of:

(A) Partnerships - Principals include all general Partners and Special LPs (any LP that is not the Syndicator is a "Special LP");

(B) Corporations - Principals include the executive director and all members of the board (shown with "0%" ownership as applicable). For to-be formed instrumentalities of PHAs, where the executive director and board remain to be determined, include the PHA, itself, and its members;

(C) Limited liability companies - Principals include all the managing members and all other members.

Org. Chart Example:

Be advised that the definition of "Control" has been revised. Refer to 10 TAC §11.1(d)(30) to ensure compliance.

ALL Persons who have actual or apparent authority to exercise Control must be identified on the Organizational Chart.

Information about Organizations that will own or control the Applicant or other related organizations will be provided in the List of Organizations with an Ownership Special Interest in the Applicant form.

If a revised chart is submitted, include the date of submission!

Note that the percentage refers to the entity to which the Person is directly connected, not to the whole Development Owner.
APPLICANT / OWNER
Carver Ridge Apartments, LP
a to-be formed Missouri limited partnership
60 units in Midland, Texas

Carver Ridge Housing, LLC
General Partner
.01% - ownership

Raymond James
Limited Partner
99.99% - ownership

VCZ Development, LLC
80% - managing member

Albatross Development, LLC
20% - HUB member

Sandra Lynn Watson
100% - member

Vaughn C. Zimmerman Updated
Revocable Trust
dated 5/5/1995
100% - member

Vaughn C. Zimmerman – sole Trustee
Rebecca A. Zimmerman Updated
Revocable Trust – sole beneficiary
Guarantor
Vaughn C. Zimmerman
Updated Revocable Trust dated 5/5/1995

Vaughn C. Zimmerman – sole Trustee
Rebecca A. Zimmerman Updated
Revocable Trust – sole beneficiary
List of Organizations and Principals

Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive any portion of the developer fee whether by subcontract or otherwise, except if the Person is acting as a consultant with no Control. (Note - Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

Applicant Legal Name: Carver Ridge Apartments, LP
Address: 1329 E Lark St
City: Springfield
State: MO
Zip: 65804
Name(s) of Entities the Organization Owns or Controls: Owner/Applicant
Organization legally formed? No
Date formed: TBD
Legal Org is or will be: Limited Partnership
Previous TDHCA Experience? No
Phone: (417) 890-3241
Email: vczdevelop@wilhoitproperties.com

<table>
<thead>
<tr>
<th>Org. 1</th>
<th>Organization Legal Name</th>
<th>Role/Title</th>
<th>General Partner</th>
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<tr>
<td>Address: 1329 E Lark St</td>
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<td>State: MO</td>
<td>Zip: 65804</td>
</tr>
<tr>
<td>Name(s) of Entities the Organization Owns or Controls:</td>
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<td></td>
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<tr>
<td>Organization legally formed? Yes</td>
<td>Date formed: 2/16/2011</td>
<td>Legal Org is or will be: Limited Liability Company</td>
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</tr>
<tr>
<td>Previous TDHCA Experience? Yes</td>
<td>Phone: (417) 890-3241</td>
<td>Email: <a href="mailto:vczdevelop@wilhoitproperties.com">vczdevelop@wilhoitproperties.com</a></td>
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<th>Role/Title</th>
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<tr>
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<td>List of Sub-Entities or Principals:</td>
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<td>1. Sandra Lynn Watson</td>
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<td>3.</td>
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2/28/2019
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Name(s) of Entities the Organization Owns or Controls:

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Organization legally formed? Yes Date formed: 2/14/2018 Legal Org is or will be: Limited Liability Company

Previous TDHCA Experience? Yes Phone: (417) 890-3241 Email: vczdevelop@wilhoitproperties.com

Organization is identified on Org. Chart: Yes Ability to exercise Control over the Development? Yes

List of Sub-Entities or Principals:

1. Vaughn C. Zimmerman, Trustee
   TDHCA Experience: Yes
   TDHCA Experience:
   TDHCA Experience:
2. Albatross Development, LLC
   TDHCA Experience: Yes
   TDHCA Experience:
   TDHCA Experience:
3. Rebecca A. Zimmerman Updated Revocable Trust - Beneficiary
   TDHCA Experience: Yes
   TDHCA Experience:
   TDHCA Experience:
4. Vaughn C. Zimmerman Updated Revocable Trust
   TDHCA Experience: Yes
   TDHCA Experience:
   TDHCA Experience:
5. Albatross Development, LLC
   TDHCA Experience: Yes
   TDHCA Experience:
   TDHCA Experience:
6. Rebecca A. Zimmerman Updated Revocable Trust - Beneficiary
   TDHCA Experience: Yes
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2/28/2019
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<th>Organization Legal Name:</th>
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<td>1. Vaughn C. Zimmerman, Trustee</td>
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Previous Participation Form

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Person/Role: Carver Ridge Apartments, LP / Owner
Email Address: vzimmerman@wilhoitproperties.com
City & State of Home Addr: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHF, RHD), and BOND) that you have controlled at any time.

   **X** By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an ‘X’ next to the program name.

   **X** By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

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Previous Participation Form

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Person/Role: Carver Ridge Housing, LLC / General Partner
Email Address: vzimmerman@wilhoitproperties.com
City & State of Home Addr: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHF, RHD), and BOND) that you have controlled at any time.

[ ] By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "X" next to the program name.

[ ] By selecting this box I certify that I have no prior experience with any TDHCA Single-Family or Community Affairs Programs.

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### Previous Participation Form

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<th>Person/Role:</th>
<th>VCZ Development, LLC / member of GP and Developer</th>
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<td>Email Address:</td>
<td><a href="mailto:vzimmerman@wilhoitproperties.com">vzimmerman@wilhoitproperties.com</a></td>
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<tr>
<td>City &amp; State of Home Addr:</td>
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<td>Applicant Legal Name:</td>
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1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHF, RHD), and BOND) that you have controlled at any time.

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<tr>
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<td>HTC/HOME</td>
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<td>Wichita Falls</td>
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2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

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Person/Role: VCZ Albatross Development, LLC / Developer
Email Address: vzimmerman@wilhoitproperties.com
City & State of Home Addr: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHIF, RHD), and BOND) that you have controlled at any time.

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Person/Role: Vaughn C. Zimmerman / member of GP and Developer
Email Address: vzzimmerman@wilhoitproperties.com
City & State of Home Addr: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHSF, RHD), and BOND) that you have controlled at any time.

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2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

- By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

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Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: Vaughn C. Zimmerman Updated Revocable Trust / member of GP and Developer

Email Address: vzzimmerman@wilhoitproperties.com

City & State of Home Addr: Springfield, Missouri

Applicant Legal Name: Carver Ridge Apartments, LP

dated 5/5/1995

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHF, RHD), and BOND) that you have controlled at any time.

☐ By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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Person/Role: Rebecca A. Zimmerman / member of GP and Developer
Email Address: vzimmerman@willholtproperties.com
City & State of Home Addr: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

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Previous Participation Form

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Person/Role: Rebecca A. Zimmerman Updated Revocable Trust / member of GP and Developer
Email Address: wzimmerman@willholtproperties.com
City & State of Home Address: Springfield, Missouri
Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHTF, RHD), and BOND) that you have controlled at any time.

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Person/Role: Albatross Development, LLC / HUB member of GP / Developer
Email Address: swatson@albatrossdevelopment.com
City & State of Home Addr: Frisco, Texas
Applicant Legal Name: Carver Ridge Apartment, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHTF, RHD), and BOND) that you have controlled at any time.

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Person/Role: Sandy Watson / HUB member of GP / Developer

Email Address: swatson@albatrossdevelopment.com

City & State of Home Addr: Frisco, Texas

Applicant Legal Name: Carver Ridge Apartments, LP

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, SHF, RHD), and BOND) that you have controlled at any time.

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2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "X" next to the program name.

By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

By selecting this box I certify that I have no prior experience with any TDHCA Single-Family or Community Affairs Programs.

<table>
<thead>
<tr>
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<th>HHSP</th>
<th>WAP</th>
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</table>
**Nonprofit Participation**

### Nonprofit Set-Aside (Competitive HTC Applications Only)

**Qualification:** Must meet the definition of a Qualified Nonprofit Development pursuant to §11.1(a)(106) of the QAP, §42(h)(5) of the Code, and the requirements of §11.5(1) of the QAP.

**Documentation:** Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

- By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

- By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

### Nonprofit Information (ALL Applications)

Only nonprofit organizations will complete this section. All nonprofit Applicants or Principals must complete this form without regard to their level of ownership or the set-aside under which the Application was made.

<table>
<thead>
<tr>
<th>Organization Name:</th>
</tr>
</thead>
</table>

Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period?

<table>
<thead>
<tr>
<th>If no to the question above, what is its current legal status?</th>
</tr>
</thead>
</table>

If "Other" please specify:

<table>
<thead>
<tr>
<th>Date of legal formation of Nonprofit Organization:</th>
</tr>
</thead>
</table>

1) **Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?**

   - If "Yes", will this nonprofit organization Control the Applicant?

   | What is the ownership percentage of this nonprofit organization? |

2) **Describe the nonprofit’s participation:**

3) **Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:**

4) **Will the nonprofit receive part of the development fees paid in connection with the development?**

   - If "Yes," explain:

---

2/28/2019
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
<th>City</th>
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</table>
Applications involving a Qualified Nonprofit Organization pursuant to Texas Government Code, §2306.6706 that have a 501(c)(3) or 501(c)(4) designation at the time of Application and competitive 9% HTC Applications electing to compete under the Nonprofit Set-aside must provide the following documentation behind this tab:

- IRS determination letter
- Third Party legal opinion (not applicable to Tax-Exempt Bond Developments)
- The Nonprofit’s most recent financial statement as prepared by a Certified Public Accountant (not applicable to Tax-Exempt Bond Developments)
- Certification regarding Board member residence (not applicable to Tax-Exempt Bond Developments)
The requested information on all known Development Team members must be provided. In addition to the categories listed below, the “Other” category should be used to list all known Development Team members that are included in the “Development Cost Schedule.” If the team member that will be utilized is not yet known, indicate “TBD.” If it is anticipated that the Development Team category will not be utilized, indicate “N/A.”

*If there is a direct or indirect, financial, or other interest with Applicant or other team members, provide an attachment behind this form in the Application that explains the relationship(s).

### Developer:

<table>
<thead>
<tr>
<th>VCZ Albatross Development, LLC</th>
<th>Vaughn Zimmerman</th>
<th>(417) 890-3241</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:vczdevelop@wilhoitproperties.com">vczdevelop@wilhoitproperties.com</a></td>
<td>$1,253,693.00</td>
<td>82-4475694</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
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<tr>
<td>Certified Texas HUB?</td>
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<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
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</table>

### Housing General Contractor:

<table>
<thead>
<tr>
<th>Zimmerman Properties Construction, LLC</th>
<th>Matt Zimmerman</th>
<th>(417) 890-3238</th>
</tr>
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<tbody>
<tr>
<td><a href="mailto:mzimmerman@wilhoitproperties.com">mzimmerman@wilhoitproperties.com</a></td>
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### Infrastructure General Contractor:

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<th>Matt Zimmerman</th>
<th>(417) 890-3238</th>
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<tr>
<td><a href="mailto:mzimmerman@wilhoitproperties.com">mzimmerman@wilhoitproperties.com</a></td>
<td>In GC fee</td>
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### Cost Estimator:

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<th>Matt Zimmerman</th>
<th>(417) 890-3238</th>
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<tr>
<td><a href="mailto:mzimmerman@wilhoitproperties.com">mzimmerman@wilhoitproperties.com</a></td>
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### Architect:

<table>
<thead>
<tr>
<th>Parker Associates Tulsa, LLC</th>
<th>Bryan Hulst</th>
<th>(918) 742-2485</th>
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<tr>
<td><a href="mailto:bhulst@parkertulsa.com">bhulst@parkertulsa.com</a></td>
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### Engineer:

<table>
<thead>
<tr>
<th>KAW Valley Engineering</th>
<th>Mike Osbourn</th>
<th>(913) 897-5150</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:mikeo@kveng.com">mikeo@kveng.com</a></td>
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Certified Texas HUB? No

This is a direct or indirect, financial, or other interest with Applicant or other team members* No

### Civil Engineer:

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<th>KAW Valley Engineering</th>
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This is a direct or indirect, financial, or other interest with Applicant or other team members* No

### Market Analyst:

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<tr>
<th>JLL Valuation &amp; Advisory Services, LLC</th>
<th>Owen S. Ard</th>
<th>(918) 492-4844</th>
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<tr>
<td><a href="mailto:chip.ard@am.jll.com">chip.ard@am.jll.com</a></td>
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### Appraiser:

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This is a direct or indirect, financial, or other interest with Applicant or other team members* No

### Attorney:

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<th>Kendall R. McPhail</th>
<th>Kendall R. McPhail</th>
<th>(417) 882-2828</th>
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Certified Texas HUB? No

This is a direct or indirect, financial, or other interest with Applicant or other team members* No

### Accountant:

<table>
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<tr>
<th>Ducket &amp; Ladd, LLP</th>
<th>Jared Duckett</th>
<th>(417) 883-5690</th>
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<tr>
<td>Contact Name</td>
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<tr>
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Certified Texas HUB? No

This is a direct or indirect, financial, or other interest with Applicant or other team members* No
**Property Manager:**

<table>
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<tr>
<th>Wilhoit Properties, Inc.</th>
<th>Rowe Shockley</th>
<th>(417) 883-1632</th>
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<tr>
<td><a href="mailto:rshockley@wilhoitproperties.com">rshockley@wilhoitproperties.com</a></td>
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**Originator of Underwriter:**

| N/A | | |
| Contact Name | Phone | |
| Email | Proposed Fee | Tax ID Number (TIN) | |
| Certified Texas HUB? | | |
| This is a direct or indirect, financial, or other interest with Applicant or other team members* | | |

**Bond Issuer:**

| N/A | | |
| Contact Name | Phone | |
| Email | Proposed Fee | Tax ID Number (TIN) | |
| Certified Texas HUB? | | |
| This is a direct or indirect, financial, or other interest with Applicant or other team members* | | |

**Syndicator:**

<table>
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<tr>
<th>Raymon James Tax Credit Fund</th>
<th>James Dunton</th>
<th>(727) 568-4803</th>
</tr>
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<tbody>
<tr>
<td><a href="mailto:jamesduntion@raymondjames.com">jamesduntion@raymondjames.com</a></td>
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**Supportive Services Provider:**

| To Be Determined | | |
| Contact Name | Phone | |
| Email | Proposed Fee | Tax ID Number (TIN) | |
| Certified Texas HUB? | | |
| This is a direct or indirect, financial, or other interest with Applicant or other team members* | | |

**Supportive Services Provider:**

| N/A | | |
| Contact Name | Phone | |
| Email | Proposed Fee | Tax ID Number (TIN) | |
| Certified Texas HUB? | | |
| This is a direct or indirect, financial, or other interest with Applicant or other team members* | | |

2/28/2019
<table>
<thead>
<tr>
<th>Title Company</th>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewart Title</td>
<td>Carol Erick</td>
<td>(214) 556-5487</td>
</tr>
<tr>
<td>Carol <a href="mailto:Erick@stewart.com">Erick@stewart.com</a></td>
<td>$62,850.00</td>
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<tr>
<td>ESA Provider:</td>
<td></td>
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</tr>
<tr>
<td>KAW Valley Engineering</td>
<td>Mike Osbourn</td>
<td>(913) 894-5150</td>
</tr>
<tr>
<td><a href="mailto:mikeo@kveng.com">mikeo@kveng.com</a></td>
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<td>Other:</td>
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<tr>
<td>Albatross Development, LLC</td>
<td>Sandra Lynn Watson</td>
<td>(512) 971-9866</td>
</tr>
<tr>
<td><a href="mailto:swatson@albatrossdevelopment.com">swatson@albatrossdevelopment.com</a></td>
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</table>
The form for the certification will be posted to the Department's website at http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm.

