

**FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
VISTA DEL RIO HOUSING PARTNERS LP**

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FIRST AMENDED AND RESTATED AGREEMENT
OF
LIMITED PARTNERSHIP
OF
VISTA DEL RIO HOUSING PARTNERS LP

This First Amended and Restated Agreement of Limited Partnership of Vista Del Rio Housing Partners LP, dated and effective as of the 20th day of March, 2012, is made by and among:

A Community of Friends,
a California nonprofit public benefit corporation,
as the Managing General Partner;

Foundation for Affordable Housing V, Inc.,
a California nonprofit public benefit corporation,
as the Administrative General Partner;

AMCAL Enterprises, Inc.,
a California corporation,
as a Special Limited Partner;

Santa Ana Special Needs, LLC,
a California limited liability company,
as a Special Limited Partner;

Foundation for Affordable Housing, Inc.,
a California nonprofit public benefit corporation,
as the Withdrawing Limited Partner;

AMCAL Multi-Housing, Inc.,
a California corporation,
as a Withdrawing Special Limited Partner;

Goodwill Industries of Orange County, California,
a California nonprofit public benefit corporation,
as a Withdrawing Special Limited Partner

and

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

RECITALS

Vista Del Rio Housing Partners LP (the "**Partnership**") was formed as a limited partnership under the Uniform Limited Partnership Act of 2008 of the State of California pursuant to a Certificate of Limited Partnership dated September 15, 2008, and filed with the Secretary of State of the State of California on September 17, 2008, having Foundation for Affordable Housing V, Inc. a California nonprofit public benefit corporation, as the general partner, which Certificate of Limited Partnership was amended by that Amendment to Certificate of Limited Partnership dated and filed with the Secretary of State of the State of California on November 29, 2011, pursuant to which A Community of Friends, a California nonprofit public benefit corporation, was added as an additional general partner. The Partnership has been operating pursuant to an Agreement of Limited Partnership dated August 1, 2008, as amended by that Assignment and Assumption Agreement and First Amendment to Agreement of Limited Partnership dated November 21, 2011, having Foundation for Affordable Housing, Inc. as the limited partner, and AMCAL Multi-Housing, Inc. and Goodwill Industries of Orange County, California ("**Goodwill**"), as special limited partners.

The parties hereto desire to amend and restate the original partnership agreement in order to cause the withdrawal of Foundation for Affordable Housing, Inc. as limited partner, the withdrawal of AMCAL Multi-Housing, Inc. as a special limited partner, the withdrawal of Goodwill as a special limited partner, the admission of the Limited Partner as a limited partner, the admission of the AMCAL Special Limited Partner as a special limited partner, the admission of the SASN Special Limited Partner as a special limited partner, and to set forth more fully the rights, obligations, and duties of the General Partner, Limited Partner, and Special Limited Partner.

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

ARTICLE I

Continuation and Business Purpose

1.01 Restatement and Continuation of Partnership

The Withdrawing Limited Partner hereby withdraws as a limited partner of the Partnership and acknowledges that it (i) has received a full refund of its Capital Contribution, and (ii) releases any and all claims against the Partnership and/or its Partners, and the Limited Partner is hereby admitted as a limited partner of the Partnership. The General Partner, the Limited Partner and the Special Limited Partner, constituting all of the Partners of the Partnership, hereby amend and restate the Agreement of Limited Partnership of Vista Del Rio Housing Partners LP in its entirety and continue the Partnership under the Act. The federal

employer identification numbers of the Partnership, the Limited Partner and the Special Limited Partner are shown on Exhibit A-8.

1.02 Partnership Name

The name of the Partnership is "Vista Del Rio Housing Partners LP"

1.03 Principal Place of Business

The principal office of the Partnership and the office to be maintained pursuant to the Act shall be located at 3701 Wilshire Boulevard, Suite 700, Los Angeles, California 90010. The principal place of business of the Partnership shall be located at 3701 Wilshire Boulevard, Suite 700, Los Angeles, California 90010.

1.04 Registered or Resident Agent

The name and address of the registered or resident agent of the Partnership for service of process are Dora Leong Gallo, 3701 Wilshire Boulevard, Suite 700, Los Angeles, CA 90010.

1.05 Title to Partnership Property

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

1.06 Purposes of the Partnership

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

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

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

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

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

The Limited Partner acknowledges that the General Partners are exempt organizations under Section 501(c)(3) of the Internal Revenue Code, engaged in providing low-income housing. The Limited Partner acknowledges that the Partnership will operate housing that it owns in a manner that furthers the charitable purpose of the General Partner by providing decent, safe, sanitary and affordable housing for low income persons and families. In the event of a conflict between (i) the obligations of General Partner under this Agreement to operate the Partnership in a manner

consistent with the charitable purpose set forth above, and (ii) any duty to maximize profits for the Limited Partner, the conflict shall be resolved in a manner consistent with the General Partner's charitable purpose as set forth above, provided that in resolving any such conflict, the General Partner will comply with all Code Section 42 requirements, will maintain the Project in a safe and sanitary condition, will use Project funds to meet Project obligations and in accordance with the Extended Use Agreement, and will otherwise comply with the terms of this Agreement which do not so conflict.

1.07 Partnership Term

The term of the Partnership commenced on September 17, 2008, and shall continue until December 31, 2078, unless sooner terminated in accordance with Article XII. Upon termination of the Partnership, the General Partner shall take all actions necessary to terminate the Partnership in accordance with requirements of the Act.

1.08 Filing of Certificate

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

ARTICLE II

Certain Definitions

2.01 General Terms

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

Accountants: Dauby, O'Connor & Zaleski, LLC, of Indianapolis, Indiana, or such other firm of independent certified public accountants that is acceptable to the Limited Partner.

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

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

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

Additional Capital Contribution Due Date: The later of:

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

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

Additional Capital Contribution Notice: The Notice to be delivered to the Limited Partner by the General Partner stating the date on which any Additional Capital Contribution is due, the amount of the Additional Capital Contribution and, in reasonable detail, the manner of calculation thereof and including the Notice Certifications.

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

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

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

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

Administrative General Partner: Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation.

Admission Date: The date on which the Limited Partner is admitted to the Partnership, which shall be deemed to be the latest of:

(i) The date of payment by the Limited Partner of its Capital Contribution due on the Admission Date, in accordance with the schedule of payments listed on Exhibit A-1; or

(ii) The date the Certificate, amended to admit the Limited Partner, if necessary, is filed as the Partnership's certificate of limited partnership in accordance with the Act; or

(iii) The execution of this Agreement by all parties.

Affiliate: As to any Partner: (i) any such Partner or member of his Immediate Family; (ii) the legal representative, successor or assignee of, or any trustee of a trust for the benefit of, any such Partner or member of his Immediate Family; (iii) any entity of which a majority of the voting interests is owned by any one or more of the Persons referred to in the preceding clauses

(i) and (ii); (iv) any officer, director, trustee, employee, stockholder (ten percent (10%) or more), partner or member of any Person referred to in the preceding clauses (i), (ii) and (iii); and (v) any Person directly or indirectly controlling (ten percent (10%) or more), or under direct or indirect common control with, any Person referred to in the preceding clauses (i), (ii), (iii), or (iv).

Agreement: This First Amended and Restated Agreement of Limited Partnership of Vista Del Rio Housing Partners LP, including all of the exhibits attached hereto and made a part hereof, as amended and in effect from time to time.

AIA: American Institute of Architects.

AMCAL Special Limited Partner: AMCAL Enterprises, Inc., a California corporation.

Appraised Value: The value determined in the manner provided in Section 14.01.

Architect: KTG Y Group, Inc. of Irvine, California.

Authority: The California Tax Credit Allocation Committee.

Break-even: As to any specified period of time (the "**Period**"), the operation of the Project such that the Operating Revenue for the Period exceeds the greater of (i) the Project Expenses for the Period or (ii) the Project Expenses shown on the Projections (or the current approved Budget for the Project) (prorated for the Period), with Operating Revenue being computed on a cash basis and Project Expenses being calculated on an accrual basis.

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

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

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

Capital Proceeds: Sale Proceeds and Refinancing Proceeds.

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

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

(ii) Project Expenses.

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

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

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

Completion Date: The later of:

(i) The date on which the Partnership has completed the construction and/or rehabilitation of the buildings in accordance with the relevant Project Documents, approved by the Limited Partner and any construction consultant engaged by the Limited Partner and evidenced by a certificate prepared and executed by the Architect indicating that construction and/or rehabilitation of the buildings has been completed in accordance with the relevant Project Documents, except for punch list items that are not material and do not impede the rental of the space in the buildings on a full rent paying basis, provided the Partnership has furnished funds or cash equivalents in escrow to provide for the completion of such punch list items; and

(ii) The receipt of a temporary certificate of occupancy for the buildings comprising the Partnership Property including one hundred percent (100%) of the Units in the Project.

The intended Completion Date (the "**Target Completion Date**") is April 1, 2013.

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

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

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

Consent of the Special Limited Partner: The written consent or approval of the Special Limited Partner, which shall be obtained prior to the taking of any action for which it is required

hereunder. If there is more than one Special Limited Partner, Consent of the Special Limited Partner shall require the affirmative consent of all of the Special Limited Partners.

Construction Contract: The construction contract between the Partnership and General Contractor, dated March 9, 2012.

Construction Loan: The loan in the amount of \$5,599,180 to be provided to the Partnership by JP Morgan Chase Bank, NA.

Cost Certification: Certification by the Accountants, as approved by the Limited Partner, as soon as practicable after the Completion Date, of the costs of the Project, including eligible basis, matching sources and uses, and calculation of annual Credits, based on the Partnership's accounting records and any other documentation deemed appropriate by the Accountants.

Credit: Collectively, the Federal Credit and the State Credit.

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

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

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

Credit Units: The forty (40) Units that will be operated in a manner so as to qualify as low-income units within the definition of Section 42(i)(3) of the Code.

DDA: The Disposition and Development Agreement dated July 20, 2009, by and between the Community Redevelopment Agency of the City of Santa Ana and the Partnership, as previously amended and as may be amended from time to time.

Designated Proceeds: The sum of: (i) proceeds of the Loans and any grants; (ii) insurance proceeds arising out of casualties as available from time to time to the extent used for restoration of the damage caused by such casualty; (iii) net rental income prior to the Completion Date; and (iv) Capital Contributions due by the Completion Date which are to be used for construction and/or rehabilitation of the Project pursuant to the Projections.

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

Development Fee: The fees pursuant to Section 4 of the Development Services Agreement attached hereto as Exhibit C and payable to the Person indicated on Exhibit A-4.

Enterprise: Enterprise Community Investment, Inc., a Maryland corporation, which is the general partner of the Limited Partner.

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

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

Environmental Reports: The Phase I environmental site assessment report dated November 25, 2011 prepared by Anderson Environmental, the Phase II environmental site assessment report dated February 5, 2009 prepared by Converse Consultants, the Updated Geotechnical Study dated November 4, 2011 prepared by Converse Consultants, the Exterior to Interior Noise Analysis dated November 15, 2011 prepared by McKay Conant and Hoover, Inc., and the Jurisdictional Impacts Memorandum dated December 15, 2011 prepared by ATKINS.

Event of Bankruptcy: With respect to any Person:

(i) The entry of a decree or order for relief by a court having jurisdiction in respect of such Person in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for such Person or for any substantial part of his property, or ordering the winding-up or liquidation of his affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days;

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

(iii) The commencement against such Person of an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy insolvency or similar laws which has not been vacated, discharged or bonded within sixty (60) consecutive days;

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

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

Extended Use Agreement: The agreement to be entered into between the Partnership and the Authority as required pursuant to Section 42(h)(6) of the Code.

Extended Use Period: The period specified in Section 42(h)(6)(D) of the Code.

Fair Market Value: A calculation, reviewed by the Accountants, of the amount the Partners would receive upon a distribution pursuant to Article XII upon the liquidation of the Partnership after the sale of the Partnership Property by the Partnership for its Appraised Value and allocation of the resulting gain or loss pursuant to Section 7.02.

Federal Credit: The Low-Income Housing Tax Credit provided for under Section 42 of the Code, including the seventy percent (70%) present value new construction and rehabilitation credit.

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

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

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

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

General Contractor: AMCAL General Contractor, Inc.