NOTE: The certification requires a separate statement be submitted that describes how the accessibility requirements for the physically accessible /hearing and visual impaired Units will be met, along with related parking requirements. Be sure this statement is attached to this certification. Forms signed by the architect in Tabs 23(a), (b), and (c) may meet this requirement.
Architect Certification

I (We) certify that the Development will be designed and built to meet the accessibility requirements of the Federal Fair Housing Act as implemented by HUD at 24 C.F.R. Part 100 and the Fair Housing Act Design Manual, Titles II and III of the Americans with Disabilities Act (42 U.S.C. Sections 12131-12189) as implemented by the Department of Justice regulations at 28 C.F.R. Parts 35 and 36, and the Department's Accessibility rules in 10 TAC Chapter 1, Subchapter B, in effect at the time of certification.

I (we) certify that all materials submitted to the Department by the Architect or Applicant constitute records of the Department subject to Chapter 552, Tex. Gov't Code, and the Texas Public Information Act.

I (We) certify that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

I (We) have attached a statement describing how the requirements of Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B. At a minimum, the statement will include (1) The total number of Units (2) Number and description of Unit types, the number of Units of each Type, (3) Number of Units of each Type that will meet the accessibility requirements, and (4) a description of how the accessibility requirements relating to Unit distribution will be met.

I (We) certify that I (We) have reviewed and understand the Department's fair housing educational materials posted on the Department's website as of the beginning of the Application Acceptance Period.

I (We) certify that all persons who have a property interest in the Development plan hereby acknowledge that the Department may publish the full Development plan on the Department’s website, release the Development plan in response to a request for public information, and make other use of the Development plan as authorized by law.

Page 9
December 17, 2018
I (We) certify that if the Development includes the New Construction or Rehabilitation of single family units (1 to 3 units per building), every unit will be designed and built to meet the accessibility requirements of Tex. Gov't Code §2306.514, as it may be amended from time to time.

I (We) have attached a statement describing how, regardless of building type, all Units accessed by the ground floor or by elevator ("affected units") meet the requirements at 10 TAC §11.101(b)(8)(B).

I(We) certify that all accessible Units under 10 TAC Chapter 1, Subchapter B, and all affected Units meeting the requirements under 10 TAC 11.101(b)(8)(B) will be dispersed throughout the Development.

If the Applicant is applying for HOME funds and the Development consists of New Construction, I (We) further certify that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e)(1).

This certification meets the requirement that the Applicant provide a certification from the Development engineer or an accredited architect. A similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist.

By: [Signature]

Date: 2-27-19

Printed Name: BRYAN E. HULST

License Number and State: [License Number] TEXAS

Firm Name (If applicable): PARKER ASSOCIATES TULSA LLC

STATE OF OKLAHOMA
COUNTY OF TULSA

The foregoing instrument was acknowledged before me this 27th day of February, 2019 by Bryan E. Hulst.

Notary Public: Karen R. Junghans

My Commission Expires: October 19, 2021
My Commission Number: 01017600

Page 10
December 17, 2018
Evidence of Experience Must be Provided Behind this Tab

Pursuant to §11.204(6) of the QAP, a Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.

Evidence of experience behind this tab includes:

- An Experience certificate issued by the Department under the 2014-2018 Uniform Multifamily Rules.
- An Experience certificate issued by the Department under the 2019 QAP.
- An Application for experience and supporting documentation in accordance with §11.204(6)(A)(i)-(ix).
- Evidence from the Department that the application for experience was received and is being processed by the Department.

Alternatively, pursuant to §13.5(d)(1) of the Multifamily Direct Loan Rule, Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement by providing evidence of the successful development and operation for at least 5 years of at least twice as many affordability restricted units as requested in the Application.

Documentation provided behind this tab meets the alternative Experience Requirement in §13.5(d)(1).

DUNS Number and System for Award Management (SAM.gov) registration (Direct Loan Applications Only)

The Office of Management and Budget (OMB) requires grant applicants to provide a Dunn and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants, including Direct Loan funds, on or after October 1, 2003. The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. To apply for a DUNS number applicants can go to the Dunn & Bradstreet website:

http://fedgov.dnb.com/webform

Once applicants have obtained a DUNS number, they must register with the SAM database:
https://sam.gov/portal/public/SAM

Applicants may provide this information with the Application or upon award.

- Evidence of SAM.gov registration for the applicant entity is attached behind this tab.
- Evidence of SAM.gov registration for the applicant entity will be provided upon award.

Davis Bacon Labor Standards (Direct Loan Applications Only)

NOTE: The Department’s Section 811 PRA program is designed such that Davis Bacon generally does not apply.

24 CFR §92.354, Davis-Bacon Act (40 U.S.C. §§276(a)-276(a)(5), the Davis-Bacon Related Acts, the Contract Work Hours and Safety Standards Act, and the Copeland (Anti-Kickback) Act (40 U.S.C. §276(c)) apply to developments being assisted with Direct Loan funds if (Select all that apply):

- Twelve (12) or more Direct Loan-assisted units will be rehabilitated or constructed under one construction contract.
- Community Development Block Grant (CDBG) funds (including NSP1 PI) are being used to support the Development, which requires a lower number of units (8) be used as a threshold.
February 21, 2014

Mr. Vaughn C. Zimmerman

c/o Ben Mitchell
1730 E. Republic Road, Suite F
Springfield, Missouri 65804

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2014 UNIFORM MULTIFAMILY RULES

Dear Mr. Zimmerman:

We have reviewed your request for an experience certificate, which is provided to individuals that meet the requirements of §10.204(6) of the Uniform Multifamily Rules. In order to meet the experience requirements an individual must establish that they have experience in the development and placement in service of at least 150 residential units. We find that the documentation you have provided is sufficient to establish this required experience. Additionally, you have certified to compliance with the requirements of §10.204(6)(B), including the following requirements:

(ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state, in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence. ...

(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

Should you choose to participate as a member of the Development Team or an individual providing experience for any Application submitted for funding, a Previous Participation Review (10 TAC §1.5) may be conducted prior to any award of funds. Additionally, should it be determined at any point in time that the information provided in your request for experience is fraudulent, knowingly falsified, intentionally or negligibly materially misrepresented, or omits relevant information, this
certificate of experience is null and void and you may be subject to other sanctions under the Texas Department of Housing and Community Affairs’ rules and requirements.

If you have any questions or concerns regarding this certificate or the experience requirements, please contact Jean Latsha at jean.latsha@tehca.state.tx.us.

Sincerely,

[Signature]

Cameron F. Dorsey
Director of Multifamily Finance
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:
Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part Ib, a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

<table>
<thead>
<tr>
<th>Part I. Applicant Credit Limit Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</td>
</tr>
<tr>
<td>1. Carver Ridge Apartments, LP No</td>
</tr>
<tr>
<td>2. Carver Ridge Housing, LLC No</td>
</tr>
<tr>
<td>3. VCZ Albatross Development, LLC Yes Submit Part II</td>
</tr>
<tr>
<td>4. VCZ Development, LLC Yes Submit Part II</td>
</tr>
<tr>
<td>6. Vaughn C. Zimmerman Yes Submit Part II</td>
</tr>
<tr>
<td>7. Albatross Development, LLC Yes Submit Part II</td>
</tr>
<tr>
<td>8. Sandra Lynn Watson Yes Submit Part II</td>
</tr>
<tr>
<td>9. Rebecca A. Zimmerman Yes Submit Part II</td>
</tr>
<tr>
<td>10. Rebecca A. Zimmerman Updated Revocable Trust 5-5-1995 Yes Submit Part II</td>
</tr>
<tr>
<td>11.</td>
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<td>29.</td>
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<tr>
<td>30.</td>
</tr>
</tbody>
</table>

b. Person/entity has at least one other application in the current Application Round.

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: [Signature of Applicant] 2/28/2019 Date: [Managing Member]

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Albatross Development, LLC

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e., General Partner, Managing Partner, etc.)
□ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
□ a Developer for the Applicant for this specific Application
x an Affiliate to the Applicant
□ a Guarantor on the Application

Pursuant to §11.4(b) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Region</th>
<th>City</th>
<th>% Ownership</th>
<th>% of Dev. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redwood Apartments #19217</td>
<td>1-Rural</td>
<td>Dumas</td>
<td>20.00%</td>
<td>10.00%</td>
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<tr>
<td>Pineview Crossing #19098</td>
<td>9-Urban</td>
<td>San Antonio</td>
<td>20.00%</td>
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<td>6-Rural</td>
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</tr>
<tr>
<td>Lakewood Crossing #19189</td>
<td>3-Rural</td>
<td>Granbury</td>
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<td>10.00%</td>
</tr>
<tr>
<td>Tuscan Court Apartments #19135</td>
<td>3-Rural</td>
<td>Granbury</td>
<td>20.00%</td>
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</tr>
</tbody>
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I acknowledge that Vaughn C. Zimmerman is authorized to terminate the Application in the event of a conflict with §11.4(e) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may affect applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature]

Albatross Development, LLC

Printed Name

Date: 2/28/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: VCZ Albatross Development, LLC

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

VCZ Albatross Development, LLC

Printed Name

2/28/2019

Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered “Yes” to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: VCZ Development, LLC

Which is:  
☐ the Applicant (Entity that generally manages or controls the “Applicant,” i.e. General Partner, Managing Partner, etc.)
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ___________________________ VCZ Development, LLC  2/28/2019

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  Printed Name  Date

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: ________________________________

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ________________________________

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Printed Name: ________________________________

Date: 2/28/2019

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Vaughn C. Zimmerman

Which is:
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

Printed Name: Vaughn C. Zimmerman

Date: 2/28/2019

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: ________ Rebecca A. Zimmerman Updated Revocable Trust 5-5-1995 ________

Which is:  
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)  
☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant  
☐ a Developer for the Applicant for this specific Application  
☒ an Affiliate to the Applicant  
☐ a Guarantor on the Application  

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name:</th>
<th>Region:</th>
<th>City:</th>
<th>% Ownership:</th>
<th>% of Dev. Fee:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redwood Apartments #19217</td>
<td>1-rural</td>
<td>Dumas</td>
<td>80.00%</td>
<td>90.00%</td>
</tr>
<tr>
<td>Pinewood Crossing #19098</td>
<td>9-urban</td>
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</tr>
<tr>
<td>Amber Ridge Apartments #19116</td>
<td>6-rural</td>
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</tr>
<tr>
<td>Carver Ridge Apartments #19100</td>
<td>12-urban</td>
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</tbody>
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I acknowledge that Vaughn C. Zimmerman, is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: Rebecca A. Zimmerman  
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  
2/28/2019  
Printed Name  
Date  

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:  

Rebecca A. Zimmerman

Which is:  

- [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- [ ] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- [ ] a Developer for the Applicant for this specific Application
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By:  

Rebecca A. Zimmerman

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Printed Name

Date: 2/28/2019

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part I(b) must complete this form.

Name and role of Person or Entity completing this form: Sandra Lynn Watson

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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<td>Midland</td>
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<td>10.00%</td>
</tr>
<tr>
<td>Tuscan Court Apartments #19135</td>
<td>3-rural</td>
<td>Granbury</td>
<td>20.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Lakewood Crossing #19189</td>
<td>3-rural</td>
<td>Granbury</td>
<td>20.00%</td>
<td>10.00%</td>
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: Sandra Lynn Watson
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Printed Name: Sandra Lynn Watson
Date: 2/28/2019

2/23/2019
### Community Input Scoring Items

<table>
<thead>
<tr>
<th>TDHCA#</th>
<th>19100</th>
</tr>
</thead>
</table>

1. **Local Government Support - §11.9(d)(1)** - Only check the box if support documents are included in the Application.

   - **Resolution(s) of either "no objection" or "support" is included behind this tab.**
   - **Note that resolutions are due March 1, 2019**

   - **City of Midland**

2. **Quantifiable Community Participation - §11.9(d)(4)**

   - **Note that QCP Packets are due March 1, 2019 and MAY NOT be submitted by the Applicant. Packets MUST be received from Neighborhood Organization!**

3. **Community Support from State Representative - §11.9(d)(5)**

   - **Application expects to receive points for a letter from a Representative.**
   - **Letter of either "support" or "opposition" is included behind this tab.**
   - **Note that letters are due March 1, 2019**

4. **Input from Community Organizations - §11.9(d)(6)**

   - **Application has included one or more letters of support or opposition behind this tab.**

<table>
<thead>
<tr>
<th>Name of Community Organization</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Midland Community Development</td>
<td>David Diaz</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Contact Name</td>
<td></td>
</tr>
<tr>
<td>B. Family Promise of Midland</td>
<td>Thomas J. Miller</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>Contact Name</td>
<td></td>
</tr>
<tr>
<td>C.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D.</td>
<td></td>
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<tr>
<td>E.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RESOLUTION NO. 2019-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIDLAND, SUPPORTING THE PROPOSED DEVELOPMENT OF AFFORDABLE HOUSING APARTMENTS AND CONFIRMING THAT THE CITY SHALL PROVIDE A LOAN, GRANT, REDUCED Fee OR CONTRIBUTION OF $500.00 FOR SUCH DEVELOPMENT; THE APPLICANT IS CARVER RIDGE APARTMENTS, LP; THE PROPOSED DEVELOPMENT IS LOCATED AT 1301 E. DORMARD AVENUE, MIDLAND, TEXAS 79705; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

WHEREAS, Carver Ridge Apartments, LP, has proposed a development for affordable rental housing located at 1301 East Dormard Avenue – Midland in Midland County, Texas; and

WHEREAS, Carver Ridge Apartments, LP, has advised that it intends to submit an application to the Texas Department of Housing and Community Affairs for 2019 9% Competitive Housing Tax Credits for proposed development; and

WHEREAS, the City of Midland seeks to support the development of affordable housing within the city limits;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIDLAND, TEXAS:

SECTION ONE. That the City of Midland, Texas, acting through its governing body, hereby confirms that it supports the proposed development to be located at 1301 East Dormard Avenue, Midland, Texas.

SECTION TWO. That, for and on behalf of the governing body of the City of Midland, Texas, the City Secretary is hereby authorized, empowered and directed to certify these resolutions and the City Manager or its designee is hereby authorized, empowered and directed to sign a letter related to the funding commitment to TDHCA.

SECTION THREE. That the City of Midland, Texas, acting through its governing
body, hereby confirms that it shall provide a loan, grant, reduced fee or contribution of other value in the amount of $500.00 to Carver Ridge Apartments, LP, Midland, Texas 79701.

On motion of Council member Love, seconded by Council member Hotchkiss, the above and foregoing resolution was adopted by the City Council of the City of Midland at a regular meeting on the 22nd day of January, A.D., 2019 by the following vote:

Council members voting “AYE”: Trost, Hotchkiss, Love, Morales, Dufford, Lazy, Robnett

Council members voting “NAY”: None

ATTEST

Amy M. Turner, City Secretary

RECOMMENDED AND APPROVED:

Courteay Sharp, City Manager

APPROVED AS TO CONTENT AND COMPLETENESS:

Charles Harrington, Development Services Director
APPROVED ONLY AS TO FORM:

[Signature]

John Q. Attorneys, City Attorney
CERTIFICATION

THE STATE OF TEXAS
COUNTY OF MIDLAND

I, SueAnn Reyes, Deputy City Secretary of the City of Midland, Midland County, Texas, do hereby certify that the following is a true and correct copy of a Resolution styled:

RESOLUTION NO. 2019-030

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIDLAND, SUPPORTING THE PROPOSED DEVELOPMENT OF AFFORDABLE HOUSING APARTMENTS AND CONFIRMING THAT THE CITY SHALL PROVIDE A LOAN, GRANT, REDUCED FEE OR CONTRIBUTION OF $500.00 FOR SUCH DEVELOPMENT; THE APPLICANT IS CARVER RIDGE APARTMENTS, LP; THE PROPOSED DEVELOPMENT IS LOCATED AT 1301 E. DORMARD AVENUE, MIDLAND, TEXAS 79705; PROVIDING AN EFFECTIVE DATE; AND AUTHORIZING AND DIRECTING THE CITY SECRETARY TO CERTIFY THE RESOLUTION TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

which was duly passed and approved at a regular meeting of the City Council of said City on the 22nd day of January, 2019, showing those present and the motions and votes made and taken in connection with said Resolution on file in this office.

WITNESS my hand and seal of said City this the 29th day of January, 2019.

SueAnn Reyes, Deputy City Secretary

SEAL
February 20, 2019

Texas Department of Housing & Community Affairs
221 E. 11th St.
Austin, Texas 78701
Attn: Housing Tax Credits Dept.

Re: TDHCA Application no. 19100
Carver Ridge Apartments
Midland, Texas

Please accept this letter from the Midland Community Development Corporation (MCDC) as our official show of support for TDHCA application no. 19100.

MCDC is a non-profit organization dedicated to the development of affordable housing in our community. On a daily basis our staff works with families seeking housing and therefore we have firsthand knowledge that our community has a critical need of affordable housing. MCDC welcomes any and all new quality housing that can be developed in our community. The addition of 60 new apartment units at the location being considered would be absorbed in a very short time and would be a great addition to our community.

Thank you for the opportunity to provide our support for this project and please contact our office if you need any additional information.

David Diaz
David Diaz,
Exec. Dir.
Midland Community Development Corporation

WELCOME!
Present Developments

**Midland Community Development Corporation**

**Housing Director**
Sandie Terry
432-682-2948
sandi@midlandc.org
www.midlandc.org

**Housing Assistance Program**

Families who qualify for assistance through Midland Community Development Corporation (MCDC) are provided with financial assistance to purchase, construct or rehabilitate their primary residence. Assistance may include forgivable loans, interest-free loans, or grants depending on the type of housing need.

A loan in the amount of the ISP assistance will be issued as a forgiveable loan. The principal balance of such a loan will be forgiven if the homeowner resides in the house for 10 years, the FHA loan is paid off, or the homeowner sells the property to another eligible family.

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WHO CAN QUALIFY?

- **City of Midland resident for 30 days**
- Most meet U.S. Department of Housing and Urban Development (HUD) income guidelines
- **In May 2019**

**Housing Needs**

- **Minimum Income**
  - 1
  - 2
  - 3
  - 4
  - 5
  - 6
  - 7
  - 8

**Home Financing Examples**

**Starting Price**

- **$159,900**

+ FHA Homebuyers
+ **$163,900**

- FHA First Time Homebuyers
+ **$163,900**

**Closing Costs**

- **$2,000**

**Interest Rates**

- **4.5%**

**Down Payment**

- **$6,000**

**Notes and Disclaimers**

- The mortgage is forgivable and the homeowner resides in the house for a minimum of 10 years.
- Home must be built within the area designated by the Midland Community Development Corporation.
- All homes are built on existing lots.
- The information provided is subject to change without notice.
HAVE QUESTIONS OR COMMENTS? LET US KNOW.

WE ARE AVAILABLE TO HELP YOU EVERY STEP OF THE WAY
FILL THE FORM AND WE WILL GET BACK WITH YOU SHORTLY.

Midland CDC
208 S. Marienfeld
Location Midland, TX 79701

Hours Monday - Friday: 9 a.m. - 5 p.m.
Exemption Verification Letter

Texas Comptroller of Public Accounts
Austin, TX 78774

February 22, 2019

MIDLAND COMMUNITY DEVELOPMENT CORPORATION
1410 N LAMESA RD %JOHN M CASTRO
MIDLAND, TX 79701-2841

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 04-26-1989
- Sales and use tax, as of 09-05-1989
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
- The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 17522802648

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at 800-252-5555.
February 19, 2018

Texas Department of Housing and Community Affairs
Attn: Marni Holloway
221 E. 11th Street
Austin, TX 78701

Re: TDHCA Application No. 19100
Project Name: Carver Ridge Apts.

Dear Ms. Holloway,

Family Promise of Midland, Texas, Inc. is a 501(c) 3 non-profit organization that serves homeless children and their families in Midland, Texas. **We are submitting this letter of support for the Carver Ridge Apts. project, TDHCA application number 19100.**

Midland, TX is experiencing a **SEVERE housing shortage** in general and to have a company willing to build income-restricted, affordable housing in our city, is not only commendable, but should be awarded the tax credit.

I personally serve on the Permian Basin Workforce Development Board and at every meeting, the lack of housing is an issue for discussion that is preventing many workers from coming to our area. There just isn’t enough housing to support the workforce and their families, that is needed in the Permian Basin, especially Midland.

We, as an organization, are in the midst of a $5.2 million capital campaign to build a complex of 5 duplexes for family transitional housing. **We WELCOME this project, so that many of the families we serve, will have an opportunity to afford a rental unit that they can call home.**

I appreciate you taking the time to read this letter of support and if you need any further information, please do not hesitate to contact me. **We are desperate for housing in Midland!**

Sincerely,

Thomas J. Miller - E.D.
Family Promise of Midland, TX, Inc.

"Building community, strengthening lives."

Family Promise of Midland is a 501 (c) 3 organization

Tax EIN # 27-1003573
Taxable Entity Search Results

1 matches found for the search string: family promise of midland

If you have questions about the search results, send an email to tax.help@cpa.texas.gov or call 1-800-252-1386.

Franchise Tax Account Status
As of: 08/02/2019 07:49:30

<table>
<thead>
<tr>
<th>Name</th>
<th>Taxpayers ID#</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>FAMILY PROMISE OF MIDLAND, TEXAS, INC.</td>
<td>32040328315</td>
<td>79707</td>
</tr>
</tbody>
</table>

Texas Taxpayer Number 32040328315

Mailing Address 3901 ARROYO DR MIDLAND, TX 79707-4545

Right to Transact Business in Texas ACTIVE

State of Formation TX

Effective SOS Registration Date 09/18/2009

Texas SOS File Number 0801172419

Registered Agent Name GARY E. GROVES

Registered Office Street Address 3901 ARROYO MIDLAND, TX 79707
Family Promise of Midland

Ending Homelessness One Family at a Time.
(http://www.guidestar.org/organizations/27-1003573/family-promise-midland-texas.aspx)  
(https://www.uwmidland.org/)

(familypromiseofmidland.com/about/fp-logo/)

Family Promise® of Midland

(https://www.midlandtxchamber.com/)

Maybe you haven’t heard, but there are families in Midland, Texas who are homeless. Yes, it’s true—in Midland, Texas! These families are living out of their cars or in parks or in crowded apartments with friends or relatives. Family homelessness is a reality in Midland, Texas. Help, is AVAILABLE!
(http://excellenceingiving.com/)

WE ARE PROUD TO ANNOUNCE THAT FAMILY PROMISE IS IN MIDLAND, TEXAS!

Midland Interfaith Hospitality Network (MIHN) is a partnership of congregations within a community helping families who are facing homelessness. This national network is comprised of more than 200 networks across the United States serving the homeless. MIHN uses existing community resources to provide comprehensive services to families experiencing homelessness. This unique community response offers an opportunity for volunteers from local congregations to be on the front line of Midland’s effort to reduce homelessness while transforming the lives of families in need.

Family Promise’s MIHN opened its doors in February 2011. There is much work to be done! Currently, we are looking for more congregations and volunteers to join us. Volunteer Now!
(https://familypromiseofmidland.com/volunteer/)

Tom Miller is our Executive Director.

His office is located in Midland Shared Spaces (http://midlandssharedspaces.org/), 3500 North A Street, Suite 1400, Midland, TX. His office hours are 8:00 a.m. to 4:00 p.m. and his email address is:
Bus Driver(s) Needed

Family Promise of Midland is looking for a bus driver(s) to work early mornings and late afternoons. CDL is NOT required, a positive attitude is!

**Hours:**
- **Scheduled Weekday Times:** Morning run: 5:30 – 8:00 a.m.; Evening: 4:00 – 6:15 p.m.
- **Scheduled Weekend Times:** Saturday: 6:45 – 7:15 a.m./5:45 p.m. – 6:15 p.m.; Sunday: 5:45 – 6:15 a.m./5:45 p.m. – 6:15 p.m.

Please call 432-688-7710 for more information.

Here are videos about Family Promise:
Family Promise of Midland
Ending Homelessness One Family at a Time.

Hitting for Hope 2019

Mark your calendars! Hitting for Hope 2019 will be held on TBA

at Ratliff Ranch Golf Links, Odessa, TX
Shotgun Start 8:30AM
Sponsorship Packages Available
Prizes for 1st, 2nd and 3rd Place Teams
Drawing for Door Prizes

Hitting for Hope 2019 is presented to you by New Dawn Fellowship in partnership with Children’s Miracle Network and Family Promise of Midland & Odessa

HITTING FOR HOPE 2019 – Sponsorship Packages – TBA

For more information, please call Wally Schiwart – 432-557-1140
Family Promise Of Midland Texas Inc
EIN: 27-1003573 | Midland, TX, United States

Publication 78 Data 📰
Organizations eligible to receive tax-deductible charitable contributions. Users may rely on this list in determining deductibility of their contributions.

On Publication 78 Data List: Yes
Deductibility Code: PC

Form 990-N (e-Postcard) 📬
Organizations who have filed a 990-N (e-Postcard) annual electronic notice. Most small organizations that receive less than $50,000 fall into this category.

▶ Tax Year 2009 Form 990-N (e-Postcard)

Copies of Returns (990, 990-EZ, 990-PF, 990-T) 📚
Electronic copies (images) of Forms 990, 990-EZ, 990-PF or 990-T returns filed with the IRS by charities and non-profits.

▶ Tax Year 2016 Form 990

Page Last Reviewed or Updated: 6-Jul-2018
Be advised that all third party reports will be posted on the Department’s website along with the Application.

Required Third Party Reports

Complete the information below as applicable [§11.205].

1. **Environmental Site Assessment (ESA) (All Multifamily Applications)**
   - Prepared by: KAW Valley Engineering
   - Date of Report: 2/25/2019
   - Report recommends further studies or establishes environmental hazards that currently exist on the Property or off-site with the potential to affect the Property.
   - If the above box is checked, a statement is provided behind this tab signed by the Development Owner, that certifies the Development Owner will comply with any and all recommendations made by the ESA preparer.
   - Development is funded by USDA and is not required to supply an ESA.