General Partner: A Community of Friends, a California nonprofit public benefit corporation, Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, and any additional or substitute general partners of the Partnership named in any duly adopted amendment to this Agreement. If there is more than one general partner, the term "General Partner" shall refer collectively to all such general partners.

HAP Contract: The fifteen (15)-year Housing Assistance Payments Contract to be entered into with the Santa Ana Housing Authority to provide Section 8 housing assistance payments to the Partnership for eight (8) Units in the Project pursuant to the Section 8 Commitment.

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

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

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

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

IRS: The Internal Revenue Service.

Lease-up Period: The period commencing on the Completion Date and ending when the Project achieves Qualified Occupancy for all Credit Units.

LIH Adjustment Limit: The amount determined as of any relevant date by which the Development Fee exceeds the aggregate reductions in the Limited Partner's Capital

Contributions under Sections 3.03(b) and (c), and Credit Adjuster Advances previously made pursuant to Section 3.03.

Limited Partner: Wincopin Circle LLLP, a Maryland limited liability limited partnership, and any Person who becomes a Substitute Limited Partner as provided herein, in each such person's capacity as a limited partner. If there is more than one limited partner of the Partnership, the term "Limited Partner" shall refer collectively to all such limited partners. A Special Limited Partner is not a Limited Partner as described in this Agreement.

Loan Conversion: The disbursement in full of all construction loans, the receipt of all consents from lenders or other parties that construction completion has occurred, conversion of all Loans to permanent status, the partial repayment of the Construction Loan in an amount consistent with the Projections or in such other amount with the Consent of the Limited Partner, and the closing and funding of all permanent Loans in accordance with the terms shown on the Projections; provided, however, that the principal amount of the First Mortgage Loan following Loan Conversion shall not be greater than the amount shown on the Projections or otherwise approved by the Limited Partner in its reasonable discretion.

Loan Documents: With respect to each Loan, any and all documents executed by the Partnership in connection with such Loan, including, without limitation, any of the following: loan applications, loan commitments, notes, mortgages, regulatory agreements, building loan agreements, security agreements, and financing statements.

Loans: The loans shown on Exhibit A-3, and any other loans made to the Partnership with the Consent of the Limited Partner.

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

Management Agent: The John Stewart Company, a California corporation, or such other property management company that is acceptable to the Limited Partner.

Managing General Partner: A Community of Friends, a California nonprofit public benefit corporation.

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

the manner set forth in Treasury Regulation Section 1.704-2(d)(2)(ii) (or successor provisions). It is the intent that Minimum Gain shall be computed in accordance with Treasury Regulation Section 1.704-2.

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

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

Mortgages: The mortgages or deeds of trust that are secured by the Partnership Property.

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

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

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

Net Profits: The taxable income of the Partnership for federal income tax purposes for each taxable year, calculated without regard to Gain or Loss and without regard to those items which are specially allocated in accordance with the Regulatory Allocations or otherwise pursuant to Section 7.03; *provided, however*, that in determining taxable income (i) any tax-exempt income received by the Partnership shall be included as an item of gross income, (ii) any expenditure of the Partnership described (or treated under Treasury Regulation Section 1.704-1(b)(2)(iv)(b) as described) in Section 705(a)(2)(B) of the Code shall be treated as a deductible expense, (iii) if the fair market value on the date that the asset is contributed to the Partnership

(or if the basis of such asset for book purposes is adjusted under the Treasury Regulations, such adjusted book basis) differs from its adjusted basis for federal income tax purposes at the beginning of such year or other period, in lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, the amount for depreciation, amortization and other cost recovery deductions shall be equal to an amount which bears the same ratio to such beginning fair market value (or adjusted book basis) as the federal income tax depreciation, amortization or other cost recovery deduction for such year or other period bears to such beginning adjusted tax basis, and (iv) if the value at which an asset is carried on the books of the Partnership differs from its adjusted tax basis and gain or loss is recognized from a disposition of such asset, the gain or loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

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

Notice: A writing containing the information required by this Agreement and sent by registered or certified mail, postage prepaid, return receipt requested, or sent by commercial delivery service, by hand delivery, or by telecopy, paid for by the sender, to a Partner at the last address or addresses designated for such purpose by such Partner in Section 15.02 or as provided therein. The date shown on the return receipt for actual delivery or, if refused, the date of first attempted delivery, when given by registered mail or certified mail or the date of actual receipt of such writing by commercial delivery service, hand delivery or telecopy, will be deemed the date of such Notice.

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

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

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

Operating Reserve: The reserve to be funded in accordance with Section 5.18.

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

Operating Revenue: For any specified period of time, the amount of gross revenues from all sources derived from the Project as the result of the normal operation of the Project, which shall not include non-recurring revenue such as Sale Proceeds and Refinancing Proceeds, and which shall be calculated on a cash basis.

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

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

Partnership: Vista Del Rio Housing Partners LP, a limited partnership formed under and pursuant to the Act.

Partnership Property: The Partnership's fee simple interest in the land and improvements comprising a project known as Vista Del Rio Apartments, which contains forty-one (41) Units (including one (1) manager's unit) in one (1) building(s) located on one site in Santa Ana, California, the legal description and street address of which is set forth on Exhibit B attached and made a part hereof, together with such additions or improvements thereto as may hereafter be acquired by the Partnership in accordance with this Agreement.

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

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

Project: The aggregate of all of the individual buildings, dwelling Units, common areas and improvements located in or around the Partnership Property.

Project Documents: The construction contracts, plans and specifications, agreements with architects and engineers, the Fee Agreements, the Extended Use Agreement, the DDA, the Section 8 Commitment, and any other document or instrument executed in connection with any of the aforesaid documents.

Project Expenses: All costs and expenses of any type incurred on an accrual basis incident to the equipping, financing, ownership and operation of the Project, including, without limitation, amounts required to be funded into the Replacement Reserve or any other reserve required to be funded under Exhibit A-6 or by any lender, payments of fees to the Partners or their Affiliates (other than fees, the payment of which is contingent on the amount of Cash Flow or Capital Proceeds), taxes, required payments of principal and interest on any Loans and any other Partnership loans or obligations (including loans from Partners) which are not contingent on the amount of Cash Flow or Capital Proceeds, costs of capital improvements to the Partnership Property incurred after the Completion Date and not funded or to be funded from the Partnership's Replacement Reserve (described on Exhibit A-6). For purposes of the foregoing calculation, debt service and other amounts payable in connection with any Loan or other loan shall be calculated at the maximum possible amounts thereof under the Loan Documents (absent default or maturity), even if such maximum amounts are not then accruing or being charged.

Additionally, Project Expenses shall include real estate taxes or PILOT payments at full projected assessment, reserve requirements imposed on the Project by the Project Documents, the Loan Documents or this Agreement and, on an annualized basis, all projected expenditures, including those of a seasonal nature, which might be expected to be incurred on an unequal basis during a full annual period of operation.

Projected Credits: Collectively, the Projected Federal Credits and the Projected State Credits.

Projected Federal Credits: The aggregate amount of Federal Credits projected to be received by the Limited Partner based on the projections prepared in accordance with Sections 3.03(a) and (c).

Projected State Credits: The aggregate amount of State Credits projected to be received by the Limited Partner based on the projections prepared in accordance with Sections 3.03(a) and (c).

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

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

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

Qualifying Tenant: A tenant whose income does not exceed the relevant limit set forth in Section 42(g)(1) of the Code and/or other regulatory requirement.

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

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

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

Replacement Reserve: The reserve to be funded in accordance with Section 5.18.

Required Debt Service Coverage: As to any specified period of time (the "**Period**"), the operation of the Project such that the Operating Revenue for the Period less the greater of (i) the Project Expenses for the Period or (ii) the Project Expenses shown on the Projections (or the current approved Budget for the Project) (prorated for the Period), equals or exceeds one hundred fifteen percent (115%) of the aggregate amount of principal and interest payments due during such period on all Loans (assuming debt service requirements after Loan Conversion) in which the debt service is not contingent on Cash Flow

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

SASN Loan: The loan in the amount of \$125,000 to be provided to the Partnership by the SASN Special Limited Partner.

SASN Special Limited Partner: Santa Ana Special Needs, LLC, a California limited liability company.

Section 8 Commitment: The Agreement to Enter into Housing Assistance Payments Contract, Part 886, Subpart C, effective as of February 28, 2012, between the Santa Ana Housing Authority and the Partnership, allocating Project-Based Section 8 assistance for eight (8) Units in the Project for ten (10) years with a five (5)-year extension.

Seller Loan: The forgivable loan in the amount of \$2,900,000 to be provided to the Partnership by the City of Santa Ana, acting as successor agency to the Community Redevelopment Agency of the City of Santa Ana.

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

Special Limited Partner: The AMCAL Special Limited Partner, the SASN Special Limited Partner, and any additional or substitute special limited partners of the Partnership named in any duly adopted amendment to this Agreement. If there is more than one special limited partner, the term "Special Limited Partner" shall refer collectively to all such special limited partners.

Stabilization Date: The later of (a) the date on which the Project has satisfied the Required Debt Service Coverage for a period of three (3) consecutive calendar months following the date on which (i) ninety percent (90%) of the residential Units are occupied, and (ii) actual rental income for the prior month is at least ninety percent (90%) of the estimated potential rent shown on the Projections or subsequent Budget approved by the Limited Partner; or (b) Loan Conversion.

State: All states and the District of Columbia.

State Credit: The State of California low income housing tax credit provided for under Section 23610.5 of the California Revenue and Taxation Code.

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

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

Tax Matters Partner: The Managing General Partner.

Ten Percent Test Date: The date on which the Partnership's actual basis in the Project must exceed ten percent of the Partnership's reasonably expected basis in the Project as of the close of the second calendar year following the calendar year an allocation of Credit is made to qualify for a carryover allocation pursuant to Code Section 42(h)(1)(E). The date shall be the earlier of: (i) the date required by the Authority to meet the ten percent test, and (ii) twelve months after the date the allocation was made.

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

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

Title Policy: That certain title policy issued by First American Title Insurance Company in the amount (the "**Owner's Title Policy Amount**") shown on Exhibit A-2, in favor of the Partnership and in force as of the date hereof insuring the Partnership's title to the Partnership Property.

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

Transition Reserve: The reserve to be funded in accordance with Section 5.18.

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

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

Units: The individual units of residential rental housing located on the Partnership Property.

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

2.02 Rules of Construction

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

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

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

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

(iv) Words importing persons include any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization, or government or agency or political subdivision thereof;

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

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

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

(b) In the event there is more than one Limited Partner, more than one Special Limited Partner, or more than one General Partner, the following additional rules of construction shall apply unless otherwise provided:

(i) Unless otherwise provided herein, allocations to the Partners of Gain, Net Profits, Net Losses, Loss and credits under Article VII, and distributions of Net Cash Flow and Capital Proceeds under Article VIII shall be further allocated and/or distributed between or among the Partners in proportion to each Partner's respective Percentage Interest as set forth on Exhibit A. Unless otherwise provided herein, no General Partner shall have a superior right to receive distributions than any other General Partner, no Limited Partner shall have a superior right to receive distributions than any other Limited Partner, and no Special Limited Partner shall have a superior right to receive distributions than any other Special Limited Partner;

(ii) Unless otherwise provided herein, with respect to any matter on which the approval or ratification of the General Partners, the Limited Partners or the Special Limited Partners is required or may be given, such approval or ratification shall not be deemed to have been given unless given by Consent of the applicable General Partners, Limited Partners or Special Limited Partners, as the case may be; provided, however, that except as otherwise expressly provided in this Agreement, in no event shall the Special Limited Partner have any approval rights;

(iii) Unless otherwise provided herein, with respect to any matter on which the approval or ratification of the General or Limited Partners is required or may be given, each General or Limited Partner, as the case may be, shall be entitled to vote, provided that, except as otherwise expressly provided herein, in no event shall the Special Limited Partner have any voting or approval rights; and

(iv) Unless otherwise provided herein, the General Partner's obligations under this Agreement shall be joint and several as to each General Partner.

ARTICLE III

Partnership Interests and Sources of Funds

3.01 Identity of Partners and Percentage Interests

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

3.02 Capital Contributions

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

(i) Syndication Services. The Managing General Partner will perform services in connection with syndication and sale of the Limited Partner Interest to the Limited

Partner, including providing the Limited Partner with all relevant information; preparing a financial plan to admit the Limited Partner; conducting due diligence on behalf of the Partnership in connection with the admission of the Limited Partner; and preparing appropriate disclosure documents related to the admission of the Limited Partner in compliance with all federal, state and local securities laws.

(ii) Financing Services. The Managing General Partner will perform services in connection with permanent financing, including obtaining commitments for all permanent financing for the Project, including providing information to prospective lenders; negotiating final loan commitments; coordinating all loan closing checklist requirements with lenders; and monitoring loan requirements during the term of the loans.

(b) *Limited Partner and Special Limited Partner*. Subject to the provisions of this Section 3.02, the Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of available funds, the aggregate amount set forth after the Limited Partner's name on Exhibit A.

The Limited Partner shall pay its Capital Contribution in Installments, in the amounts and at the times indicated on Exhibit A-1; *provided, however*, that the date for payment of any Additional Capital Contribution shall be the Additional Capital Contribution Due Date, which may be deferred in accordance with Section 3.02(d). Except as provided in this Section 3.02(b), the Limited Partner shall not be obligated to make any Capital Contributions to the Partnership, and all required Capital Contributions shall be subject to any applicable adjustments; provided, however, that the Limited Partner shall have the right to make further Capital Contributions to the Partnership, including the right to agree to make a limited or unlimited contribution to the extent necessary to eliminate a deficit in its Capital Account. Any deficit restoration shall be at the option of the Limited Partner and shall not be enforceable against the Limited Partner by any Person.

Subject to the provisions of this Section 3.02, the Special Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the Capital of the Partnership, by wire transfer or other form of available funds, the aggregate amount set forth after the Special Limited Partner's name on Exhibit A.

(c) *Notice Certifications*. The Managing General Partner shall deliver an Additional Capital Contribution Notice to the Limited Partner which shall include the Notice Certifications in the exact form attached as Exhibit A-7 not more than thirty (30) days and not less than twenty (20) days (ten (10) days for Additional Capital Contributions prior to the Completion Date) in advance of the due date of each Additional Capital Contribution.

(d) *Deferral of Additional Capital Contribution Due Date*. Should the Managing General Partner fail to certify that each of the relevant Notice Certifications is true and correct in its Additional Capital Contribution Notice, and to reconfirm the accuracy of the relevant Notice Certifications as of the due date of any given Additional Capital Contribution, or should any of the relevant Notice Certifications be in fact untrue, the Additional Capital Contribution Due Date shall be deferred until twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after such time as the Managing General Partner is able to and

does certify that each of the relevant Notice Certifications is true, and each of the relevant Notice Certifications is in fact true, and failure to pay such Additional Capital Contribution prior to such time shall not constitute a default of the Limited Partner.

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

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

(g) *Default.* In the event there is more than one Limited Partner, each Limited Partner shall be considered separately as a Limited Partner for purposes of this Section 3.02(g). In the event that a Limited Partner fails to pay any portion of any Additional Capital Contribution (as such Additional Capital Contribution may be adjusted in accordance with Section 3.03) by the Additional Capital Contribution Due Date (as the same may be deferred pursuant to Section 3.02(d)) and any such failure is not cured within forty-five (45) days after written Notice of such failure, such Limited Partner shall be deemed to be in default of its obligations under this Agreement and the General Partner shall be entitled to take all actions available to the Partnership, including, without limitation, instituting a suit at law or in equity; *provided, however,* in the event of a Final Determination in favor of the Partnership, the defaulting Limited Partner shall pay to the Partnership all Additional Capital Contributions and accrued interest at the prime rate as published from time to time by *The Wall Street Journal* (the "**Prime Rate**") plus two percent (2%) thereon. Such payment shall constitute the sole remedy of the Partnership under this Section 3.02. Notwithstanding any provisions of Section 3.02, upon payment of all amounts owed pursuant to the terms of this Section 3.02(g) as a result of the default of such Limited Partner, and provided such payment is received prior to the acquisition by another of the defaulting Limited Partner's Interest, such Limited Partner shall be fully reinstated to its former Interest and Percentage Interest in the Partnership, including, but not limited to, the defaulting Limited Partner's former share of distributions, as though a default under this Section 3.02(g) had not occurred. The obligation of the Limited Partner to make payments of its Capital Contributions is nonrecourse to the partners of the Limited Partner, and the partners of the Limited Partner shall have no personal liability in the event of any default by the Limited Partner.

(h) *Sale of Limited Partner's Interest.* Subject to the provisions of Section 3.02(g) in the event of a default pursuant to Section 3.02(g), the Partnership may offer to sell the defaulting Limited Partner's Interest first to the non-defaulting Limited Partners, and if they do not

collectively purchase all of the defaulting Limited Partner's Interest, then the balance to any other Person on such commercially reasonable terms and conditions as the General Partner deems most favorable under the circumstances. Any amount that the Person acquiring the Interest of the defaulting Limited Partner shall pay in consideration of the acquisition of such Interest shall be applied in the following order: (i) to the payment of all reasonable fees and expenses incurred by the Partnership in connection with such sale; (ii) to the payment of the Additional Capital Contribution payment and any interest thereon then required to be paid by the defaulting Limited Partner; (iii) to the payment, if any, of any future Additional Capital Contributions of the defaulting Limited Partner; and (iv) any balance to the defaulting Limited Partner. In no event may a sale under this Section 3.02(h) be made to the General Partner or any Affiliate thereof.

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

(j) *Rights of Nondefaulting Limited Partners.* All rights and benefits of a defaulting Limited Partner attributable to such Partner's Interest in the Partnership shall be suspended during the period of default, and such suspension shall terminate on the date of the curing of such default (if such curing is permitted under Section 3.02(g)), or upon the admission of a purchaser of such Interest pursuant to this Section as a Substitute Limited Partner. Upon the termination of such defaulting Limited Partner's Interest in the Partnership, all rights and benefits of such defaulting Limited Partner attributable to such Partner's Interest in the Partnership shall terminate. If such suspension is in effect at the end of the Partnership's Fiscal Year, the profits and losses and Credits attributable to the defaulting Limited Partner's Interest during the period of suspension that have not been allocated to such defaulting Limited Partner in a tax return filed by the Partnership shall be allocated to the extent permitted under the Code and the Treasury Regulations thereto and this Agreement, to the non-defaulting Limited Partners, pro rata in accordance with their Interests, until the admission of a Substitute Limited Partner in place of the defaulting Limited Partner.

3.03 LIH Adjustments to Capital Contributions

(a) (i) *Federal Credit Adjustment at Cost Certification and upon Receipt of IRS Form 8609.* As a condition of the Third Installment of the Limited Partner's Capital Contribution, the Accountants shall prepare projections of the Federal Credit available and allocable to the Limited Partner (the "**Projected Federal Credits**") for the Project based upon the Accountant's calculation of the eligible basis and qualified basis of the Project and the credit percentage applicable to the Project. If the Projected Federal Credits are less than the "**LIH Target Amount**" shown on Exhibit A-2, the Limited Partner's Capital Contribution (including Capital Contributions already paid to the Partnership) shall be reduced by an amount equal to \$1.04 for every dollar by which the Federal Projected Credits are less than the LIH Target Amount. Any decrease in the Limited Partner's Capital Contribution will be subtracted from the Third Installment of the Limited Partner's Capital Contribution, and if insufficient, from the next succeeding Additional Capital Contributions until the full reduction has been taken into account.

In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(a)(i) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(b) and (c)), the Managing General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall immediately thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount. The adjustments required under this Section 3.03(a)(i) shall also be made based on the IRS Forms 8609 for the Project due in connection with the Fourth Installment of the Limited Partner's Capital Contribution. In the event Credits are available over a 15-year period under Code Section 42(f)(3), the Limited Partner's next succeeding Capital Contributions shall be reduced to reflect reduced Credits over the Credit Period in an amount which will result in the IRR Target.

(ii) *State Credit Adjustment at Cost Certification and upon Receipt of IRS Form 8609.* As a condition of the Third Installment of the Limited Partner's Capital Contribution, the Partnership shall prepare projections of the State Credit ("**Projected State Credits**") available and allocable to the Limited Partner for the Project based upon the Accountant's calculation of the eligible basis and qualified basis of the Project and the credit percentage applicable to the Project. If the Projected State Credits are less than the total "**State Credit Target Amount**" shown on Exhibit A-2, the Limited Partner's Capital Contribution (including Capital Contributions already paid to the Partnership) shall be reduced by \$0.67 for every dollar by which the Projected State Credits are less than the State Credit Target Amount. Any decrease in the Limited Partner's Capital Contribution will be subtracted from the Third Installment of the Limited Partner's Capital Contribution, and if insufficient, from the next succeeding Additional Capital Contributions until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(a)(ii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(b) and (c)), the Managing General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount. The adjustments required under this Section 3.03(a)(ii) shall also be made based on the final IRS Form 8609 and CTCAC Form 3521A for the Project in connection with the Fourth Installment of the Limited Partner's Capital Contribution

(b) *Adjustments for Credit Reductions.*

(i) *Events Causing Adjustments.* In the event the portion of Credit to be allocated to the Limited Partner that the Partnership claims (as determined by the Accountants) with respect to any taxable year after the Lease-up Period is less than the Projected Credits for that year, and/or the Partnership or the Accountants determine that the Partnership must recapture any of the Credit allocated to the Limited Partner that the Partnership claimed in any previous taxable year (either event constituting a "**Credit Reduction**"), the Limited Partner's Additional Capital Contributions shall be reduced in the manner provided in Section 3.03(b)(ii).

(ii) *Additional Capital Contributions Subject to Adjustment.* Upon the occurrence of a Credit Reduction, the amount of the next succeeding Additional Capital Contribution, after adjusting such Additional Capital Contribution as provided in Section 3.03(c), shall be reduced by the lesser of (A) the Total LIH Reduction Amount (as defined in Section

3.03(b)(iv)) or (B) the LIH Adjustment Limit. In the event that the amount determined in the previous sentence exceeds the amount of the next succeeding Additional Capital Contribution, such excess shall reduce the second succeeding Additional Capital Contribution, and subsequent Additional Capital Contributions, until such excess is eliminated (in each case, not to reduce Capital Contributions, including any adjustments provided in Section 3.03(c), by an amount in excess of the LIH Adjustment Limit).

(iii) *Credit Adjuster Advances.* If, during the Compliance Period, the Total LIH Reduction Amount exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and 3.03(c)), or if all Additional Capital Contributions have been made, the Managing General Partner shall immediately make a Credit Adjuster Advance equal to the amount of such excess (but in no event in excess of the sum of the LIH Adjustment Limit plus the aggregate distributions previously made to the General Partner pursuant to Exhibit A-4 to this Agreement) and the Partnership shall thereafter make a special distribution to the Limited Partner, neither to reduce nor to be limited by Net Cash Flow, equal to such amount.

(iv) *Total LIH Reduction Amount.* The Total LIH Reduction Amount for a taxable year shall equal (A) \$1.04 multiplied by the sum of (I) the amount by which the portion of the Federal Credits to be allocated to the Limited Partner that the Partnership claims for that year (based on the lesser of the General Partner's estimate for such year provided to the Limited Partner or the actual tax return) are less than the Projected Federal Credits for that year, (II) the amount by which the portion of the Federal Credit to be allocated to the Limited Partner in any future year from such event is, as a result of the event giving rise to a Credit Reduction, less than the Projected Federal Credits for such future year, and (III) the portion of the Federal Credit allocated to the Limited Partner that the Partnership claimed but that the Partnership or the Accountants determine must be recaptured during such taxable year, if any, plus any interest and penalties imposed by the IRS as a result of such recapture or reduction; and (B) \$0.67 multiplied by the sum of (I) the amount by which the portion of the State Credit to be allocated to the Limited Partner that the Partnership claims for that year (based on the lesser of the General Partner's estimate for such year provided to the Limited Partner or the actual tax return) is less than the Projected State Credits for that year, (II) the amount by which the portion of the State Credit to be allocated to the Limited Partner in any future year from such event is, as a result of the event giving rise to a Credit Reduction, less than the Projected State Credits for such future year, and (III) the portion of the State Credit allocated to the Limited Partner that the Partnership claimed but that the Partnership or the Accountants determine must be recaptured during such taxable year, if any, plus any interest and penalties imposed by the State of California as a result of such recapture or reduction.