2. **Environmental Clearance (Section 811 PRA and Direct Loan applications only)**
   - All Applications selecting Points for Section 811 PRA Program participation under the Competitive HTC program or Direct Loans must review the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and provide adequate material to meet the tenets. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of the Section 811 PRA Program.
   - All Applications for Direct Loans by the Department must complete an environmental clearance process in accordance with 24 CFR Parts 50 and 58 prior to engaging in choice limiting activities such as closing on land, loans, beginning demolition or construction activities, or entering into construction contracts. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of Multifamily Direct Loan funds.
   - Application selected points for the Section 811 PRA Program and includes documentation for the project participating in the Section 811 PRA Program that the project meets the tenets of HUD environmental policy and the requirements of applicable statutes and authorities.
   - Applicant has submitted an environmental packet to TDHCA and determination is pending.
   - Applicant has reviewed the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and understands that a determination must be received prior to signing the Rental Assistance Contract.
   - MFDL Development has already received Environmental Clearance from HUD under 24 CFR Parts 50 or 58.
   - Documentation of HUD Environmental Clearance is included behind this tab.
   - Applicant has submitted an environmental packet to TDHCA and clearance is pending.
   - Applicant has reviewed the environmental clearance materials available on the Department’s website and understands that clearance must be received prior to closing on the loan.
   - http://www.tdhca.state.tx.us/program-services/environmental/index.htm
   - A Third Party will aid in the completion of the environmental clearance process. If checked, complete the following:

     - Name of Firm:
     - Contact Person:
     - Contact Telephone:
     - Email:

3. **Primary Market Area Map**
   - Primary Market Area (PMA) map with definition of PMA is included behind this tab.
   - Prepared by: JLL Valuation & Advisory Services, LLC
   - Date of Report: 2/26/2019
   - Development Site Location:
     - Longitude: -102.070727
     - Latitude: 32.02949

4. **Property Condition Assessment (PCA)**
   - Prepared by: N/A
   - Date of Report:

5. **Appraisal**
   - Prepared by: To Be Determined
   - Date of Report:

6. **Site Design and Development Feasibility Report**
   - Prepared by: KAW Valley Engineering
   - Date of Report: 2/25/2019
February 25, 2019

RE: Carver Ridge Apartments, LP; Midland, Texas

To Whom It May Concern:

Please allow this letter to serve as our official certification that Carver Ridge Apartments, LP will perform any recommendation outlined in the ESA Report prior to closing if an award of Low-Income Housing Tax Credits is granted.

Carver Ridge Apartments, LP

[Signature]

Vaughn C. Zimmerman, a member
February 27, 2019

Mr. Brent Stewart  
Texas Department of Housing & Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Dear Mr. Stewart:

The accompanying Primary Market Area (PMA) map is intended to comply with the requirements set forth by the Texas Department of Housing & Community Affairs (hereinafter referred to as the “Department”) in Section 11.303 of the 2019 Qualified Allocation Plan. There is no identity of interest between Owen S. Ard, Sarah Tirrell or JLL Valuation & Advisory Services and the Applicant, Developer, or Owner.

All persons who have a property interest in this report hereby must acknowledge that the Department may publish the full report on the Department’s website, release the report in response to a request for public information and make other use of the report as authorized by law.

If you have any questions or comments, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,

JLL Valuation & Advisory Services, LLC

Owen S. Ard, MAI  
Executive Vice President  
Telephone: 918-523-5480  
Email: chip.ard@am.jll.com

Sarah Tirrell  
Analyst  
Telephone: 918-523-5491  
Email: sarah.tirrell@am.jll.com
Primary Market Area – Carver Ridge Apartments
1201 E. Dormard Ave.
Midland, Midland County, TX 79705
(Lat. 32.02949, Long. -102.070727)

Prepared by: Owen S. Ard, MAI & Sarah Tirrell
JLL Valuation & Advisory Services, LLC
1323 E. 71st St., Suite 105
Tulsa, OK 74136
(918) 492-4844
February 26, 2019

Definition of Primary Market Area
At the direction of the Texas Department of Housing and Community Affairs (TDHCA), the PMA for the subject property has boundaries based upon U.S. census tracts and has a population of no more than 100,000 people. The PMA is comprised of the following census tracts:

Census Tracts in the Primary Market Area

<table>
<thead>
<tr>
<th>Tract Number</th>
<th>2018 Population</th>
<th>Square Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>48329-0001.00</td>
<td>7,123</td>
<td>2.62</td>
</tr>
<tr>
<td>48329-0002.00</td>
<td>5,888</td>
<td>2.85</td>
</tr>
<tr>
<td>48329-0003.03</td>
<td>4,479</td>
<td>1.01</td>
</tr>
<tr>
<td>48329-0003.05</td>
<td>5,289</td>
<td>1.04</td>
</tr>
<tr>
<td>48329-0005.00</td>
<td>5,220</td>
<td>1.49</td>
</tr>
<tr>
<td>48329-0006.00</td>
<td>4,551</td>
<td>1.16</td>
</tr>
<tr>
<td>48329-0011.00</td>
<td>5,580</td>
<td>1.62</td>
</tr>
<tr>
<td>48329-0017.00</td>
<td>5,181</td>
<td>1.34</td>
</tr>
<tr>
<td>48329-0102.00</td>
<td>4,137</td>
<td>1.14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,448</strong></td>
<td><strong>14.27</strong></td>
</tr>
</tbody>
</table>

Source: Esri ArcGIS Business Analyst
Primary Market Area Map
February 28, 2019

VCZ ALBATROSS DEVELOPMENT, LLC
1329 East Lark Street
Springfield, Missouri 65804

TDHCA-LIHTC PROGRAM
221 East 11th Street
Austin, Texas 78701

RE: PHASE I ENVIRONMENTAL SITE ASSESSMENT / FEASIBILITY STUDY / CIVIL SITE PLAN
CARVER RIDGE APARTMENTS
1301 EAST DORMARD ROAD
MIDLAND, TEXAS

Reference is made to the Phase I Environmental Site Assessment dated February 25, 2019, Feasibility Study dated February 25, 2019, and Civil Site Plan developed for the above noted project. This letter is being issued to address the following:

All persons who have a property interest in this report hereby acknowledge that the Department may publish the full report, study and site plan on the Department’s website; release the report, study and site plan in response to a request for public information and make other use of the report, study and site plan as authorized by law.

We appreciate the opportunity to be of service to you on this project. Please contact us if you have any questions or comments.

Respectfully submitted,
Kaw Valley Engineering, Inc.

Michael R. Osbourn, P.E.
Principal
### Tie-Breaker Information

**Tie-Breaker #1 (10 TAC §11.7(1))**
Applications proposed to be located in a census tract with a poverty rate below the average poverty rate for all awarded Competitive HTC Applications from the past three years (with Region 11 adding an additional 15% to that value and Region 13 adding an additional 5% to that value). If a tie still persists, then the Development in the census tract with the highest percentage of statewide rent burden for renter households at or below 80% Area Median Family Income (“AMFI”), as determined by the U.S. Department of Housing and Urban Development’s Comprehensive Housing Affordability Strategy (“CHAS”) dataset and as reflected in the Department’s current Site Demographic Characteristics Report.

<table>
<thead>
<tr>
<th>Is Site in Region 11 or 13?</th>
<th>No</th>
<th>Poverty Rate = 17.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is Site in Region 11?</td>
<td>No</td>
<td>Poverty Rate = NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Applicable Poverty Rate = NA</td>
</tr>
<tr>
<td>Is Site in Region 13?</td>
<td>No</td>
<td>Poverty Rate = NA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Applicable Poverty Rate = NA</td>
</tr>
</tbody>
</table>

Rent Burden Rank = 1803 (lower number wins tie)

**Tie-Breaker #2 (10 TAC §11.7(2))**
Applications proposed to be located the greatest linear distance from the nearest Housing Tax Credit assisted Development that serves the same Target Population and that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report.

- Development Longitude: -102.070727
- Development Latitude: 32.02949
- Target Population: General
- Closest Development serving same Population: Compass Pointe Apartments
- Application Number: 15400
- Address: East Side of Wayside Drive between Hicks Avenue and Gist Avenue
- Year of Award: 2015
Multifamily Finance Division staff will place scanned copies of deficiency documents behind this tab in the application .pdf
In the course of the Department’s Housing Tax Credit **Eligibility/Selection/Threshold** and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §11.1(d)(2) and described in §11.201(7), §11.201(7)(A) and §11.201(7)(B) of the 2019 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Eligibility Certification forms must be the February 13 (posted February 14) version.
2. Tab 45, Credit Limit Part I exhibits is required but not submitted. Submit Credit Limit Part II exhibits if applicable.
3. Note for your information only: the application is not eligible for the 30% boost based on providing an additional 10% of 30% units above and beyond the units used in other scoring. All 30% units were used to score points for Rent Levels of Tenants. The 30% boost will be based solely on Opportunity Index points.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §11.201(7)(B) of the 2019 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2019 Multifamily Direct

<table>
<thead>
<tr>
<th>From: Ben Sheppard</th>
<th>To: &quot;<a href="mailto:vczdevelop@wilhoitproperties.com">vczdevelop@wilhoitproperties.com</a>&quot;, &quot;<a href="mailto:jamie.mcdonald@wilhoitproperties.com">jamie.mcdonald@wilhoitproperties.com</a>&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject:</td>
<td>19100 - 9% HTC Application Deficiency Notice - TIME SENSITIVE - Please reply immediately acknowledging receipt.</td>
</tr>
<tr>
<td>Date:</td>
<td>Friday, August 02, 2019 10:08:00 AM</td>
</tr>
<tr>
<td>Importance:</td>
<td>High</td>
</tr>
</tbody>
</table>
Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPS System. Once the documents are submitted to the Serv-U HTTPS system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPS submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

**All applicants should review §§11.1(b) and 11.1(h) of the 2019 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.**

**All deficiencies must be corrected or clarified by 5 pm Austin local time on Friday, August 9, 2019. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

*Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b), there are important limitations and caveats (Also see 10 TAC §10.2(b)).*
Carver Ridge Apartments, LP  
1329 East Lark Street  
Springfield, MO 65807

August 5, 2019

Mr. Ben Sheppard  
Specialist, Multifamily Finance  
Texas Department of Housing and Community Affairs  
211 E. 11\textsuperscript{th} Street  
Austin, TX 78701

RE: #19100– Carver Ridge Apartments  
Administrative Deficiency dated August 2, 2019

Mr. Sheppard:

Thank you for the opportunity to further clarify the items below:

1. Eligibility Certification forms must be the February 13 (posted February 14) version.
   
   Response: The correct version of the Eligibility Certification has been attached as Exhibit 1. The incorrect version was uploaded in error.

2. Tab 45, Credit Limit Part I exhibits is required but not submitted. Submit Credit Limit Part II exhibits if applicable.
   
   Response: The Credit Limit Part I and Part II exhibits were included with the application; however the pages were not book marked. The documents begin on page 254 of the original application. The exhibits have also been attached as Exhibit 2 for your reference.

3. Note for your information only: the application is not eligible for the 30\% boost based on providing an additional 10\% of 30\% units above and beyond the units used in other scoring. All 30\% units were used to score points for Rent Levels of Tenants. The 30\% boost will be based solely on Opportunity Index points.
   
   Response: Thank you for this clarification.

Sincerely,

[Signature]

Carver Ridge Apartments, LP  
Vaughn Zimmerman, Member
Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov't Code, §42 of the Internal Revenue Code, and § 11.1(d) of the Qualified Allocation Plan.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence-- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any and all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov't Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department’s Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD’s System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a
2019 REVISED Applicant Eligibility Certification

state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the time frame provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov't Code, or a provision of Chapter 572 of the Tex. Gov't Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.
2019 REVISED Applicant Eligibility Certification

Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 11.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov't Code relating to Ex Parte Communication and further explained in §11.202(2)(A) of the Qualified Allocation Plan.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov't Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov't Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that
has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §11.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application or the use of information therein.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, Determination Notice, or Closing, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but
not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
2019 REVISED Applicant Eligibility Certification

By: [Signature of Authorized Representative]

Printed Name

Managing Member

Title

Date

2/27/2019

THE STATE OF Missouri

COUNTY OF Greene

Before me, a notary public, on this day personally appeared Vaughn C. Zimmerman, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 27th day of February, 2019

(Seal)

RACHELE HUETT
My Commission Expires
July 27, 2023
Greene County
Commission #15218569

Notary Public Signature
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:
Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

<table>
<thead>
<tr>
<th></th>
<th>a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</th>
<th>b. Person/entity has at least one other application in the current Application Round.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Carver Ridge Apartments, LP</td>
<td>No</td>
</tr>
<tr>
<td>2.</td>
<td>Carver Ridge Housing, LLC</td>
<td>No</td>
</tr>
<tr>
<td>3.</td>
<td>VCZ Albatross Development, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>4.</td>
<td>VCZ Development, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>5.</td>
<td>Vaughn C. Zimmerman Updated Revocable Trust</td>
<td>Yes</td>
</tr>
<tr>
<td>6.</td>
<td>Vaughn C. Zimmerman</td>
<td>Yes</td>
</tr>
<tr>
<td>7.</td>
<td>Albatross Development, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>8.</td>
<td>Sandra Lynn Watson</td>
<td>Yes</td>
</tr>
<tr>
<td>9.</td>
<td>Rebecca A. Zimmerman</td>
<td>Yes</td>
</tr>
<tr>
<td>10.</td>
<td>Rebecca A. Zimmerman Updated Revocable Trust 5-5-1995</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: [Signature of Applicant] 2/28/2019  Its: Managing Member

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: VCZ Development, LLC

Which is:  
- [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- [ ] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- [ ] a Developer for the Applicant for this specific Application
- [X] an Affiliate to the Applicant
- [X] a Guarantor on the Application

Pursuant to §114(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Region</th>
<th>City</th>
<th>% Ownership</th>
<th>% of Dev. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redwood Apartments #19217</td>
<td>1-Rural</td>
<td>Dumas</td>
<td>80.00%</td>
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</tr>
<tr>
<td>Pinewood Crossing #19098</td>
<td>9-Urban</td>
<td>San Antonio</td>
<td>80.00%</td>
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</tr>
<tr>
<td>Amber Ridge Apartments #19116</td>
<td>6-Rural</td>
<td>Angleton</td>
<td>80.00%</td>
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<tr>
<td>Carver Ridge Apartments #19100</td>
<td>12-Urban</td>
<td>Midland</td>
<td>80.00%</td>
<td>90.00%</td>
</tr>
</tbody>
</table>