The Partners intend that the adjustments in this Section 3.03(b) shall not duplicate adjustments made in Section 3.03(a) or 3.03(c).

(c) *Adjustment for Delay in Delivery.*

(i) *Adjustment for Delay in Federal Credit.*

(A) In order to take into account a delay in lease-up, in addition to the adjustments provided for in Sections 3.03(a) and 3.03(b), if the Projected Federal Credits for the Lease-up Period, calculated by the Accountant, are less than the amount shown on Exhibit A-2, as adjusted pursuant to Section 3.03(a) (the "***Federal Lease-up Projection***"), when the Third Installment of the Limited Partner's Capital Contribution is due, the Third Installment shall be reduced by \$1.04 for each dollar by which the Projected Federal Credits for the Lease-up Period is less than the Federal Lease-up Projection. If the Third Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(i)(a) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and (b)), the Managing General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(B) In addition to the adjustment described above, if the Limited Partner is not entitled to claim Federal Credits for any year in the Lease-up Period (based on the filed tax return) in at least the amount of the Federal Lease-up Projection (as adjusted to take into account any reduction pursuant to Section 3.03(c)(i)(a)), when any Installment of the Limited Partner's Capital Contribution is ultimately paid, such Installment shall be reduced by \$1.04 for every dollar by which the actual Federal Credit is less than the Federal Lease-up Projection for that year. If such Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(i)(b) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and (b)), the Managing General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

In computing the adjustment under this paragraph (i), the amount of Federal Credits available during the Lease-up Period under this Section 3.03(c) shall be increased by the present value of any additional Federal Credit in excess of the amount shown in the Projections available to the Limited Partner in the eleventh (11th) year of the Compliance Period, discounted at 10% per annum.

(ii) *Adjustment for Delay in State Credits.*

(a) In order to take into account a delay in delivery of State Credit, in addition to the adjustments provided for in Sections 3.03(a) and (b), if the Projected State Credits, calculated by the Accountants, for 2013 are less than the amount shown on Exhibit A-2, as adjusted pursuant to Section 3.03(a) (the "***State Lease-up Projection***") for such year, when the Third Installment of the Limited Partner's Capital Contribution is due, the Third Installment shall be reduced by \$0.67 for every dollar by which the actual State Credit is less than the State Lease-up Projection for that year. If the Third Installment is insufficient, the next succeeding Additional Capital Contributions shall be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(ii) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and (b)), the Managing General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(b) In addition to the adjustment described above, if the Limited Partner is not entitled to claim State Credits for any year in the Lease-up Period (based on the filed tax return) in at least the amount of the State Lease-up Projection (as adjusted to take into account any reduction pursuant to Section 3.03(c)(ii)(a)), when any Installment of the Limited Partner's Capital Contribution is ultimately paid, such Installment shall be reduced by \$0.67 for every dollar by which the actual State Credit is less than the State Lease-up Projection for that year. If such Installment is insufficient, the next succeeding Additional Capital Contributions will be reduced until the full reduction has been taken into account. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(c)(ii)(b) exceeds the sum of all subsequent Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a) and (b)), the Managing General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

In computing the adjustment under paragraph (ii) above, the amount of State Credits available during the Lease-up Period under this Section 3.03(c) shall be increased by the present value of any additional State Credit in excess of the amount shown in the Projections available to the Limited Partner in 2014, discounted at 10% per annum.

There shall be no duplicate reduction in the amount of the Limited Partner's Capital Contributions under Sections 3.03(c)(i) and (ii) and under Sections 3.03(a) and 3.03(b).

(d) *Adjustment for Change to Depreciation.* In the event that if for any taxable year any building in the Project is not entitled to the depreciable life shown on Exhibit A-8, the Limited Partner's next succeeding Capital Contributions shall, at the option of the Limited Partner, be reduced to reflect the reduction in tax benefits due to such change to depreciation. The reduction in the Limited Partner's Capital Contribution shall be made in such an amount that will provide the Limited Partner with the Projected IRR. In connection with the foregoing, if the amount of the reduction computed in this Section 3.03(d) exceeds the sum of all subsequent

Additional Capital Contributions (as previously reduced pursuant to Sections 3.03(a), 3.03(b) and 3.03(c)), the Managing General Partner shall make a Credit Adjuster Advance equal to the amount of such excess, and the Partnership shall thereafter make a special distribution to the Limited Partner, which shall neither reduce nor be limited by Net Cash Flow, equal to such amount.

(e) *Upward Adjuster.*

(i) If the Federal Credit shown on IRS Form 8609 is more than the LIH Target Amount, the Limited Partner's Fourth Installment of its Capital Contribution shall be increased by \$1.04 for every dollar of such increase in the Federal Credit allocable to the Limited Partner up to the maximum amount set forth herein. If the Federal Credits for the Project for 2013 shown on the Limited Partner's tax return are greater than the amount shown as allocated to the Limited Partner on the Projections for such year, the Limited Partner's Fourth Installment of its Capital Contribution shall be increased by \$0.52 for every dollar of such increase in the Federal Credits up to the maximum amount set forth herein, provided that if the increase in 2013 Federal Credits results in Federal Credits becoming available over a 15-year period under Section 42(f)(3) of the Code, the upward adjuster shall be reduced to reflect the reduced value of Federal Credits over the Credit Period.

(ii) If the State Credits shown on CTCAC Form 3521A are more than the State Credit Target Amount, the Limited Partner's Fourth Installment of its Capital Contribution shall be increased by \$0.67 for every dollar of such increase in the State Credit allocable to the Limited Partner up to the maximum amount set forth herein.

Notwithstanding any other provision of this Agreement, the maximum aggregate increase of the Limited Partner's Capital Contribution under this Section 3.03(e) shall be limited to 10% of the Limited Partner's Capital Contribution shown on Exhibit A to this Agreement.

(f) *Determination of Adjustment Amounts.* If the Limited Partner shall disagree as to the amount of the Projected Credits as calculated by the Accountants, the Limited Partner shall give Notice to the Managing General Partner of such disagreement within twenty (20) days after delivery of the Accountants' calculation (the "**Contribution Dispute Notification**"), and the Limited Partner shall pay that portion of the next Installment of the Limited Partner's Capital Contribution based on that portion of the Projected Credit not in dispute. With respect to the amount or the timing of the amount of such Projected Credit in dispute, if the Managing General Partner and the Limited Partner cannot agree on the amount of the adjustment to the Capital Contribution within five (5) days after the giving of the Contribution Dispute Notification, the Managing General Partner and the Limited Partner shall each designate a certified public accountant (which shall not be the Accountants) as an arbitrator and such two arbitrators shall designate a certified public accountant as a third arbitrator (or if the first two arbitrators cannot agree upon a third arbitrator within twenty (20) days, such third arbitrator shall be a certified public accountant chosen by the American Arbitration Association). The designation of arbitrators hereunder shall automatically delay the due date for payment of the portion of Capital Contribution until ten (10) business days after the conclusion of such arbitration (unless prior to the expiration of such period the Managing General Partner and the Limited Partner agree upon the amount of the adjustment, if any). Such arbitrators shall be directed to promptly conduct, at

the expense of the Partnership, an arbitration to determine by majority vote the amount of the Projected Credit which the Partnership is entitled to claim and to allocate to the Limited Partner on a basis that is prudent and reasonable. Such arbitrators shall be directed to give notice of their determination within sixty (60) days after the Limited Partner gives the notice of disagreement specified in this Section 3.03(f), and upon the giving of such notice of determination the amount determined by majority vote of such arbitrators shall be deemed the amount of the Projected Credit which the Partnership is entitled to claim and to allocate to the Limited Partner for the purpose of determining any adjustment to the Limited Partner's Capital Contribution. The costs and expenses of arbitration pursuant to this Section 3.03(f) shall be treated as a Partnership expense.

(g) *Excluded Credit Adjustment Amount.* Notwithstanding anything to the contrary set forth in this Agreement, no adjustment shall be made with regard to any reduction or recapture of Credits which would otherwise take place pursuant to this Agreement if such reduction or recapture is due solely to (i) an act or omission of the Limited Partner in violation of this Agreement; (ii) the transfer by the Limited Partner of all or a portion of its Interest in the Partnership; or (iii) any change in the Internal Revenue Code which occurs after the date of this Agreement with which the General Partner is unable to comply despite the exercise of good faith and reasonable efforts.

3.04 [Intentionally Omitted]

3.05 Additional Advances

The Administrative General Partner shall advance to the Partnership, in addition to any Credit Adjuster Advances required by Section 3.03, an Additional Advance in an amount required by the Partnership in order to pay in full prior to the earlier of (i) December 31, 2026, or (ii) the date that is the thirteenth (13th) anniversary of the date on which the Project is placed in service, any unpaid portion of the Development Fee. In addition, the Managing General Partner shall advance to the Partnership an Additional Advance in any amount required to fund the reserve accounts required on Exhibit A-6 that are not funded as a result of any Capital Contribution adjustment.

3.06 No Interest on Capital Contributions

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

3.07 Right to Require Repayment of Capital

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

3.08 Deficit Restoration

If, upon liquidation of a Partner's Interest (whether or not in connection with the liquidation of the Partnership), the Partner has a negative balance in its Capital Account, the Partner shall have no obligation to make any contribution to the capital of the Partnership and the negative balance of the Partner's Capital Account shall not be considered a debt owed by the Partner to the Partnership or any other Person for any reason whatsoever.

3.09 No Third-Party Beneficiary

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

ARTICLE IV

Right to Mortgage; General Partner Bound by Loan Documents

4.01 Right to Mortgage

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

(b) Except with respect to the Construction Loan, the Seller Loan, and the SASN Loan, the Loans shall provide that no Partner shall have any personal liability for the payment of all or any part of such Mortgage Notes, except for customary exclusions for fraud, misappropriation of funds or waste.

(c) Subject to provisions of this Agreement with respect to related party loans, a limited partner or member (such limited partner or member being referred to herein as a "Related Mortgagee") in any entity that is a Partner at any time may make, own, acquire, guarantee or otherwise credit enhance, in whole or in part, a loan secured by a mortgage, deed of trust, trust deed, or other security instrument encumbering the Project owned by the Partnership (any such loan being referred to as a "Related Mortgage Loan"). Under no circumstances will a Related Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Partner. A Related Mortgagee may take any actions that the Related Mortgagee, in its discretion, determines to be advisable in connection with a Related Mortgage Loan (including in connection with the enforcement of a Related Mortgage Loan). By acquiring an interest in the Partnership, each Partner acknowledges that no Related Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Related Mortgagee being a limited partner or member in a Partner. Neither the Partnership nor any Partner will make any claim against a Related Mortgagee, or against the Partner in which the Related Mortgagee is a

partner or member, relating to a Related Mortgage Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Related Mortgagee's status as a limited partner or member of a Partner.

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

4.02 General Partner Bound by Loan Documents

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

ARTICLE V

Rights, Powers and Obligations of the General Partner

5.01 Authority of Managing General Partner

(a) Subject to the terms of this Agreement, the Managing General Partner shall undertake the following specific substantial management duties on behalf of the Partnership:

(i) execute and deliver on behalf of the Partnership any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, rehabilitate, renovate, improve, lease, operate, sell, encumber, mortgage, convey, or refinance the Partnership Property (or any part thereof);

(ii) participate in hiring and overseeing the work of the Management Agent;

(iii) participate in hiring and overseeing the work of all persons necessary to provide services to the Partnership for the management and operation of the Partnership business, including the Management Agent, auditors, attorneys, and other professionals rendering services to the Partnership;

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

(v) prepare or cause to be prepared all reports to be provided to the Partners or Lenders consistent with the requirements of this Agreement or the Project Documents, as applicable;

(vi) ensure that the Project and the operation thereof at all times comply and are in conformance with Section 4(b) and 5 of the Article XIII of the Constitution of the State of California and Section 214, 254 and 259.5 of the California Revenue and Taxation Code, as amended; and

(vii) Apply for, use best efforts to obtain and maintain a welfare tax exempt status or similar status for the Project (the "**Property Tax Exemption**"), and any savings to the Partnership and the Project attributable to the Property Tax Exemption shall be used in accordance with Section 214 of the California Revenue and Taxation Code, as amended, and this Agreement.

(b) The General Partner, with the Consent of the Limited Partner, may ensure that charitable services and benefits or information regarding charitable services and benefits are made available to tenants, to the extent the General Partner agreed to provide the same in the Project's credit application.

(c) The Managing General Partner shall annually conduct a physical inspection of the Project to ensure that the Project is being used as a low income housing project meeting the requirements applicable to Low Income Housing Tax Credits and meeting all the requirements of the BOE (as hereinafter defined) and the Property Tax Rules (as hereinafter defined) for the Property Tax Exemption.

(d) The Managing General Partner shall submit a certification to the assessor for Orange County that the Project meets all of the requirements set forth in the Property Tax Rules applicable to the Property Tax Exemption.

(e) The Managing General Partner will maintain records and documents evidencing the duties performed by the Managing General Partner ("Management Documents"). Such records and documents will include:

- (i) accounting books and records;
- (ii) tax returns;
- (iii) budgets and financial reports;
- (iv) reports required by Lenders;
- (v) documents related to the rehabilitation of the Project;
- (vi) legal documents such as contracts, deeds, notes, leases and deeds of trust;
- (vii) documents related to complying with government regulations and filings;

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

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

(x) reports prepared for the Partners;

(xi) bank account records;

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

(xiii) property management agreement.

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

(g) In the event of a conflict between the general partners as to any matter with respect to which the Consent of the General Partner is required, the decision of the Managing General Partner shall control.

5.02 Limitations on the Authority of the General Partner

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

(a) Effect a sale of all or any portion of the Partnership Property (other than a sale in connection with the Buyout Option or the Right of First Refusal described in Sections 14.01 and

14.02 of this Agreement, respectively), including the Units and any commercial and/or community space, or submit a request to the Authority to find a buyer for the Project pursuant to a qualified contract under Section 42(h)(6)(E)(ii)(II);

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

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

(d) Except with respect to the Construction Loan, the SASN Loan and the Seller Loan, become subject to any economic risk of loss within the meaning of Treasury Regulation Section 1.752-2 with respect to the Mortgage Notes, the Mortgages, or any of the Loan Documents;

(e) Following the Completion Date, construct any new capital improvements or replace any existing capital improvements costing in excess of ten thousand dollars (\$10,000) and not contemplated in the Budget;

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

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

(h) On behalf of the Partnership, incur debt not in the ordinary course of business or arrange for the receipt of any grant of funds, nor incur debt in the ordinary course of business in excess of ten thousand dollars (\$10,000) in the aggregate at any one time outstanding, except as specifically permitted in this Agreement;

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

(j) Voluntarily file a bankruptcy petition on behalf of itself or on behalf of the Partnership;

(k) Dissolve or wind up the Partnership;

(l) Confess any judgment except as provided by the Loan Documents or initiate any litigation on behalf of the Partnership;

(m) Modify or amend this Agreement;

(n) Prepay the Mortgage Notes (except in connection with the conversion of any Construction Loan), provided that the General Partner shall obtain, prior to Loan Conversion, the Consent of the Limited Partner to the amount of the First Mortgage Loan;

(o) Admit any Person as a Partner, except as otherwise provided in this Agreement;

(p) Permit any Person to borrow from the Partnership or commingle Partnership funds with the funds of any Person;

(q) Permit the Partnership to pay directly or indirectly the General Partner or any Affiliate a commission or fee in connection with the reinvestment or distribution of Capital Proceeds or liquidating distributions belonging to the Partnership except as provided for herein;

(r) On behalf of the Partnership, receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement;

(s) Make application for or accept increase or increases in the principal amount of Loans or materially modify the Loans (including a change in the interest rate on any Loan) in any way that may affect the nature of the business of the Partnership and/or in the opinion of the Accountants (which opinion shall be required prior to any modification) may affect the ability of the Limited Partner to receive the Credit in the amount of the Projected Credits;

(t) Make any changes to the Management Agreement or dismiss or replace the Management Agent except as provided in Section 11.01 hereof;

(u) Approve the form and substance of any accountant certification of the itemized amount of construction, rehabilitation, acquisition and development costs of the Project and the eligible basis and applicable percentage of each building in the Project;

(v) Modify, in any material respect, any Loan Document or Project Document;

(w) Change the source of any Loan from any Partner or any General Partner Capital Contribution;

(x) Delegate its authority, power and right to manage the Partnership Property except as set forth in Section 5.03;

(y) Permit the Partnership to pay directly or indirectly the General Partner or any Affiliate any fees except as provided for herein;

(z) Submit the completed and executed Form 8609 to the IRS without Limited Partner review and approval;

(aa) Permit the conveyance by the shareholders, partners or members of the General Partner of more than a fifty percent (50%) change in ownership or change in control of the General Partner; or

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

5.03 Overall Management of Business

(a) The Managing General Partner shall be the "managing general partner" of the Partnership, as such term is used in Section 214(g) of the California Revenue and Taxation Code and as further defined in the rules and regulations ("**Property Tax Rules**") of the California State Board of Equalization ("**BOE**"). The Managing General Partner shall have full and exclusive power and right to manage and control the business and affairs of the Partnership. Any action required or permitted to be taken by the Managing General Partner hereunder may be taken by such of its proper officers or agents as it shall validly designate and duly authorize for such purpose.

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

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

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

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

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

(c) The Managing General Partner shall use its best efforts to develop strategies to maintain the Credit Units as low-income housing after the end of the Compliance Period for the Extended Use Period under Section 42 of the Code and thereafter.

(d) In addition to the requirements of Section 5.04(a), the Managing General Partner shall at all times hold at least twenty-two (22) Units in the Project available for occupancy for families having thirty percent (30%) or less of area median income, and eighteen (18) Units in the Project available for occupancy for families having fifty percent (50%) or less of area median income as agreed to in the Project's Credit application, the Loan Documents, the Project Documents and other requirements related to the Credit as applicable to the Project and the Partnership.

5.05 Outside Activities

The General Partner shall devote to the management of the business of the Partnership so much of its time as it deems reasonably necessary to the efficient operation of the Partnership Property, the Project, and the Units and in order to comply with this Agreement. The General Partner may engage in and possess any interest in other business ventures (including limited partnerships and limited liability companies) of every kind, nature, and description whatsoever, independently or with others, whether existing at the date hereof or hereafter coming into existence, including, without limitation, acting as general partner, managing member or limited partner of other partnerships or limited liability companies that own, directly or through interests in other partnerships, housing projects similar to, or in competition with, the Project.

5.06 Liability to Partnership and Limited Partner

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

5.07 Indemnification of General Partner

(a) The Partnership shall indemnify, defend, and hold harmless the General Partner from and against any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) arising out of or alleged to arise out of any demands, claims, suits, actions, or proceedings

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

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

(c) Notwithstanding anything contained in this Section 5.07, the General Partner shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any civil or criminal fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the General Partner or the Partnership; or (iii) any claim involving gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant or agreement set forth in this Agreement, or breach of a fiduciary duty, unless (A) the General Partner is successful in defending such action on the merits to a final unappealable determination, (B) such claims have been dismissed in favor of the General Partner with prejudice on the merits by a court of competent jurisdiction in a final unappealable verdict, judgment, or order, or (C) a court of competent jurisdiction approves a final settlement and determines that the General Partner is entitled to costs.

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

(e) The General Partner, when entitled to indemnification pursuant to this Section 5.07, shall be entitled to receive, upon application therefor, reasonable advances to cover the costs of defending any proceedings against it; *provided, however*, that the General Partner agrees that if it receives such advances, it shall repay such advances to the Partnership, with interest thereon, at an annual rate equal to the Prime Rate, computed on a daily basis, from the date made until repaid, if the General Partner is determined not to be entitled to indemnification under this Section 5.07. All rights of the General Partner to indemnification shall (to the full extent

permitted by law) survive the dissolution of the Partnership and the dissolution, insolvency, bankruptcy or withdrawal of the General Partner.

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

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

5.08 Indemnification of Partnership and Limited Partner

(a) The Managing General Partner shall defend, indemnify, and save harmless (i) the Partnership and each Partner from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceeding arising out of the General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement set forth in this Agreement, breach of fiduciary duty, or actions performed outside the scope of the authority of the General Partner pursuant to this Agreement, and (ii) each Limited Partner and Special Limited Partner from any liability incurred by it for Partnership obligations (including, without limitation, the Mortgage Notes) in excess of its Capital Contribution, except, in the case of the Limited Partner, to the extent that a Final Determination has been made that the Limited Partner has taken actions or exercised rights with respect to the operation of the Partnership in excess of those actions or rights granted or allowed under this Agreement or the Act. The foregoing indemnification shall be a recourse obligation of the Managing General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal or withdrawal of the Managing General Partner. The indemnification authorized by this Section 5.08(a) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

(b) The Managing General Partner shall defend, indemnify, and save harmless the Administrative General Partner from any loss, liability, damage, cost, or expense (including reasonable attorneys' fees) incurred by reason of any demands, claims, suits, actions, or proceeding arising out of the Managing General Partner's gross negligence, fraud, willful misconduct, malfeasance, material breach of any representation, warranty, covenant, or agreement set forth in this Agreement, breach of fiduciary duty, or actions performed outside the scope of the authority of the Managing General Partner pursuant to this Agreement. The foregoing indemnification shall be a recourse obligation of the Managing General Partner, and shall survive the dissolution of the Partnership and/or the insolvency, bankruptcy, removal or withdrawal of the Managing General Partner. The indemnification authorized by this Section 5.08(b) shall include, but not be limited to, the costs and expenses (including reasonable attorneys' fees) of the removal of any liens affecting any property of the indemnitee as a result of such legal action.

(c) The Managing General Partner shall defend, indemnify, and save harmless the AMCAL Special Limited Partner (and its officers, directors, and employees) from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including reasonable attorney's fees), arising directly or indirectly, in whole or in part, out of the development and operation of the Project, except to the extent caused by (i) the General Contractor's default under the Construction Contract, or (ii) the negligence or misconduct of the AMCAL Special Limited Partner.

5.09 Environmental Indemnification

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

5.10 Representations and Warranties of the General Partner

Each General Partner hereby represents and warrants to the Limited Partner and the Special Limited Partner that the following representations, as they apply to or are limited to each respective General Partner, are true and correct as of the date hereof and will be true and correct for the Term, unless specifically otherwise provided.

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

(b) No event has occurred that has caused, and the General Partner has not acted in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (ii) the Partnership to fail to qualify as a limited partnership under the Act, or (iii) the Limited Partner or the Special Limited Partner to be liable for Partnership obligations.

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

(d) The Managing General Partner has delivered to the Limited Partner true copies of all documents material to the Limited Partner's investment in the Partnership and true copies of all amendments to such documents and all other material information relevant to the Project or to the admission of the Limited Partner to the Partnership. To the best of the Managing General Partner's knowledge, all such information provided to the Limited Partner is accurate and complete in all material respects and the Managing General Partner has not failed to provide the Limited Partner with any information necessary to make the information provided by the Managing General Partner complete and accurate in all material respects.

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

(f) The Managing General Partner represents that it (i) is a nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California and (ii) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. The Administrative General Partner represents that it (i) is a nonprofit public benefit corporation validly existing and in good standing under the laws of the State of California and (ii) has full power to enter into and consummate this Agreement and all instruments pertaining hereto and to perform all acts related thereto. Each General Partner represents that the consummation of all transactions contemplated herein and in the Loan Documents and the Project Documents to be performed by such General Partner or its Affiliates does not and will not result in any material breach or violation of, or default under, any governing instrument of such General Partner or its Affiliates or any agreements by which such General Partner or its Affiliates or any of its property is bound, or under any applicable law, administrative regulation, or court decree.

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

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

Partner; or (iv) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Agreement.

(i) The Managing General Partner has provided the Limited Partner with true and correct copies of any documents relevant to the Loans and all documents evidencing or securing the Loans and, if requested by the Limited Partner, a complete set of the plans, drawings and specifications of the Project.

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

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

(l) Except with respect to the Construction Loan, the SASN Loan and the Seller Loan, none of the Partners or the Partnership has or will have, pursuant to the terms of the Loans, any personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest on the Loans, and in the event of default thereon, the sole recourse with respect to the payment of principal or interest on the Loans of any Mortgagee or other lender shall be to the Project and pledged collateral.