I acknowledge that [Vaughn C. Zimmerman] is authorized to terminate the Application in the event of a conflict with §114(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]  VCZ Development, LLC  Printed Name  2/28/2019  Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

Which is:

☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)

☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant

☐ a Developer for the Applicant for this specific Application

☒ an Affiliate to the Applicant

☒ a Guarantor on the Application

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<td>Redwood Apartments #19217</td>
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ________________

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Vaughn C. Zimmerman

Printed Name

2/28/2019

Date

2/23/2019
Part II. Credit Limit Certification

Instructions: Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Vaughn C. Zimmerman

Which is:  
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)  
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

Vaughn C. Zimmerman

Printed Name

2/28/2019

Date

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: VCZ Albatross Development, LLC

Which is: □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
□ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

VCZ Albatross Development, LLC
Printed Name
2/28/2019
Date

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form:

Rebecca A. Zimmerman

Which is:

☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)

☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

Rebecca A. Zimmerman

Printed Name: Rebecca A. Zimmerman

Date: 2/28/2019

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: ____________________________________________________________________________

Which is: 
- □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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<td>1-rural</td>
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I acknowledge that __________________________________________________________________________ is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: __________________________________________________________________________

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)

Rebecca A. Zimmerman Updated Revocable Trust 5-5-1995
Printed Name

2/28/2019
Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Albatross Development, LLC

Which is:
- ☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
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<tr>
<td>Redwood Apartments #19217</td>
<td>1-Rural</td>
<td>Omas</td>
<td>20.00%</td>
<td>10.00%</td>
</tr>
<tr>
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<td>9-Urban</td>
<td>San Antonio</td>
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<td>20.00%</td>
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</tr>
<tr>
<td>Lakewood Crossing #19189</td>
<td>3-Rural</td>
<td>Granbury</td>
<td>20.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>Tuscan Court Apartments #19135</td>
<td>3-Rural</td>
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

Albatross Development, LLC

Printed Name

2/28/2019

Date

2/23/2019
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Sandra Lynn Watson

Which is:  
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<td>Donna</td>
<td>20.00%</td>
<td>10.00%</td>
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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature]

Sandra Lynn Watson
Printed Name

2/28/2019

Date
VCZ Development, LLC
1329 E. Lark St.
Springfield, MO 65804

May 17, 2019

Ms. Sharon Gamble
9% Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: RESPONSE - Third Party Request for Administrative Deficiency (RFAD)
TDHCA #19100 - Carver Ridge Apartments

Dear Ms. Gamble,

Thank you for the opportunity to provide information, clarification, and an explanation to staff’s question regarding the issue in the RFAD issued on May 6, 2019, by which staff states:

- Provide evidence that the appropriate county judge was notified timely.

Carver Ridge received an RFAD from John J. O’Donnell, a competing Applicant with an Application in the sub-region. Mr. O’Donnell points out a change of the County Judge for Midland County on January 3, 2019. Mr. O’Donnell further asserts that Carver Ridge failed to meet the threshold criteria due to not notifying the newly elected County Judge, Mr. Terry Jones.

We are enclosing (i) evidence that the notification was sent timely to the County Judge’s office and (ii) a letter from Judge Terry Jones confirming that he received the notice on January 7, 2019. After reviewing the enclosed documentation, we trust that you will conclude that Carver Ridge complied with Section 11.8(b)(2)(B) of the QAP. The aforementioned documents are attached and labeled Exhibit A.

Since we have provided evidence that the appropriate county judge was notified timely, we respectfully request dismissal of the challenge and satisfaction of the administrative deficiency. We are confident that we have met the requirements of Section 11.8(b)(2)(B) and fulfilled the notification requirements.

Finally, we find it somewhat ironic that the Mr. O’Donnell challenged Carver Ridge for an alleged failure to correctly notify under Section 11.5(b)(2)(B) of the rules, when in fact it seems that the Applicant of Chaparral Apartments actually failed to correctly notify and comply with Section 11.5(b)(2)(B). As part of our response to the deficiency and during our review of the notifications.
prepared and sent out, we observed that our challenger failed to notify Council Member Michael Trost, who took office on January 1, 2019, well before the Pre-Application submission date. Additionally, to date our challenger has not made any effort to correct its notification error. For convenience, we are enclosing a letter from the Mayor of the City of Midland (see Exhibit “B”) confirming that we properly notified all members of the city council and that they were aware of Carver Ridge as of January 2019.

We appreciate the opportunity provide this information to you in hopes to resolve this matter. If you have any questions or need additional information, please do not hesitate to contact me at (417) 890-3217 or by email at jmcdonald@wilhoitproperties.com any time.

Sincerely,

Jamie McDonald
EXHIBIT “A”
May 16, 2019

Mr. David Cervantes  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701

Mr. Jeff Beckler  
Assistant VP of Development  
VCZ Development, LLC  
1329 East Lark Street  
Springfield, MO 65804

Re: Notification Verification for TDHCA Application 19100- Carver Ridge Apartments

Dear Mr. Cervantes:

This letter is to verify Midland County, Texas received notification of a proposed development by Carver Ridge Apartments, LP.

As the Midland County Judge, I confirm that the attached notification was received in my office on Monday, January 7, 2019.

Please do not hesitate to contact me if you require any additional information.

Cordially,

Terry Johnson  
Midland County Judge
Sent from my iPad

Begin forwarded message:

From: "UPS Quantum View" <pkginfo@ups.com>
Date: January 7, 2019 at 3:17:37 PM CST
To: ibeckler@wilhoitproperties.com
Subject: UPS Delivery Notification, Tracking Number 1ZA3456F0295519349

Your package has been delivered.

Delivery Date: Monday, 01/07/2019
Delivery Time: 03:12 PM

At the request of WILHOIT PROPERTIES this notice alerts you that the status of the shipment listed below has changed.

Shipment Detail

Tracking Number: 1ZA3456F0295519349
Ship To: Judge Mike Bradford
          Mike Bradford
          500 N LORAINE ST
          ROOM 1100
          MIDLAND, TX 79701
          US
UPS Service: UPS 2ND DAY AIR
Number of Packages: 1
Weight: 0.5 LBS
Delivery Location: RECEIVING OFFICE
Reference Number 1: Midland TX
January 3, 2019

County Judge's Office
Honorable Mike Bradford
500 N Loraine Street, Suite 1100
Midland, TX 79701

Dear Judge Bradford,

Carver Ridge Apartments, LP is making an application for the competitive 9% Low Income Housing Tax Credit with the Texas Department of Housing and Community Affairs for Carver Ridge Apartments, at 1301 E Dormard Avenue, Midland, Texas, Midland County. This new construction is an apartment community and composed of approximately (60) units of which (50) will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately (8.7 units).

In the spring, the Department will hold public hearings in various locations around the state to gather input on Competitive Housing Tax Credit applications; comments can be made on any and all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA's Public Comment Center website later this year.

For Tax-Exempt Bond applications where the Department is the issuer, there will be a public hearing to receive public comment on the proposed development. Information regarding the date, time, and location of that hearing will be disseminated at least 30 days prior to the hearing date on the Department's website (http://www.tdhh.state.tx.us/multifamily/cqml111units.htm). For Tax-Exempt Bond applications that utilize a local issuer interested individuals are encouraged to contact the local issuer for information regarding the public hearing.

Sincerely,

[Signature]

Representative of Carver Ridge Apartments, LP

Jeff Beckler
Assistant Vice President of Development
417-890-3234
EXHIBIT "B"
May 6, 2019

Mr. David Cervantes, Acting Executive Director
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Mr. Jeff Beckler
VCZ Development, LLC
1329 E. Lark Street
Springfield, MO 65804

Re: Notification Verification for TDHCA Application 19100 – Carver Ridge Apartments

Dear Sirs:

This letter is to verify the City of Midland received proper notification of a proposed development by Carver Ridge Apartments, LP.

As the mayor of the City of Midland, I would like to confirm that I received the attached notification via certified delivery on January 9th, 2019 (10:42 AM) of the proposed Development, Carver Ridge Apartments to be located at 1301 Dormand Ave., Midland, Texas 79701. I hereby further confirm that each of the council members of the City of Midland were provided copies of this notice upon receipt.

Not only is the city verifying proper notification of the proposed Carver Ridge Apartments, but the council fully supports the proposed development as the development and units will be new and more importantly, additional housing stock and opportunities that our city desperately needs for the citizens of our growing community.

We thank you for your efforts to help achieve new housing stock goals in the City of Midland. If you have any questions, please do not hesitate to contact me any time.

Sincerely,

[Signature]
Mayor
Jerry Morales
Multifamily Finance Division staff will place scanned copies of scoring notices behind this tab in the application .pdf
Multifamily Finance Division staff will place documents related to Requests for Administrative Deficiencies behind this tab in the application .pdf
May 1, 2019

Via Email

Marni Holloway, Director of Multifamily Finance – marni.holloway@tdhca.state.tx.us
Sharon Gamble, 9% HTC Administrator – sharon.gamble@tdhca.state.tx.us
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, Texas 78701

Re: §11.10. Third Party Request for Administrative Deficiency;
TDHCA # 19100-Carver Ridge Apartments

Dear Ms. Holloway and Gamble:

Pursuant to §11.10 of the 2019 Qualified Allocation Plan (the “Rules”), please let this letter serve as our Third Party Request for Administrative Deficiency (“RFAD”) with regards Application #19100 (the “Carver Ridge Application”). A copy of this request is being delivered concurrently to representatives of the Carver Ridge Application (the “Carver Ridge Applicant”).

§11.8 of the Rules sets forth the process that an applicant must follow if they intend to submit a 2019 9% competitive pre-application that includes public notification. See attached Exhibit “A” - §11.8 of the Rules. No later than the date the pre-application is submitted, the Applicant is required to notify those individuals and entities described in §11.8(b)(2)(B) of the Rules. One of the notification recipients that an applicant is required to properly notify is the presiding officer of the Governing Body of the county in which the Development Site is located.

Carver Ridge Apartments is proposed to be located at 1301 E Dormard Avenue, Midland, Midland County, Texas 79701. As of 1/4/19, the beginning of the Application Acceptance Period, the Presiding officer of Midland County, Texas was County Judge Terry Johnson who was sworn into office on 1/3/19. See attached Exhibit “B” – Swearing in Announcement. The Rules state that officials to be notified are those officials in office at the time the pre-application is submitted. The Application Acceptance Period did not began until 1/4/19 and the Carver Ridge Applicant submitted their pre-application on 1/9/19 and certified to notifying Mike Bradford, predecessor to Terry Johnson. See attached Exhibit “C” – Evidence of Date of Pre-Application Submission and Officials Notified by the Carver Ridge Applicant.

Pursuant to a public information request (“PIR”) to Midland County it was confirmed that the Carver Ridge Applicant notified Mike Bradford not Terry Johnson. See attached Exhibit “D” – PIR Results. It is also important to note that all other applicants that submitted a 2019 9% competitive pre-application in connection with proposed developments in Midland, TX certified to notifying Terry Johnson not Mike Bradford as the Midland County Judge. See attached Exhibit “E” – Evidence of Pre-Application Notification.
The Carver Ridge Applicant tried to correct their mistake by notifying Terry Johnson at full application and checking the box indicating that Elected Officials had changed since the Pre-Application was submitted. The Rules are very clear that re-notification or notification at full application is only required if a change "in elected official occurs between the submission of a pre-application and the submission of an application then applicants are required to notify the newly elected (or appointed) official no later than the Full Application Delivery Date". See attached Exhibit "F" - §11.203 of the Rules-Re-notification Requirements.

Public notification is a threshold requirement. Pursuant to §§2306.6704(c) of the Texas Government Code ("TGC") those applicants that fail to satisfy any threshold criteria will be terminated. See attached “Exhibit G” - §§2306.6704(c) of the TGC.

Accordingly, unless the Carver Ridge Applicant can provide evidence that County Judge Terry Johnson was notified by 1/9/19, the date the pre-application was submitted, we believe the Carver Ridge Application should be terminated. As a statutory requirement, the failure to provide timely and compliant written notifications to all required notification recipients may not be waived by the Board.

We appreciate your due consideration of this RFAD.

Sincerely,

John J. O'Donnell
Authorized Representative
Midland Chaparral Associates, LLC.

cc: Vaughn C. Zimmerman – vczdevelop@wilhoitproperties.com
James McDonald – imcdonald@wilhoitproperties.com
prepare and submit an Application. A complete pre-application is a pre-application that meets all of the Department’s criteria, as outlined in subsections (a) and (b) of this section,

(1) The pre-application must be submitted using the URL provided by the Department, as outlined in the Multifamily Programs Procedures Manual, along with the required pre-application fee as described in §11.901 of this chapter (relating to Fee Schedule), not later than the pre-application Final Delivery Date as identified in §11.2(a) of this chapter (relating to Program Calendar for Competitive Housing Tax Credits). If the pre-application and corresponding fee is not submitted on or before this deadline the Applicant will be deemed to have not made a pre-application.

(2) Only one pre-application may be submitted by an Applicant for each Development Site and for each Site Control document.

(3) Department review at this stage is limited, and not all issues of eligibility and threshold are reviewed or addressed at pre-application. Acceptance by staff of a pre-application does not ensure that an Applicant satisfies all Application eligibility, threshold or documentation requirements. While the pre-application is more limited in scope than the Application, pre-applications are subject to the same limitations, restrictions, or causes for disqualification or termination as Applications, and pre-applications will thus be subject to the same consequences for violation, including but not limited to loss of points and termination of the pre-application.

(4) The pre-application becomes part of the full Application if the full Application claims pre-application points.

(5) Regardless of whether a Full Application is submitted, a pre-application may not be withdrawn after the Full Application Delivery Date described in 10 TAC §11.2(a) related to Program Calendar for Competitive Housing Tax Credits.