(m) Neither the General Partner nor any of its Affiliates nor the Partnership has entered into any agreement or contract for the payment or offset of any construction loan or loan discounts, additional interest, yield maintenance or other charges or financing fees or any agreement to incur any financial responsibility with respect to the Project or providing for the guaranty of payment of any such charges or fees relating to the Construction Loan or the Loans, other than those disclosed in this Agreement; and except for the Construction Loan, the SASN Loan and the Seller Loan, in no event have they or the Partnership entered into any agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) that would subject the Partnership or any of its Partners or Affiliates to personal liability or economic risk of loss as to the Loans nor has the General Partner made any loan which shall be personally enforceable by any lender on the Loans or which may in any way affect allocation of the Projected Credit to the Limited Partner.

(n) The General Partner is not presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Project or any portion thereof except for the arrangements specifically described in this Agreement and the arrangements previously disclosed in writing to the Limited Partner.

(o) Except for any reimbursement obligations owed by the Partnership to the Administrative General Partner paid concurrently herewith, there are no outstanding loans or advances from the General Partner to the Partnership, and, except for such reimbursement

obligations and as provided in Section 5.16, the Partnership has no unsatisfied obligation to make any payments of any kind to the General Partner or its Affiliates.

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

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

(r) The Partnership owns the Partnership Property, the buildings comprising the Project, and each of the Units, free and clear of any liens, charges, or encumbrances other than the Mortgages, matters set forth in the Title Policy, and mechanics' or other liens that have been bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for payment of any debt secured thereby and the General Partner has not received notice of any such liens, charges, or encumbrances.

(s) Except for the Seller Loan the General Partner has not permitted and will not permit the Partnership to accept any federal or non-federal grant of funds except as approved by the Limited Partner.

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

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

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

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

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

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

(z) Amounts paid to the General Partner and/or its Affiliates for services in accordance with the applicable Fee Agreements are reasonable in relation to the value of services provided and relate solely to the services actually rendered to the Partnership pursuant to the applicable Fee Agreements.

(aa) The Partnership has obtained a 2011 carryover allocation of Federal Credit from the Authority in the amount (the "**Annual Federal Credit Allocation**") shown on Exhibit A-2, such carryover allocation is in full force and effect, all information contained in any application for reservation and/or carryover allocation of the Credit is complete and correct in all material respects, and the Project will have eligible basis with respect to the seventy percent (70%) present value credit (the "**Rehab/NC Basis Amount**") in the amount shown on Exhibit A-2. The

eligible basis takes into account the fact that the Project qualifies for the one hundred thirty percent (130%) factor for eligible basis under Section 42(d)(5)(B) of the Code.

(bb) The Partnership will comply with the requirements of Section 42(h)(1) of the Code, including, without limitation, the requirement that the Partnership basis in the Project as of the Ten Percent Test Date exceed ten percent (10%) of the reasonably anticipated basis of the Project as of the end of 2013.

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

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

(ee) No building in the Project is federally subsidized as defined in Section 42(i)(2) of the Code.

(ff) The General Partner has not entered into or formed a joint venture with and is not acting as an agent of any Person with respect to ownership and operation of the Project or the Partnership.

(jj) The Partnership has obtained an award of State Credit in the amount shown on Exhibit A-2 (the "**State Credit Allocation**"), and all information contained in any application for the State Credit is complete and correct in all material respects. The General Partner has taken all actions necessary in order to qualify for and receive the State Credit Allocation.

(hh) All fees and other economic benefits payable to the General Partner, the Developer or any Affiliate thereof have been fully and clearly disclosed to all relevant state agencies.

(ii) The Partnership Property will qualify for a property tax abatement under Section 214(g) of the California Revenue and Taxation Code for the Compliance Period.

5.11 Covenants of the General Partner

Each General Partner covenants to the Limited Partner and the Special Limited Partner that for the Term, as applicable to each respective General Partner:

(a) The General Partner shall cause the Partnership to do all things necessary to maintain its status as a limited partnership in good standing and had, has, and shall continue to have full power and authority to acquire the Partnership Property and to develop, construct,

operate, and maintain the Project in accordance with the terms of this Agreement and to enable the Partnership to engage in its business.

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

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

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

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

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

(g) The General Partner shall promptly inform the Partnership, the Limited Partner and the Special Limited Partner upon receiving any notice of or having any knowledge of any violation with respect to the Partnership Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction, which would have a material adverse effect on the Partnership Property (including the Partnership's ability to transfer the Partnership Property in accordance with the terms of this Partnership Agreement) or the Project or the construction, rehabilitation, use, occupancy, or operation thereof.

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

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

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

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

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

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

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

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

(c) The loan made by such Partner or Affiliate will not (based on an analysis by accountants employed by the Limited Partner, or based on an opinion of counsel) affect the basis of any Partner in the Partnership, the basis of any partner in the Limited Partner, nor the allocation of any tax items among the Partners or among the partners of a Partner, under

Section 752 or Section 704 of the Code, nor result in recapture of any tax credits previously allocated to the Partners, to such an extent that the amount and timing of tax credits and tax losses allowable to the Limited Partner and the partners thereof is less favorable than that assumed in the Projections; or

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

(m) The General Partner will not cause or allow restrictions on the sale or refinancing of the Project, other than the restrictions set forth in the Loan Documents and the Project Documents and under Section 42 of the Code.

(n) The General Partner will cause all of (i) the Partnership Property, (ii) the fixtures, maintenance supplies, tools, equipment and like owned or to be owned by the Partnership or to be appurtenant to, or to be used in the operation of the Project, and (iii) the rents, revenues and profits earned from the operation of the Project, to be free and clear of all security interests and encumbrances except for the Mortgages described herein.

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

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

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

(r) The General Partner will cause the Partnership to maintain insurance against risks that are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons including, but not limited to, insurance of the type described in the Insurance Requirements Checklist attached as Exhibit L; *provided, however*, that: (i) in addition to such requirements, the Partnership shall at all times comply with the insurance requirements imposed by the Mortgagees; (ii) all such insurance policies are and shall be in full force and effect during the Term of the Partnership; and (iii) the Limited Partner shall be named as a certificate holder and an additional insured on each such

policy and shall have the right to receive thirty (30) days' notice prior to any termination or reduction of coverage by the insurer.

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

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

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

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

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

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

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

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

(z) The General Partner will comply with the requirements of Section 42(h)(1) of the Code, including, without limitation, the requirement that the basis of the Project as of the Ten Percent Test Date will exceed ten percent (10%) of the reasonably anticipated basis of the Project as of December 31, 2013.

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

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

(cc) The General Partner will (i) execute on behalf of the Partnership all documents necessary to elect, pursuant to Sections 734, 743, and 754 of the Code, to adjust the basis of the Partnership's property, if, in the sole opinion of the accountants for the Limited Partner, such election would be advantageous to the Limited Partner; (ii) provide to the accountants for the Limited Partner for review and approval before filing each IRS Form 8609, Tax Credit Allocation, for the Project; and (iii) make such elections on the IRS Form 8609, Tax Credit Allocation, which in the sole opinion of the accountants for the Limited Partner, are advantageous to the Limited Partner. In addition, the General Partner shall obtain the Consent of the Limited Partner to make any election under the Code that would affect the amount, timing, availability, or allocation of Credits.

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

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

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

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

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

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

(jj) The General Partner 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.

(kk) [Intentionally Omitted]

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

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

(nn) The Partnership Property will qualify for the Property Tax Exemption for the Compliance Period.

(oo) The General Partner shall take all actions necessary in order to obtain the final approval relating to the State Credit Allocation in the amount shown on Exhibit A-2.

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

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

(rr) The General Partner shall cause the Partnership Property to be constructed and operated in accordance with the "LEED Silver" guidelines (the "LEED Guidelines") established and published from time to time by the U.S. Green Building Council, as such guidelines exist as of the date of this Agreement, or such other guidelines approved by the Limited Partner in its reasonable discretion.

(ss) The General Partner shall file an election for the Partnership to elect out of first year bonus depreciation under Section 168(k) for the personal property and site improvements on the Partnership Property.

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

5.12 No Compensation

Except as provided in the Fee Agreements, the General Partner and its Affiliates shall not be entitled to receive any compensation in connection with its performance of its duties as General Partner.

5.13 Obligation to Complete Construction

(a) The Managing General Partner shall diligently pursue and complete the construction and/or rehabilitation of the Partnership Property or cause the same to be completed in a good and workmanlike manner, defect-free, free and clear of all mechanics', materialmen's, or similar liens or claims of liens, and shall equip the Partnership Property or cause the same to be equipped with all necessary and appropriate fixtures, equipment and articles of personal property, including refrigerators and ranges, all in accordance with the plans and specifications approved by the Limited Partner and the terms and requirements of this Agreement, the Loan Documents and the Project Documents, and shall provide for, or cause to be provided for, all other actions and performance required to arrive at the Completion Date and shall meet all requirements for obtaining and maintaining all necessary certificates of occupancy and use permits for all the Units in the Project. In addition, the Managing General Partner shall take all actions necessary to obtain a temporary or final certificate of occupancy for the Project no later than December 1, 2013, which date shall not be extended without the Consent of the Limited Partner. The Managing General Partner or its Affiliates shall timely obtain all building, zoning, and other applicable certificates, permits, and licenses necessary to permit the construction and/or rehabilitation, use, occupancy, and operation of the Partnership Property and the Project or a specified portion thereof. All improvements constructed or to be constructed on the Partnership Property shall be constructed and equipped in full compliance with the requirements of all governmental authorities having jurisdiction over the Partnership Property.

The Managing General Partner shall forward, on a monthly basis, all executed Construction Contract change orders, which shall be signed by the Architect and the contractor, to the Limited Partner. The Managing General Partner shall not approve any change order without the Consent of the Limited Partner which change order (together with any related change orders) (i) exceeds \$20,000, (ii) adds any days to the schedule in the Construction Contract, (iii) would materially reduce the quality of construction materials, or (v) would alter the design of the Project or result in the aggregate amount of change orders not approved by the Consent of the Limited Partner exceeding \$100,000.00 or the aggregate amount of all change orders exceeding an amount equal to fifty percent (50%) of the hard cost contingency in the approved construction budget. Notwithstanding the foregoing, the Managing General Partner must obtain the Consent of the Limited Partner as to any change order which has not been approved by the Architect.

In addition, the Managing General Partner shall cause to be completed and provided to the Limited Partner in a timely manner Monthly Construction and Lease-up Status Reports in the form attached as Exhibit K to this Agreement.

(b) If the Designated Proceeds are insufficient to:

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

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

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

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

(v) Pay or provide for all requirements of the ongoing business operations of the Partnership applicable to the period prior to the Completion Date; and

(vi) Pay or provide for all amounts necessary to correct defects, including all latent defects occurring within one year after the Completion Date, including all obligations, expenses, costs, liabilities, or expenditures in respect thereof, applicable to the period prior to the Completion Date;

then, in any of such events, the Managing General Partner shall directly pay all funds ("**Development Advances**") that shall be necessary to accomplish the foregoing at such time as those costs and expenses become due and payable. This is a guaranty of payment, not of collection. Any such Development Advances shall be deemed to be costs of the Managing General Partner and not of the Partnership.

(c) In the event the Partnership does not have sufficient funds to repay the Construction Loan in the amount shown in the Projections, convert all Loans to permanent status, and close all permanent Loans in accordance with the terms shown on the Projections, the Managing General Partner shall directly pay all funds as Development Advances that shall be necessary to achieve Loan Conversion. Development Advances made by the Managing General Partner to achieve loan conversion shall be deemed to be costs of the General Partner and not of the Partnership.

5.14 Operating Deficit Contributions

If, at any time or from time to time after the Completion Date, an Operating Deficit exists, then the Managing General Partner shall contribute funds (an "**Operating Deficit Contribution**") to the Partnership as a contribution to capital in an amount equal to the amount of the Operating Deficit. The Managing General Partner's obligation under this Section 5.14 shall be unlimited through the Stabilization Date. The Managing General Partner's obligation to make Operating Deficit Contributions after such date to fund Operating Deficits which are not funded from the Operating Reserve, shall be limited to the "**Maximum Operating Deficit Contribution**", as shown on Exhibit A-2. The obligation of the Managing General Partner to make Operating Deficit Contributions shall terminate on the date that the following have occurred simultaneously: (i) the Project has operated at the Required Debt Service Coverage for a period of at least twelve (12) consecutive months, which twelve (12)-month period shall have commenced no earlier than two (2) years after the achievement of the Stabilization Date; and (ii) the aggregate balance in the Operating Reserve and the Transition Reserve equals or exceeds the sum of the Operating Reserve Amount and the Transition Reserve Amount. Operating Deficit Contributions shall be repayable, without interest, solely from Cash Flow or as provided in Article VIII hereof.

5.15 [Intentionally Omitted]

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5.16 Dealing with Affiliates; Fees

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

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

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

5.17 Obligation to Purchase Interest of Limited Partner

(a) The Managing General Partner shall be obligated, as provided in Section 5.17(b), to purchase the Limited Partner's Interest for the total Capital Contributions made to date by the Limited Partner plus interest at the Prime Rate plus 2% (such interest beginning to accrue with respect to any Installment of the Limited Partner's Capital Contribution on the date on which such Installment of the Limited Partner's Capital Contribution is made) if:

(i) the basis of the Project as of the Ten Percent Test Date does not exceed ten percent (10%) of the reasonably anticipated basis of the project as of December 31, 2013 or the Partnership did not receive a valid carryover allocation by December 31, 2011;

(ii) all buildings in the Project have not been placed in service in accordance with the requirements of Section 42 of the Code by December 31, 2013 or the Partnership does not receive IRS Form(s) 8609 by July 1 of the calendar year following the first year of the Credit Period;

(iii) at any time before the Project has operated at Break-even for a period of three (3) consecutive calendar months, an action is commenced and successfully executed to foreclose, abandon, or permanently enjoin the construction of the Project;

(iv) the failure of the Project to achieve the minimum set-aside test or the rent restriction test under Section 42(g) of the Code prior to the end of the first year of the Credit Period;

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

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

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

(b) Upon the occurrence of any of the events specified in Section 5.17(a), the Managing General Partner shall, within ten (10) days thereafter, give Notice to the Limited Partner of the occurrence of such event and of the Managing General Partner's obligation to purchase the Limited Partner's Interest. The Limited Partner may, by Notice to the Managing General Partner given (i) not later than sixty (60) days after the Managing General Partner's Notice, or (ii) at any time following the occurrence of any of such events if the Managing General Partner has failed to give the required Notice, elect to require the Managing General Partner to purchase the Limited Partner's Interest, notwithstanding that the Limited Partner may have actual knowledge of the occurrence of any such event. If the Limited Partner elects to have its Interest purchased, the Managing General Partner shall purchase such Interest within ten (10) days after Notice from the Limited Partner of its election to have its Interest purchased. The Limited Partner may unconditionally waive at any time its right to require the Managing General Partner to purchase its Interest by reason of the application of any of the numbered clauses of Section 5.17(a). After such waiver the Managing General Partner shall have no further obligation to purchase by reason of the application of the clause to which such waiver relates; *provided, however*, that the Limited Partner's election not to have its Interest purchased by reason of the application of one such clause shall not constitute a waiver with respect to any future obligation of the Managing General Partner to purchase its Interest by reason of the application of any other such clause.

5.18 Reserves

The Managing General Partner shall cause the Partnership to establish the reserves described on Exhibit A-6.

5.19 Proposed Budget

The Managing General Partner has delivered to the Limited Partner a copy of the budget for the current Fiscal Year. No later than December 1 of each year, the Managing General Partner shall submit to the Limited Partner a budget (the "**Proposed Budget**") for the ownership and operation of the Project, reflecting the reasonably projected income and expenses for the following calendar year. The Limited Partner shall review the Proposed Budget to determine the reasonableness of the projected figures. The Proposed Budget, as approved by the Limited Partner, shall become the "**Budget**" for the following year.

5.20 Action for Breach

The representations, warranties and covenants in Sections 5.10 and 5.11 are being made by the General Partner to the Limited Partner in consideration for the investment in the Partnership by the Limited Partner. Upon the occurrence of any breach of any representation, warranty, covenant or agreement contained herein, the General Partner shall diligently attempt to cure such breach; provided, however, that upon the occurrence of any breach of any representation, warranty, covenant or agreement of the Managing General Partner contained herein, the Administrative General Partner shall not be obligated to cure such breach. If such

breach is not susceptible to cure, or if the General Partner fails to pursue a cure diligently, or if within thirty (30) days no cure has been achieved, then the Limited Partner may pursue any available legal or equitable remedy against the General Partner, without being required to dissolve the Partnership and notwithstanding the availability of any other remedy; *provided, however,* that with respect to any breach that results solely in a loss or reduction of the Credit, if such breach occurred despite the General Partner's good faith, diligent efforts to prevent such breach, the Limited Partner shall be limited to its remedies under Sections 3.03, 5.17, and 9.02.

ARTICLE VI

Rights and Obligations of the Limited Partner and Special Limited Partner

6.01 Management of the Partnership

Neither the Limited Partner nor the Special Limited Partner shall take part in the management or control of the business of the Partnership or transact any business in the name of the Partnership. The Limited Partner and 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. No action taken by the Limited Partner in the exercise of its rights under this Agreement shall give the General Partner or the Partnership any right to claim the Limited Partner has acted as general partner in the exercise of such rights. No action taken by the Special Limited Partner in the exercise of its rights under this Agreement shall give the General Partner, the Limited Partner or the Partnership any right to claim the Special Limited Partner has acted as a general partner in the exercise of such rights.

6.02 Limitation on Liability of the Limited Partner and the Special Limited Partner

Notwithstanding any other provision of this Agreement, the liability of the Limited Partner and the Special Limited Partner shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. The Limited Partner and the Special Limited Partner shall not have any other liability to contribute money to, or in respect of the liabilities, obligations, debts or contracts of the Partnership, nor shall the Limited Partner or the Special Limited Partner be personally liable for any liabilities, obligations, debts or contracts of the Partnership. Neither the Limited Partner nor the Special Limited Partner shall be obligated to make loans to the Partnership.

6.03 Outside Activities

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

in or to any such other business ventures or to the income or profits derived therefrom and nothing shall be construed to render them partners in any such business ventures.

6.04 Execution of Amendments

The Limited Partner and the Special Limited Partner agree to sign and acknowledge any amendment to this Agreement adopted in accordance with the terms of this Agreement and to execute whatever further instruments shall be necessary or appropriate in connection therewith. The Managing General Partner shall cause the due execution, acknowledgment, and filing for record (and publication, if required by the Act) of any such amendment or further instruments in accordance with the Act, and shall cause a copy of the endorsed copy thereof to be furnished to the Limited Partner and the Special Limited Partner.

6.05 Inspection of the Project

The Limited Partner and the Special Limited Partner and/or their respective agents or designees shall have the right to inspect the Project at any time and the General Partner shall provide all reasonable assistance to the Limited Partner in such effort.

ARTICLE VII

Allocations of Profits and Losses

7.01 Maintenance of Capital Accounts

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

7.02 Profits and Losses

(a) After giving effect to the special allocations set forth in Section 7.03, the Net Profits, Net Losses, Loss and Credits of the Partnership shall be allocated be allocated twenty-five one-thousandths of one percent (0.0025%) to the Managing General Partner, twenty-five one-thousandths of one percent (0.0025%) to the Administrative General Partner, twenty-five one-thousandths of one percent (0.0025%) to the SASN Special Limited Partner, twenty-five

one-thousandths of one percent (0.0025%) to the AMCAL Special Limited Partner, and ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner; *provided, however,* that Gain shall be allocated among the Partners as follows:

(i) To the Limited Partner until the balance in the Limited Partner's Capital Account equals the sum of (x) the amount of the federal income tax liability imposed on the Limited Partner and its partners from a transaction giving rise to Sale or Refinancing Proceeds, assuming all such Persons are subject to a federal income tax rate of thirty-five percent (35%) and (y) the Credit Deficiency; and

(ii) The balance, among the Partners so that, to the extent possible, the ratio of (A) the balance of the Limited Partner's Capital Account in excess of the balance described in Section 7.02(a)(i) to (B) the balance in the Managing General Partner's Capital Account in excess of the unrepaid portion of any Operating Deficit Contribution, Credit Adjuster Advance or Additional Advance made by the Managing General Partner to (C) the balance in the Administrative General Partner's Capital Account in excess of the unrepaid portion of any Additional Advance made by the Administrative General Partner to (D) the balance in the SASN Special Limited Partner's Capital Account to (E) the balance in the AMCAL Special Limited Partner's Capital Account is ninety-nine and ninety-nine one-hundredths (99.99) to twenty-five one-thousandths (0.0025) to twenty-five one-thousandths (0.0025) to twenty-five one-thousandths (0.0025) to twenty-five one-thousandths (0.0025).

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

7.03 Special Allocations and Limitations

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

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

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

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

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

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

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

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

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

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

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

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

(e) If in any taxable year there is a net increase during such year in the amount of Minimum Gain attributable to a Partner Nonrecourse Debt, any Partner bearing the economic

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

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

(g) The special allocations set forth in Sections 7.03(a), (b), (c), and (e) (the "**Regulatory Allocations**") are intended to comply with certain requirements of Treasury Regulation Sections 1.704-1(b) and 1.704-2. The Regulatory Allocations shall be taken into account in allocating other profits, losses and other items of income, gain, loss and deduction to the Partners so that, to the extent possible, the net amount of such allocations of profits and losses and other items shall be equal to the amount that would have been allocated to each Partner had the Regulatory Allocation not occurred. In the event that in any year the Regulatory Allocations alter the allocations of tax items to the Partners, to the extent possible, depreciation deductions shall nevertheless be allocated ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner, twenty-five one-thousandths of one percent (0.0025%) to the Managing General Partner, twenty-five one-thousandths of one percent (0.0025%) to the Administrative General Partner, twenty-five one-thousandths of one percent (0.0025%) to the SASN Special Limited Partner, and twenty-five one-thousandths of one percent (0.0025%) to the AMCAL Special Limited Partner.

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

(i) In accordance with Section 704(c) of the Code and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Partnership shall, solely for tax purposes, be allocated among the Partners so as to take account of any variation between the adjusted basis of such property to the Partnership for federal income tax purposes and its initial fair market value (as used as book value of the property by the Partnership). In the event the book value of any Partnership property is adjusted upon: (i) acquisition of a Partnership interest by any Person in exchange for a capital contribution; or (ii) any non-pro rata distribution to Partners of Partnership property other than cash; subsequent allocations of income, gain, loss, and deduction with respect to such asset shall

take account of any variation between the adjusted basis of such asset for federal income tax purposes and its book value in the same manner as under Section 704(c) of the Code. Allocations pursuant to this Section 7.03 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Partner's Capital Account or share of Net Profits or Net Losses, other items, or distributions pursuant to any provision of this Agreement.

(j) Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of Treasury Regulation Section 1.752-3(a)(3), the Managing General Partner's interest in Partnership profits shall equal twenty-five one-thousandths of one percent (0.0025%), the Administrative General Partner's interest in Partnership profits shall equal twenty-five one-thousandths of one percent (0.0025%), the SASN Special Limited Partner's interest in Partnership profits shall equal twenty-five one-thousandths of one percent (0.0025%), the AMCAL Special Limited Partner's interest in Partnership profits shall equal twenty-five one-thousandths of one percent (0.0025%), and the Limited Partner's interest in Partnership profits shall equal ninety-nine and ninety-nine/one-hundredths percent (99.99%).

(k) In the event the Managing General Partner makes an Operating Deficit Contribution in a particular year, the Managing General Partner shall be specially allocated the expenses paid by the proceeds of such Operating Deficit Contribution, but in no event shall the Managing General Partner be allocated any depreciation deductions; *provided, however*, that no such allocation will be made to the extent it would result in any portion of the Partnership Property being treated as tax-exempt use property under Section 168(h) of the Code.

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

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

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

(o) Nonrecourse deductions as defined in Treasury Regulation Section 1.704-2(b)(1) for any Fiscal Year shall be allocated ninety-nine and ninety-nine/one-hundredths percent

(99.99%) to the Limited Partner, twenty-five one-thousandths of one percent (0.0025%) to the Managing General Partner, twenty-five one-thousandths of one percent (0.0025%) to the Administrative General Partner, twenty-five one-thousandths of one percent (0.0025%) to the SASN Special Limited Partner, and twenty-five one-thousandths of one percent (0.0025%) to the AMCAL Special Limited Partner.