(b) Pre-Application Threshold Criteria. Pursuant to Tex Gov’t Code §2306.6704(c) pre-applications will be terminated unless they meet the threshold criteria described in subsection (a) of this section and paragraphs (1) and (2) of this subsection:

(1) Submission of the Competitive HTC pre-application in the form prescribed by the Department which identifies at a minimum:

(A) Site Control meeting the requirements of §11.204(10) of this title (relating to Required Documentation for Application Submission). For purposes of meeting this specific requirement related to pre-application threshold criteria, proof of consideration and any documentation required for identity of interest transactions is not required at the time of pre-application submission but will be required at the time of full application submission;

(B) Funding request;

(C) Target Population;

(D) Requested set-asides (At-Risk, USDA, Nonprofit, and/or Rural);

(E) Total Number of Units proposed;

(F) Census tract number in which the Development Site is located, and a map of that census tract with an outline of the proposed Development Site;

(G) Expected score for each of the scoring items identified in the pre-application materials;

(H) Proposed name of ownership entity; and
(I) Disclosure of the following Neighborhood Risk Factors under §11.101(a)(3):

(i) The Development Site is located in a census tract (or for any adjacent census tract with a boundary less than 500 feet from the proposed Development Site that is not separated from the Development Site by a natural barrier such as a river or lake, or an intervening restricted area, such as a military installation) in an Urban Area and the rate of Part I violent crime is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com.

(ii) The Development Site is located within the attendance zones of an elementary school, a middle school, or a high school that does not have a Met Standard rating by the Texas Education Agency.

(2) Evidence in the form of a certification provided in the pre-application, that all of the notifications required under this paragraph have been made and that a reasonable search for applicable entities has been conducted. (§2306.6704)

(A) The Applicant must list in the pre-application all Neighborhood Organizations on record with the county or state whose boundaries include the entire proposed Development Site as of the beginning of the Application Acceptance Period.

(B) Notification Recipients. No later than the date the pre-application is submitted, notification must be sent to all of the persons or entities prescribed in clauses (i) – (viii) of this subparagraph. Developments located in an ETJ of a municipality are required to notify both municipal and county officials. The notifications may be sent by e-mail, fax or mail with registered return receipt or similar tracking mechanism in the format included in the Public Notification Template provided in the Uniform 2019 Multifamily Application Template or in an alternative format that meets the applicable requirements and achieves the intended purpose. The Applicant is required to retain proof of delivery in the event the Department requests proof of notification. Acceptable evidence of such delivery is demonstrated by signed receipt for mail or courier delivery and confirmation of delivery for fax and e-mail. Officials to be notified are those officials in office at the time the pre-application is submitted. Between the time of pre-application (if made) and full Application, such officials may change and the boundaries of their jurisdictions may change. If there is a change between pre-application and the Full Application Delivery Date, additional notifications must be made at full Application to any person or entity that has not been previously notified by the Applicant. Meetings and discussions do not constitute notification. Only a timely and compliant written notification to the correct person constitutes notification.

(i) Neighborhood Organizations on record with the state or county as of the beginning of the Application Acceptance Period whose boundaries include the entire proposed Development Site;

(ii) Superintendent of the school district in which the Development Site is located;

(iii) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(iv) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(v) All elected members of the Governing Body of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);
(vi) Presiding officer of the Governing Body of the county in which the Development Site is located;

(vii) All elected members of the Governing Body of the county in which the Development Site is located; and

(viii) State Senator and State Representative of the districts whose boundaries include the proposed Development Site;

(C) Contents of Notification.

(i) The notification must include, at a minimum, all of the information described in subclauses (I) – (VII) of this clause.

(I) the Applicant's name, address, an individual contact name and phone number;

(II) the Development name, address, city, and county;

(III) a statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(IV) whether the Development proposes New Construction, Reconstruction, Adaptive Reuse, or Rehabilitation;

(V) the physical type of Development being proposed (e.g. single family homes, duplex, apartments, high-rise, etc.);

(VI) the approximate total number of Units and approximate total number of Low-Income Units; and

(VII) the residential density of the Development, i.e., the number of Units per acre.

(ii) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve a Target Population exclusively or as a preference unless such targeting or preference is documented in the Application and is in full compliance with all applicable state and federal laws, including state and federal fair housing laws; and

(iii) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

(c) Pre-Application Results. Only pre-applications which have satisfied all of the pre-application requirements, including those in §11.9(c)(3) of this chapter, will be eligible for pre-application points. The order and scores of those Developments released on the pre-application Submission Log do not represent a Commitment on the part of the Department or the Board to allocate tax credits to any Development and the Department bears no liability for decisions made by Applicants based on the results of the pre-application Submission Log. Inclusion of a pre-application on the pre-application Submission Log does not ensure that an Applicant will receive points for a pre-application.

§11.9. Competitive HTC Selection Criteria.

(a) General Information. This section identifies the scoring criteria used in evaluating and ranking Applications. The criteria identified in subsections (b) - (e) of this section include those items required under Tex. Gov't Code, Chapter 2306, Code §42, and other criteria established in a manner consistent with Chapter 2306 and Code §42. There is no rounding of numbers in this
Swearing-in ceremony scheduled for Thursday

Published 2:16 pm CST, Monday, December 31, 2018

Investitures are planned for Terry Johnson, who will become Midland County judge.

Local elected officials will be sworn in during a public ceremony Thursday at the Midland County Courthouse. Investitures are planned for Terry Johnson, who will become Midland County judge, and Jeff Robnett, who was selected to take over the 441st Judicial District Court bench.

The event is scheduled for 10 a.m. in the first floor Central Jury Room. Also listed on the invitation for the swearing-in ceremony are commissioners, justices of the peace and other officials who will serve in 2019.

© 2019 Hearst Communications, Inc.
Application Number: 19100
Submitted Date: 1/9/2019  9:42AM
Submitted By:  James McDonald

Contact Information

Primary Contact: James McDonald
Phone: 417-890-3217
Email: jmcdonald@wilhoitproperties.com
1329 E. Lark St
Springfield, MO  65804

Secondary Contact: Jeff Beckler
Phone: 417-890-3234
Email: jbeckler@wilhoitproperties.com

Consultant Contact:
Phone:
Email:

Development Information

Name of Proposed Entity: Carver Ridge Apartments LP
Development Name: Carver Ridge Apartments
Development Type: New Construction
Secondary Type: None
Previous TDHCA #: None
Initial Construction Year: 0
Units Demolished: 0
Units Reconstructed: 0
# of Non-Contiguous Sites: 0
# of Census Tracts: 1
Target Population: General
Development Address: 1301 E. Dormard Ave.
Midland, TX 79701

ETJ?: N
County: Midland
Region: 12
Rural/Urban: Urban
Census Tracts: 48329000100
Total LI Units: 50
Total MR Units: 10
Total Units: 60
HTC Request: $905,000.00
Pre-App Fee Due: $600.00
Has Fee already been submitted?: Yes
Name on Check: VCZ Development, LLC
Check Number: 4035
Set-Aside Election: none

Notifications

U.S. Representative: K. Michael Conaway  District: 11
State Senator: Kel Seliger  District: 31
State Representative: Tom Russell Craddick  District: 82
School Superintendent: Orlando Riddick  
School District: Midland ISD  
School District Address: 615 W. Missouri Ave.  
Midland, TX  79701

Presiding Officer of Board of Trustees: President Rick Davis  
Address: 615 W. Missouri Ave.  
Midland, TX  79701

Elected Officials: Jerry Morales  
Scott Dufford  
Spencer Robnett  
Jeff Sparks  
John B. Love III  
J. Ross Lacy  
Mike Bradford  
Scott Ramsey  
Robin Donnelly  
Luis D. Sanchez  
Randy Prude  
Sharla Hotchkiss

Mayor  
City Council Member  
City Council Member  
City Council Member  
City Council Member  
City Council Member  
City Council Member  
County Judge  
County Commissioner  
County Commissioner  
County Commissioner  
County Commissioner  
City Council Member

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

| Unit Sizes: | 6 |
| Unit Features: | 9 |
| Sponsor Characteristics: | 2 |
| High Quality Housing Total: | 17 |

Criteria to Serve and Support Texans Most in Need

| Income Levels of Tenants: | 16 |
| Rent Levels of Tenants: | 11 |
| Tenant Services: | 10 |
| Opportunity Index: | 7 |
| Underserved Area: | 3 |
| Tenant Populations with Special Housing Needs: | 2 |
| Proximity to the Urban Core: | 0 |
| Serve and Support Texans Most in Need Total: | 49 |

Criteria Promoting Community Support and Engagement

| Commitment of Development Funding by Local Political Subdivision: | 1 |
| Declared Disaster Area: | 10 |
| Community Support and Engagement Total: | 11 |
Carver Ridge Apartments, LP  
1329 E. Lark St  
Springfield, MO 65804

January 3, 2019

County Judge’s Office  
Honorable Mike Bradford  
500 N Loraine Street, Suite 1100  
Midland, TX 79701

Dear Judge Bradford,

Carver Ridge Apartments, LP is making an application for the competitive 9% Low Income Housing Tax Credit with the Texas Department of Housing and Community Affairs for Carver Ridge Apartments, at 1301 E Dormard Avenue, Midland, Texas, Midland County. This new construction is an apartment community and composed of approximately (60) units of which (50) will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately (8.7 units).

In the spring, the Department will hold public hearings in various locations around the state to gather input on Competitive Housing Tax Credit applications; comments can be made on any and all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA’s Public Comment Center website later this year.

For Tax-Exempt Bond applications where the Department is the issuer, there will be a public hearing to receive public comment on the proposed development. Information regarding the date, time, and location of that hearing will be disseminated at least 30 days prior to the hearing date on the Department’s website (http://www.tdhca.state.tx.us/multifamily/communities.htm). For Tax-Exempt Bond applications that utilize a local issuer interested individuals are encouraged to contact the local issuer for information regarding the public hearing.

Sincerely,

[Signature]

Representative of Carver Ridge Apartments, LP

Jeff Beckler  
Assistant Vice President of Development  
417-890-3234
From: Russell Malm <RMalm@mcounty.com>  
Sent: Monday, April 29, 2019 3:03 PM  
To: Zachary Krochtengel  
Subject: RE: Garden Ridge Apartments-Open Records Request

Zach,

At my request, the County Judge’s Administrative Assistant searched again for a notification from Carver Ridge Apartments to Terry Johnson. She was still unable to find any notification other than the one addressed to Judge Bradford. If it was sent, the County Judge’s office has no record of it.

If you learn of any additional information that might help in the search, please let me know.

Russell W. Malm  
Midland County Attorney  
500 N. Loraine, Suite 1101  
Midland, TX 79701  
(432)688-4490  
Fax: (432)688-4931  
email: malm@co.midland.tx.us

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<table>
<thead>
<tr>
<th>Application</th>
<th>Development</th>
<th>County Judge Pre-App</th>
</tr>
</thead>
<tbody>
<tr>
<td>19228</td>
<td>Chaparral Apartments</td>
<td>Terry Johnson</td>
</tr>
<tr>
<td>19100</td>
<td>Carver Ridge Apartments</td>
<td>Mike Bradford</td>
</tr>
<tr>
<td>19337</td>
<td>Midland Trails</td>
<td>Terry Johnson</td>
</tr>
<tr>
<td>19347</td>
<td>Midland Pioneer Crossing</td>
<td>Terry Johnson</td>
</tr>
</tbody>
</table>
(iii) the role of the person in causing or materially contributing to any problems with the success of the development;

(iv) the person’s compliance history, including compliance history on other developments; or
(v) any other facts or circumstances that have a material bearing on the question of the person’s ability to be a compliant and effective participant in their proposed role as described in the Application; and

(N) fails to disclose in the Application any voluntary compliance agreement or similar agreement with any governmental agency that is the result of negotiation regarding noncompliance of any affordable housing Development with any requirements. Any such agreement impacting the proposed Development or any other affordable housing Development controlled by the Applicant must be disclosed.

(2) Applications. An Application shall be ineligible if any of the criteria in subparagraphs (A) - (C) of this paragraph apply to the Application:

(A) a violation of Tex. Gov’t Code, §2306.1113, exists relating to Ex Parte Communication. An ex parte communication occurs when an Applicant or Person representing an Applicant initiates substantive contact (other than permitted social contact) with a board member, or vice versa, in a setting other than a duly posted and convened public meeting, in any manner not specifically permitted by Tex. Gov’t Code, §2306.1113(b). Such action is prohibited. For Applicants seeking funding after initial awards have been made, such as waiting list Applicants, the ex parte communication prohibition remains in effect so long as the Application remains eligible for funding. The ex parte provision does not prohibit the Board from participating in social events at which a Person with whom communications are prohibited may, or will be present; provided that no matters related to any Application being considered by the Board may be discussed. An attempted but unsuccessful prohibited ex parte communication, such as a letter sent to one or more board members but not opened, may be cured by full disclosure in a public meeting, and the Board may reinstate the Application and establish appropriate consequences for cured actions, such as denial of the matters made the subject to the communication.

(B) the Application is submitted after the Application submission deadline (time or date); is missing multiple parts of the Application; or has a Material Deficiency; or

(C) for any Development utilizing Housing Tax Credits or Tax-Exempt Bonds:

(i) at the time of Application or at any time during the two-year period preceding the date the Application Round begins (or for Tax-Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is or has been a person covered by Tex. Gov’t Code, §2306.6703(a)(1) or §2306.6733;

(ii) the Applicant proposes to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in Tex. Gov’t Code, §2306.6703(a)(2) of the are met.

§11.203. Public Notifications (§2306.6705(9)). A certification, as provided in the Application, that the Applicant met the requirements and deadlines identified in paragraphs (1) - (3) of this section must be submitted with the Application. For Applications utilizing Competitive Housing Tax Credits, notifications must not be older than three (3) months from the first day of the Application Acceptance Period. For Tax-Exempt Bond Developments notifications and proof thereof must not be older than three (3) months prior to the date Parts 5 and 6 of the Application
are submitted, and for all other Applications no older than three (3) months prior to the date the Application is submitted. If notifications were made in order to satisfy requirements of pre-application submission (if applicable to the program) for the same Application, then no additional notification is required at Application. However, re-notification is required by all Applicants who have submitted a change from pre-application to Application that reflects a total Unit increase of greater than 10 percent or a 5 percent increase in density (calculated as units per acre) as a result of a change in the size of the Development Site. In addition, should the person holding any position or role described change between the submission of a pre-application and the submission of an Application, Applicants are required to notify the new person no later than the Full Application Delivery Date.

(1) Neighborhood Organization Notifications.

(A) The Applicant must identify and notify all Neighborhood Organizations on record with the county or the state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the entire proposed Development Site. As used in this section, “on record with the state” means on record with the Secretary of State.

(B) The Applicant must list, in the certification form provided in the pre-application and Application, all Neighborhood Organizations on record with the county or state as of 30 days prior to the beginning of the Application Acceptance Period and whose boundaries include the proposed Development Site as of the submission of the Application, and the Applicant must certify that a reasonable search for applicable entities has been conducted.

(2) Notification Recipients. No later than the date the Application is submitted, notification must be sent to all of the persons or entities identified in subparagraphs (A) - (H) of this paragraph. Developments located in an Extra Territorial Jurisdiction (ETJ) of a city are required to notify both city and county officials. The notifications may be sent by e-mail, fax or mail with return receipt requested or similar tracking mechanism. A template for the notification is included in the Application Notification Template provided in the Application. Evidence of notification is required in the form of a certification provided in the Application. The Applicant is required to retain proof of delivery in the event it is requested by the Department. Evidence of proof of delivery is demonstrated by a signed receipt for mail or courier delivery and confirmation of receipt by recipient for fax and e-mail. Officials to be notified are those officials in office at the time the Application is submitted. Note that between the time of pre-application (if made) and full Application, such officials may change and the boundaries of their jurisdictions may change. By way of example and not by way of limitation, events such as redistricting may cause changes which will necessitate additional notifications at full Application. Meetings and discussions do not constitute notification. Only a timely and compliant written notification to the correct person constitutes notification.

(A) Neighborhood Organizations on record with the state or county as of 30 days prior to the beginning of the Application Acceptance Period whose boundaries include the entire Development Site;

(B) Superintendent of the school district in which the Development Site is located;

(C) Presiding officer of the board of trustees of the school district in which the Development Site is located;

(D) Mayor of the municipality (if the Development Site is within a municipality or its extraterritorial jurisdiction);

(E) All elected members of the Governing Body of the municipality (if the Development
Site is within a municipality or its extraterritorial jurisdiction);

(F) Presiding officer of the Governing Body of the county in which the Development Site is located;

(G) All elected members of the Governing Body of the county in which the Development Site is located; and

(H) State Senator and State Representative of the districts whose boundaries include the Development Site.

(3) Contents of Notification.

(A) The notification must include, at a minimum, all information described in clauses (i) - (vii) of this subparagraph.

(i) the Applicant’s name, address, individual contact name, and phone number;

(ii) the Development name, address, city and county;

(iii) a statement indicating the program(s) to which the Applicant is applying with the Texas Department of Housing and Community Affairs;

(iv) whether the Development proposes New Construction, Reconstruction, Adaptive Reuse or Rehabilitation;

(v) the physical type of Development being proposed (e.g. single family homes, duplex, apartments, high-rise etc.);

(vi) the total number of Units proposed and total number of Low-Income Units proposed; and

(vii) the residential density of the Development, i.e., the number of Units per acre;

(C) The notification may not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification may not create the impression that the proposed Development will serve a Target Population exclusively or as a preference unless such targeting or preference is documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws; and

(D) Notifications or any other communications may not contain any statement that violates Department rules, statute, code, or federal requirements.

§11.204. Required Documentation for Application Submission. The purpose of this section is to identify the documentation that is required at the time of Application submission, unless specifically indicated or otherwise required by Department rule. If any of the documentation indicated in this section is not resolved, clarified or corrected to the satisfaction of the Department through either original Application submission or the Administrative Deficiency process, the Application will be terminated. Unless stated otherwise, all documentation identified in this section must not be dated more than six (6) months prior to the close of the Application Acceptance Period or the date of Application submission as applicable to the program. The Application may include, or Department staff may request, documentation or verification of compliance with any requirements related to the eligibility of an Applicant, Application, Development Site, or Development.

(I) Certification, Acknowledgement and Consent of Development Owner. A certification of the information in this subchapter as well as Subchapter B of this chapter must be executed by the Development Owner and addresses the specific requirements
(a) To prevent unnecessary filing costs, the department by rule shall establish a voluntary preapplication process to enable a preliminary assessment of an application proposed for filing under this subchapter.

(b) The department shall award in the application evaluation process described by Section 2306.6710 an appropriate number of points as an incentive for participation in the preapplication process established under this section.

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:

(1) any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site;

(2) the superintendent and the presiding officer of the board of trustees of the school district containing the development;

(3) the presiding officer of the governing body of any municipality containing the development and all elected members of that body;

(4) the presiding officer of the governing body of the county containing the development and all elected members of that body; and

(5) the state senator and state representative of the district containing the development.

(c) The department shall reject and return to the applicant any application assessed by the department under this section that fails to satisfy the threshold criteria required by the board in the qualified allocation plan.

(d) If feasible under Section 2306.67041, an application under this section must be submitted electronically.
Real Estate Analysis Division staff will place scanned copies of RFI documents behind this tab in the application .pdf
Department staff will place scanned copies of appeal documents behind this tab in the application .pdf
May 28, 2019

Writer’s direct dial: 512/475-1676
Email: marni.holloway@tdhca.state.tx.us

Vaughn C. Zimmerman
Carver Ridge Apartments, LP
1329 E. Lark St.
Springfield, MO 65804

RE: STATUS OF 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19100 CARVER RIDGE APARTMENTS, MIDLAND

Dear Mr. Zimmerman:

The Texas Department of Housing and Community Affairs (“the Department”) is in receipt of the application submission indicated above. The Applicant was unable to provide evidence that it notified County Judge Terry Johnson, who took office on January 3, 2019, as required by Tex. Gov’t Code Section 2306.6704(b-1). Per the statute:

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:
(4) the presiding officer of the governing body of the county containing the development and all elected members of that body;

Because the Application did not meet the threshold requirement for Notifications, the Application is terminated, pending the Applicant’s ability to appeal.

An appeal process exists for the Housing Tax Credit Program. The restrictions and requirements related to the filing of an appeal can be found in 10 TAC §11.902 of the 2019 QAP. Should you choose to appeal this decision to the Executive Director, you must file your appeal, in writing, with the Department not later than seven (7) calendar days after the date of this letter. If you are not satisfied with the decision of the Executive Director or if the Executive Director does not respond, you may file a further appeal with the Board of Directors of the Texas Department of Housing and Community Affairs. Please review §11.902 of the 2019 QAP for full instructions on the appeals process.
If you have any questions or concerns, please contact me at 512-475-1676 or by email at marni.holloway@tdhca.state.tx.us.

Sincerely,

[Signature]

Marni Holloway
Director of Multifamily Finance
June 3, 2019

Via Email: david.cervantes@tdhca.state.tx.us
David Cervantes
Interim Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, Texas 78701

In Re: Appeal of Termination Notice for TDHCA #19100 – Carver Ridge Apartments, LP
Our File No.: 30073.1

Dear Mr. Cervantes:

This law firm represents Carver Ridge Apartments, LP ("Project Owner"), and I have been requested by Vaughn Zimmerman, President of the General Partner of Project Owner, to appeal the termination of Project Owner’s application (the "Application") for competitive housing tax credits for its proposed Carver Ridge Apartments to be located in Midland, Texas (the “Project”). Particularly, Project Owner appeals TDHCA’s determination that Project Owner failed to meet Texas Government Code, §2306.604(b-1) (the "Statute"), which states:

(b-1) the pre-application process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:
(4) the presiding officer of the governing body of the county containing the development and all elected members of that body.

Project Owner’s appeal is on the basis (i) that notice was given to the County Judge of Midland County on a timely basis as required by the Statute, and (ii) Project Owner provided evidence of such fact to TDHCA.

FACTS

Project Owner sent written notice to the Midland County Judge at his office on Lorraine Street in Midland on January 3, 2019, as shown on Exhibit A attached hereto and incorporated herein by reference for all purposes. The notice letter was sent to Midland County Judge Mike Bradford who was the former Midland County Judge. However, Midland County Judge Mike Bradford’s successor, Midland County Judge Terry Johnson, confirmed by letter that he received the notice letter on January 7, 2019. A copy of Midland County Judge Terry Johnson’s confirmation letter is attached hereto as Exhibit B and incorporated herein by reference for all purposes. Please note that Midland County Judge Terry Johnson acknowledges receipt of the
required notice on January 7, 2019, which is two days prior to expiration of the Pre-Application Period.

**LEGAL BASIS**

I. Statute Compliance. It is Project Owner’s position based upon the Statute that the Project Owner satisfied the requirements of the Statute. The Statute requires the Project Owner to provide TDHCA with evidence that the Project Owner notified certain entities with respect to the filing of the Application, and specifically in this instance to the presiding officer of the governing body of the county in which the Project will be located and all elected members of that body. As set forth on Exhibit B, the duly elected and currently serving presiding officer of the Midland County Commissioners is Midland County Judge Terry Johnson. Although the notice letter was addressed by Project Owner to Judge Johnson’s predecessor, Judge Mike Bradford, Judge Johnson unquestionably and undeniably confirmed he received the required notice letter per his confirmation letter dated May 16, 2019. The evidence to TDHCA as required by the Statute is the confirmation letter set forth on Exhibit B. It is Project Owner’s position that it has strictly complied with the purpose, intent and spirit of the Statute and, more importantly, the express language of the Statute.

II. Precedent. I cite you to Application #16117 for TX Indian Lakes Apartments, LP, which was an application filed in 2016 and its determination by staff in 2016 that the applicant in that matter satisfied the requirements of the Statute. The facts pertaining to Application #16117 is that the applicant was required to provide notice to all of the City Council members of Indian Lake, but two of the notices went to aldermen who were no longer serving on the City Council for Indian Lake. Their respective replacements on the City Council did not directly receive the notifications from the applicant. This particular application was challenged on the grounds that the applicant failed to notify all of then serving City Council members. The applicant obtained a letter from the Mayor of Indian Lake, which stated that notification had been received and that he had provided the applicant’s notice letter to all of the City Council aldermen. Staff accepted the letter from the Mayor of Indian Lake as sufficient evidence that all City Council members had in fact been notified. Staff then dismissed the challenge and allowed the application to proceed through the process and allowed the application to retain its pre-application points. Marni Holloway presented this item to the TDHCA Board and attached hereto as Exhibit C and incorporated herein by reference for all purposes are some of the materials presented to the Board pertaining to Application #16117.

More recently, this fact pattern arose three times during last year’s application period. In each of the instances last year, the applicants notified the previous presiding officer of the school board, and in each instance the current presiding officer of the school board submitted a letter confirming that although the notice letter was addressed to the previous presiding officer that the current presiding officer had in fact received notice from the applicant. In all three instances the staff accepted the confirmation letters and dismissed the request for administrative deficiencies filed on each of those three applications. Attached hereto and incorporated herein by reference for
all purposes on Exhibit D are excerpts from the TDHCA Board meeting and documents presented at the Board meeting with respect to those three applications.

CONCLUSION

Based upon the foregoing, it is Project Owner’s strong opinion that the termination of Application #19100 be overruled and that such Application be reinstated with all of its points retained. The Statute does not require that the envelope in which the notice letter is sent be addressed to the proper person, but, instead, the Statute requires evidence that the current presiding officer has received notice. In this instance, there is incontrovertible evidence from the current presiding officer that he did receive the notice letter despite such notice letter not being addressed to him; and that he received the notice letter prior to expiration of the Pre-Application Period. Additionally, the staff in four previous situations in the last two years, in which those applications had very similar fact patterns to Application #19100, reviewed the facts of those situations and in each instance correctly and justifiably permitted the applicant to proceed with its application.

Project Owner therefore respectfully requests that this appeal be granted by you as the Executive Director. If your decision, however, is to affirm the termination of the Application, then Project Owner further hereby respectfully requests this matter be appealed to the Board for consideration at the next Board meeting scheduled on June 27, 2019.

Very truly yours,

John C. Shackelford

JCS/klm

Schedule of Exhibits: A, B, C, D

cc: Marni Holloway (via email)
    Sharon Gamble (via email)
    Vaughn Zimmerman (via email)
    Lora Myrick (via email)
    Juli Gonzalez (via email)
    Jaime McDonald (via email)
    Michelle Snedden, Esq. (of the Firm)
EXHIBIT A
Your package has been delivered.

Delivery Date: Monday, 01/07/2019
Delivery Time: 03:12 PM

At the request of WILHOIT PROPERTIES this notice alerts you that the status of the shipment listed below has changed.

**Shipment Detail**

**Tracking Number:** 1ZA3456F0295519349

**Ship To:**
Judge Mike Bradford
Mike Bradford
500 N LORAIN St
ROOM 1100
MIDLAND, TX 79701
US

**UPS Service:** UPS 2ND DAY AIR

**Number of Packages:** 1

**Weight:** 0.5 LBS

**Delivery Location:** RECEIVING OFFICE DESK

**Reference Number 1:** Midland TX
January 3, 2019
County Judge's Office
Honorable Mike Bradford
500 N Loraine Street, Suite 1100
Midland, TX 79701

Dear Judge Bradford,

Carver Ridge Apartments, LP is making an application for the competitive 9% Low Income Housing Tax Credit with the Texas Department of Housing and Community Affairs for Carver Ridge Apartments, at 1301 E Dormard Avenue, Midland, Texas, Midland County. This new construction is an apartment community and composed of approximately (60) units of which (50) will be for low-income tenants. The residential density of the Development, i.e., the number of Units per acre is approximately (8.7 units).

In the spring, the Department will hold public hearings in various locations around the state to gather input on Competitive Housing Tax Credit applications; comments can be made on any and all applications at each hearing. The hearing schedule along with contact information for written public comment will be posted on TDHCA's Public Comment Center website later this year.

For Tax-Exempt Bond applications where the Department is the issuer, there will be a public hearing to receive public comment on the proposed development. Information regarding the date, time, and location of that hearing will be disseminated at least 30 days prior to the hearing date on the Department's website (http://www.tdhca.state.tx.us/multifamily/coh11units.htm). For Tax-Exempt Bond applications that utilize a local issuer interested individuals are encouraged to contact the local issuer for information regarding the public hearing.

Sincerely,

Representative of Carver Ridge Apartments, LP

Jeff Beckler
Assistant Vice President of Development
417-890-3234
EXHIBIT B
May 16, 2019

Mr. David Cervantes  
Executive Director  
Texas Department of Housing and Community Affairs  
221 East 11th Street  
Austin, TX 78701  

Mr. Jeff Beckler  
Assistant VP of Development  
VCZ Development, LLC  
1329 East Lark Street  
Springfield, MO 65804  

Re: Notification Verification for TDHCA Application 19100- Carver Ridge Apartments

Dear Mr. Cervantes:

This letter is to verify Midland County, Texas received notification of a proposed development by Carver Ridge Apartments, LP.

As the Midland County Judge, I confirm that the attached notification was received in my office on Monday, January 7, 2019.

Please do not hesitate to contact me if you require any additional information.

Cordially,

Terry Johnson  
Midland County Judge
EXHIBIT C
June 21, 2016

Ms. Cynthia L. Bast
Locke Lord, LLP
600 Congress, Suite 2200
Austin, TX 78701

RE: THIRD PARTY REQUEST FOR ADMINISTRATIVE DEFICIENCY: 16117 INDIAN LAKE APARTMENT HOMES

Dear Ms. Bast:

The Texas Department of Housing and Community Affairs ("the Department") is in receipt of the Third Party Request for Administrative Deficiency you submitted regarding the application referenced above. The request asked the Department to review whether the Application meets the requirements of §119(e)(3) of the 2016 Qualified Allocation Plan ("QAP") regarding Pre-Application Participation; particularly whether the Applicant failed to properly notify all required individuals, rendering the Application ineligible for points under this section of the rule. We reviewed your request and determined that a Notice of Administrative Deficiency should be issued to the Applicant.

In response to the Administrative Deficiency, the Applicant submitted a fully processed certified mail receipt and a response from the Mayor of the City of Indian Lake indicating that "each alderman of the Town of Indian Lake were provided and received copies of the notice upon receipt."

Based on this evidence, the Department has determined that the matter has been resolved and no further action is required by the Applicant. If you have questions or require further information, please contact me.

Sincerely,

[Signature]

Marcia Holloway
Multifamily Division Director
February 26, 2016

To whom it may concern:

I am the Mayor of Indian Lake. I received the attached notice by certified delivery in January 2016.

I hereby confirm that each alderman of the Town of Indian Lake were provided and received copies of the notice upon receipt.
Your attention to this is appreciated.

Sincerely,

Barbara Collum
Mayor
USPS Tracking®

Tracking Number: 70151520000299425802

Updated Delivery Day: Monday, January 11, 2016

Product & Tracking Information

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<td>January 6, 2016, 8:50 pm</td>
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<td>NORTH TEXAS PROCESSING AND DISTRIBUTION CENTER</td>
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<td>Departed Post Office</td>
<td>DALLAS, TX 75287</td>
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<td>January 8, 2016, 2:54 pm</td>
<td>Acceptance</td>
<td>DALLAS, TX 75287</td>
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Track Another Package

Manage Incoming Packages

Track all your packages from a dashboard. No tracking numbers necessary.

Sign up for My USPS

https://tools.usps.com/go/TrackConfirmAction?tLabels=70151520000299425802
**U.S. Postal Service**
**CERTIFIED MAIL® RECEIPT**
*Domestic Mail Only*

**OFFICIAL USE**

For delivery information, visit our website at www.usps.com.

**Certified Mail Fee**

- [ ] Extra Services & Fees (check box, and fill in an appropriate fee)
- [ ] Return Receipt ( Domestic)
- [ ] Return Receipt (International)
- [ ] Certified Mail Restricted Delivery
- [ ] Adult Signature Required
- [ ] Adult Signature Restricted Delivery

**Package**

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<td>Sent to</td>
<td>Mayor of the City of Indian Lake Barbara Collum 62 South Aztec Cove Drive Los Fresnos, TX 78566</td>
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### SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

   Mayor of the City of Indian Lake
   Barbara Collum
   62 South Aztec Cove Drive
   Los Fresnos, TX 78566

### COMPLETE THIS SECTION ON DELIVERY

<table>
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<th>[x]</th>
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</thead>
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- B. Received by (Printed Name)

- C. Date of Delivery

- D. Is delivery address different from item 1? [ ] Yes [ ] No

#### 3. Service Type

- [ ] Certified Mail®
- [ ] Priority Mail Express®
- [ ] Registered
- [ ] Return Receipt for Merchandise
- [ ] Insured Mail
- [ ] Collect on Delivery

#### 4. Restricted Delivery? (Extra Fee) [ ] Yes

**Article Number**

*Transfer from service label*

7015 1520 0002 9942 5802

**PS Form 3811, July 2013**

**Domestic Return Receipt**
appeal rights for applications, and there's also a section on the rule regarding applicant eligibility that's about fomenting opposition to other applications, and there is the possibility that if someone goes too far with this that we're going to be having a conversation about is this person creating opposition to this application. So I just wanted to make those points as we're moving forward.

MR. OXER: I think it bears restating that this is a new approach to this aspect of the round of this process and we're trying to make sure we get our stance on it proper and we're taking the right approach in making that deliberation as open and transparent as possible.

All right, 117.

MS. HOLLOWAY: Okay. 117, Indian Lake Apartment Homes. The requester questioned whether the applicant had failed to properly notify all required individuals which would render the application ineligible for pre-application participation points. Staff reviewed the request and issued an administrative deficiency to the applicant. The applicant submitted a fully processed certified mail receipt indicating that notifications were delivered. Staff has reviewed the response provided and determined that the matter was resolved.

MR. OXER: Until it's resolved, but I gather you don't think it's been resolved.
January 7, 2018

Ms. Wanda Adams
Houston ISD
4400 West 18th Street
Houston, TX 77092-8501

Ms. Adams;

The purpose of this letter is to notify you that Kilday Operating LLC is making an application for Housing Tax Credits and HOME/TCAP funding through the Texas Department of Housing and Community Affairs for the Campanile on Commerce Development which would be located at 2800 Commerce Street in Houston, Texas, 77003 in Harris County. This New Construction development is an Apartment community and would be comprised of up to 120 units out of which at least 108 of the proposed units would be for low to moderate-income tenants.

In accordance with Department rules, we must inform you that aspects of the Development may not yet be determined or selected or may be subject to change, such as changes in the amenities ultimately selected and provided.

We are excited at the opportunity to bring another option to residents for quality affordable housing. If you have any questions, please do not hesitate to contact me any time.

Sincerely,

Lora Myrick
Representative of
Kilday Operating LLC
Development Owner
1717 St. James Place
Suite 150
Houston, TX 77056
(713) 914-9400

Lora Myrick  (512) 789-3710  lora@blueishousinglab.com
2201 Northland Drive, Austin, Texas 78759 | 812 San Amando Street, Suite L-14, Austin, Texas 78701 |
USPS Tracking®

Track Another Package +

Tracking Number: 70171450000160845470

Your item was delivered to an individual at the address at 10:51 am on January 10, 2018 in HOUSTON, TX 77092.

Delivered
January 10, 2018 at 10:51 am
Delivered, Left with Individual
HOUSTON, TX 77092

Tracking History

January 10, 2018, 10:51 am
Delivered, Left with Individual
HOUSTON, TX 77092
Your item was delivered to an individual at the address at 10:51 am on January 10, 2018 in HOUSTON, TX 77092.

January 9, 2018, 11:51 pm
Departed USPS Regional Facility
NORTH HOUSTON TX DISTRIBUTION CENTER

January 9, 2018, 12:17 pm
Arrived at USPS Regional Facility
NORTH HOUSTON TX DISTRIBUTION CENTER

January 9, 2018, 3:07 am
Departed USPS Regional Facility
AUSTIN TX DISTRIBUTION CENTER
January 8, 2018, 10:44 pm
Arrived at USPS Regional Facility
AUSTIN TX DISTRIBUTION CENTER

Product Information

Postal Product:

Features:
Certified Mail™

Can’t find what you’re looking for?
Go to our FAQs section to find answers to your tracking questions.

FAQs (http://faq.usps.com/?articleId=220900)
May 8, 2018

Mr. Timothy K. Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78711-3941

Re: Notification Verification for TDHCA Applications #18020 – St. Elizabeth Place,
#19306 Campanile on Commerce, & #18138 Lancaster Senior Village

Dear Mr. Irvine,

Please accept this letter to serve as confirmation that notification was received on
behalf of the Houston Independent School District.

As the president of the HISD Board of Trustees, I and my fellow members were
properly notified of the above-referenced proposed affordable housing developments
within our school district.

The board receives the letters as one operating body for the entire school district. I
was on the board when we were notified and I received the notification at the same
time. We did not need to be re-notified, as the President of the Board of Trustees is
a position selected by the Board of Trustees and not a position elected or appointed
by the voters within HISD boundaries.

Not only does the HISD board believe and is confident the notification process was
achieved as intended by rule, but also fully supports the proposed developments in
the district. These developments will be serving both seniors and families in the City
of Houston where there is much need for affordable housing in the wake of
Hurricane Harvey that devastated our communities.

We thank you for efforts to help achieve housing goals in the City of Houston. If you
have any questions, please do not hesitate to contact me any time.

Sincerely,

Rhonda Skillern-Jones
Board of Education, President

RSJ/mjr
June 21, 2018

Mr. David Mark Koolger
Mark-Dana Corporation
20302 Oak Ridge Drive, Suite 100
Spring, Texas 77380

RE: REQUEST FOR ADMINISTRATIVE DEFICIENCY: 18306 CAMPANILE ON COMMERCE

Dear Mr. Koolger:

The Texas Department of Housing and Community Affairs (the "Department") is in receipt of a Third Party Request for Administrative Deficiency ("RFAD") requesting that the Department review the Applications above to determine whether the Applicant appropriately notified Rhonda Skillern-Jones, Board President Housing Independent School District under 10 TAC §10.203. Staff determined that an Administrative Deficiency was appropriate for the request, and issued an Administrative Deficiency on May 7, 2018. In response to the deficiency notice, the Applicant provided a letter from Ms. Skillern-Jones, dated May 8, 2018, affirming that she received notification and indicating that the notification was received timely.

I find that the issues raised in your request were sufficiently answered through the Applicant's response to the Administrative Deficiency. Further, I find reaching this conclusion is not arbitrary and capricious as the RFAD suggests since the rule has been applied consistently and unambiguously to the RFADs under 10 TAC §10.203(2) for the Houston school district.

Pursuant to Per 10 TAC §11.10 related to Third Party Request for Administrative Deficiency, staff will provide to the Board, at its meeting of June 28, 2018, a written report summarizing each third party request for administrative deficiency and the manner in which it was addressed. You may provide testimony on this report before the Board takes any formal action to accept the report. The results of a RFAD may not be appealed by the requestor.

For purposes of staff's review of the request, the matter is considered closed. If you have questions or require further information, please contact me.

Sincerely,

[Signature]
Marni Holloway
Multifamily Division Director

Co: Lea Kilday
June 12, 2019

John C. Shackelford
9201 N. Central Expressway
Dallas, Texas  75231

RE:  APPEAL OF TERMINATION OF 2019 COMPETITIVE HOUSING TAX CREDIT APPLICATION 19100 CARVER RIDGE APARTMENTS, MIDLAND

Dear Mr. Shackelford:

The Texas Department of Housing and Community Affairs (the Department) is in receipt of your appeal, dated June 3, 2019, regarding the application submission indicated above. Staff had determined that the Applicant was unable to provide evidence that it notified County Judge Terry Johnson, who took office on January 3, 2019, as required by Tex. Gov’t Code Section 2306.6704(b-1), and the Application was terminated, pending the Applicant’s ability to appeal. Per the statute:

(b-1) The preapplication process must require the applicant to provide the department with evidence that the applicant has notified the following entities with respect to the filing of the application:
(4) the presiding officer of the governing body of the county containing the development and all elected members of that body;

The appeal states that the Applicant sent the notification to Midland County Judge Mike Bradford, who was the former Midland County Judge, and that the current Midland County Judge, Terry Johnson, confirmed by letter that he received the notice letter on January 7, 2019. The appeal asserts that the Applicant “has strictly complied with the purpose, intent and spirit of the Statute and, more importantly, the express language of the Statute.” The appeal states that the statute “does not require that the envelope in which the notice letter is sent be addressed to the proper person, but, instead, the Statute requires evidence that the current presiding officer has received notice.” This letter does not address the validity of these assertions.
The appeal cites as “precedent” staff’s acceptance of letters confirming receipt of the notification in previous situations. In a 2016 instance, the pre-application did not list all of the city aldermen, and the Applicant sent one notice to the mayor of the city and requested that the mayor provide a copy of the notice to “all elected officials of the city”. Staff received a certification from the mayor that she had provided the notice to each alderman. In a 2018 instance raised by several submitters of requests for administrative deficiency, there was a change in the office of President of the Board of Trustees for the Houston school district after the pre-application deadline, which triggered the re-notification requirement of the rule found at 10 TAC §11.203(2). The new president certified that she had received the notification.

Though I do not recognize that previous findings of staff or the Board constitute “precedent” that must be followed, I do appreciate the logic and examples of application of rules to the facts of this matter. Based on my interpretation of the facts and rules related to this matter, I find that the issues raised in your appeal clearly demonstrate that the appropriate elected official timely received the notification in this case, and accordingly I am granting the appeal. The next posted log will return your Application to its previous status in Urban subregion 12. Should you have any questions, please contact Sharon Gamble, Competitive Tax Credit Program Administrator, at sharon.gamble@tdhca.state.tx.us or by phone at 512-936-7834.

Sincerely,

David Cervantes
Acting Director
Multifamily Finance Division staff will place scanned copies of public comment received behind this tab in the application.pdf
Multifamily Finance Division staff will place scanned copies of Commitment or Determination Notice documents behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of Direct Loan Program Award Letters behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of Carryover Allocation Agreement documents behind this tab in the application .pdf