(p) Any taxable income realized by the Partnership as a result of any grant or discharge of indebtedness shall be allocated 100% to the Managing General Partner; *provided, however,* that after the effective date of the Transfer Agreement attached hereto as Exhibit M, no such allocation will be made to the extent it would result in any portion of the Partnership Property being treated as tax-exempt use property under Section 168(h) of the Code.

ARTICLE VIII

Cash Distributions

8.01 Distributions of Net Cash Flow

Net Cash Flow, to the extent available, shall be distributed to and among the Partners, within seventy-five (75) days after the close of each Fiscal Year, twenty-five one-thousandths of one percent (0.0025%) to the Managing General Partner, twenty-five one-thousandths of one percent (0.0025%) to the Administrative General Partner, twenty-five one-thousandths of one percent (0.0025%) to the SASN Special Limited Partner, twenty-five one-thousandths of one percent (0.0025%) to the AMCAL Special Limited Partner, and ninety-nine and ninety-nine/one-hundredths percent (99.99%) to the Limited Partner.

8.02 Distributions of Capital Proceeds

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

(a) To the Limited Partner in the amount of the federal income tax liability that would be imposed on the Limited Partner and its partners from the transaction giving rise to Sale or Refinancing Proceeds, assuming all such Persons are subject to federal income tax at a rate of thirty-five percent (35%);

(b) To the Limited Partner an amount equal to the Credit Deficiency;

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

(d) To pay any unpaid Development Fee;

(e) To the Managing General Partner to repay any unrepaid portion of any Operating Deficit Contribution, Credit Adjuster Advance or Additional Advance made by the Managing General Partner and to the Administrative General Partner to repay any unrepaid portion of any Additional Advance made by the Administrative General Partner;

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

(g) The balance, twenty-five one-thousandths of one percent (0.0025%) to the Managing General Partner, twenty-five one-thousandths of one percent (0.0025%) to the Administrative General Partner, twenty-five one-thousandths of one percent (0.0025%) to the SASN Special Limited Partner, twenty-five one-thousandths of one percent (0.0025%) to the AMCAL Special Limited Partner, and ninety-nine and ninety-nine/one hundredths percent (99.99%) to the Limited Partner.

ARTICLE IX

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

9.01 Admission of Successor or Additional General Partners

(a) The General Partner shall not have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer, or assign all or any portion of its Interest, without the Consent of the Limited Partner, which consent may be withheld at the sole discretion of the Limited Partner. In the event that the Consent of the Limited Partner has been obtained by the General Partner, the General Partner shall designate one or more persons to be its successor. In no event shall the Interests of the other Partners be affected thereby. The designated successor General Partner shall be admitted as such to the Partnership upon approval of the Limited Partner of such successor General Partner and upon satisfying the conditions of this Article IX and Section 15.01. Any voluntary withdrawal by the General Partner from the Partnership or any sale, transfer, or assignment by the General Partner of its Interest shall be effective only upon the admission in accordance with this Section 9.01(a) and Section 15.01 of a successor General Partner.

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

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

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

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

(a) The Limited Partner, by Consent of the Limited Partner, shall have the right to remove a general partner of the Partnership as the General Partner for any of the following reasons (each a "**Removal Default**"):

(i) The General Partner has committed an act or acts of gross negligence, willful misconduct, substantial mismanagement of the Project or Partnership, malfeasance, fraud, or an act or acts outside the scope of its authority, has breached any representation, warranty, agreement or covenant contained in this Agreement which breach has or is likely to have a material adverse effect on the Partnership, or has breached its fiduciary duties as the General Partner; provided however, if such act or acts or breach is capable of being cured and the General Partner effects such cure within thirty (30) days after Notice from the Limited Partner, a Removal Default shall not exist;

(ii) The Partnership has violated in any material respect any provision of any document or agreement with the Mortgagees or any governmental regulation, and such violation is not cured within any applicable cure period;

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

(iv) The General Partner or the Partnership has taken any action or failed to take any action that (A) is likely to cause the termination of the Partnership for federal income tax purposes, (B) is likely to cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation, (C) violates any federal or state securities laws, (D) is likely to cause the Partnership to fail to qualify as a limited partnership under the Act, (E) is likely to cause a material reduction in the tax benefits or a material increase in the tax liability of the Limited Partner for which the General Partner is responsible to make a Credit Adjuster Advance and the General Partner fails to make the Credit Adjuster Advance in a timely manner in violation of Section 3.03, or (F) is likely to cause the Limited Partner to be liable for Partnership obligations in excess of its Capital Contributions; provided, however, with respect to any action or failure to act that is likely to cause any of the aforementioned events (each a "**Prohibited Event**"), if such action or failure to act is capable of being cured such that the Prohibited Event is no longer likely to occur, and the General Partner diligently proceeds to effect such cure within thirty (30) days after Notice from the Limited Partner, but in any event prior to the occurrence of the Prohibited Event, a Removal Default shall not exist;

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

(vi) The occurrence of material unanticipated construction cost overruns, and/or Operating Deficits, unless such overruns and/or Operating Deficits are funded in such a manner so as not to materially adversely affect the Project and the allocation of Credits to the Limited Partner;

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

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

(ix) The General Partner causes the construction schedule set forth in the Project Documents to be delayed by more than ninety (90) days;

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

(xi) The occurrence of a default by the General Partner or an Affiliate under any Fee Agreement or the Property Management Agreement; or

(xii) The occurrence of any other event which, under the Act, requires the removal of the General Partner.

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

(b) Notwithstanding the right to remove the General Partner pursuant to Section 9.02(a), in the event of a Removal Default, the Limited Partner shall, alternatively, at its sole discretion, have the right to cause its designee to be admitted as a managing General Partner with the rights and obligations set forth in Section 5.01, whereupon the designee shall hold a Percentage Interest as a General Partner of .009% and the General Partner shall hold a Percentage Interest as a General Partner equal to .001%. Upon such admission of the Limited Partner's designee as a General Partner, the designee General Partner shall file an amended Certificate of Limited Partnership indicating the designee as a General Partner. The exercise of the Limited Partner's rights to cause its designee to be admitted as a managing General Partner shall not preclude (1) its rights to remove the General Partner at a later date, pursuant to Section 9.02, or (2) its rights to cause the General Partner to repurchase the Limited Partner's Interests pursuant to Section 5.17 above.

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

(d) Upon the removal of the General Partner for any reason pursuant to Section 9.02(a), the remaining or successor General Partner shall cause the Partnership to redeem the removed General Partner's Interest for One Hundred Dollars (\$100), and such removed General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and

all other economic incidents of ownership of the Partnership and any fee that has been earned by the General Partner and its Affiliates, pursuant to this Agreement, as of the occurrence of the Removal Default, shall be assignable to the Limited Partner's designee, except the Development Fee which shall be governed by Section 9.02(e). In addition, except as otherwise provided in this Agreement, upon the removal of the General Partner for any reason pursuant to Section 9.02(a), all agreements between the Partnership and the General Partner or any Affiliates of such General Partner may, at the election of the Partnership, be terminated or assigned to the Limited Partner's designee and the Partnership shall have no further obligation under such agreements, if terminated.

(e) Notwithstanding the removal of the General Partner, the General Partner shall be and shall remain liable for all obligations and liabilities incurred by it as General Partner of the Partnership before such removal shall become effective, including but not limited to the obligations and liabilities of the Managing General Partner set forth in Sections 5.13 and 5.14 of this Agreement with regard to Development Advances and Operating Deficit Contributions; *provided, however*, that if amounts otherwise payable to the General Partner or its Affiliates as a Development Fee are applied by the Partnership to meet the Managing General Partner's obligations stated in Sections 5.13 and 5.14 of this Agreement, such application shall be treated as payment of such Development Fee, followed by satisfaction by the Managing General Partner of an equal amount of the Managing General Partner's liability to the Partnership and shall serve to reduce any such liabilities of the Managing General Partner or any successor, except for any liability incurred as a result of its gross negligence, misconduct, fraud or breach of its fiduciary duties as General Partner of the Partnership. If the Managing General Partner is removed as Partner of the Partnership, then, immediately prior to removal, the Managing 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 thereupon make a payment in an equal amount to pay off such amount of the Development Fee. The Developer shall look only to this obligation of the Managing General Partner for the payment of the Development Fee and not to any Partnership assets. Further, upon any such removal of the General Partner, at the election of the Partnership, the General Partner (i) shall make a Capital Contribution to the Partnership in an amount equal to the balance, including interest, of any loans from the removed General Partner or any Affiliate thereof, and the Partnership shall thereupon make a payment in an equal amount to pay off the amount due on such loans or (ii) shall assign or cause to be assigned such loan to the Limited Partner's designee and the Partnership shall have no further obligation for payments to the General Partner or Affiliate under such loan.

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

(f) Upon removal of the General Partner, the Limited Partner shall have the right, without the consent of any other Partner, to designate a successor General Partner and the Limited Partner may, within ninety (90) days of the sole General Partner's removal, elect to continue the business of the Partnership. If the removal of the General Partner gives the

Partnership the right to terminate the Management Agreement, then the Limited Partner may terminate the Management Agreement, and may negotiate a new Management Agreement on behalf of the Partnership.

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

(h) If (i) a default shall occur by the Management Agent under the Management Agreement which default is likely to have a material adverse effect on any Limited Partner or the Partnership, and which default gives the Partnership the right to terminate the Management Agreement (a "**Management Agreement Default**") and (ii) the General Partner does not terminate the Management Agreement within ten (10) days of the Partnership's right to do so, the Limited Partner may, by Consent of the Limited Partner, require the General Partner to terminate the Management Agreement. If the General Partner does not terminate the Management Agreement within five (5) days of the Limited Partner's request, the Limited Partner shall have the right, on behalf of the Partnership, to terminate the Management Agreement. If the Management Agreement is terminated as provided in this Section 9.02(h), the General Partner shall proceed to retain a new Management Agent, and the new Management Agent and the new Management Agreement shall be subject to the Consent of the Limited Partner.

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

(j) In the event of a Removal Default by the Managing General Partner, the Limited Partner, by Consent of the Limited Partner, shall have the right to remove the Administrative General Partner of the Partnership as a General Partner.

9.03 Event of Bankruptcy of a General Partner

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

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

9.04 Withdrawal of Administrative General Partner; Liability of a Removed or Withdrawn General Partner

(a) The Administrative General Partner may withdraw from the Partnership on or after the occurrence of Loan Conversion without the Consent of any other Partners; provided, however, the Administrative General Partner shall not be entitled to withdraw if such withdrawal would result in a breach of any Project Document or Loan Document and/or any applicable Authority rules or regulations or result in any Credit reduction or recapture. Upon the withdrawal of the Administrative General Partner, the Interest of the Administrative General Partner shall be transferred to the Managing General Partner.

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

9.05 Restrictions on Transfer of General Partner's Interest

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

9.06 Continuation of the Business of the Partnership

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

(b) A Person shall be admitted as a successor or additional General Partner with the Consent of the Limited Partner if an amendment to the Certificate evidencing the admission of such Person as a General Partner shall have been filed for recordation. Each General Partner

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

ARTICLE X

Assignability of Interests of Limited Partner and Special Limited Partner

10.01 Substitution and Assignment of a Limited Partner's or Special Limited Partner's Interest

(a) Neither the Limited Partner nor the Special Limited Partner may sell, transfer, assign, pledge (except pursuant to Section 3.02(h) of this Agreement), or otherwise dispose of all or any part of its Interest without the Consent of the Limited Partner and the Consent of the General Partner, the granting or denying of which shall not be unreasonably withheld, and the payment by such Limited Partner or Special Limited Partner, as the case may be, or its assignee of all costs of such assignment including the costs of filing the amended certificate, if applicable; *provided, however*, the Limited Partner shall have (i) the absolute right to transfer up to one hundred percent (100%) of its Interest to any entity in which Enterprise serves as general partner, managing member or, directly or indirectly, controls the general partner or managing member, without obtaining the Consent of the General Partner, or (ii) the right to transfer up to one hundred percent (100%) of its Interest to any entity after the payment of its entire Capital Contribution obligation without obtaining the Consent of the General Partner (a "**Permitted Transfer**"); and, provided further, that the SASN Special Limited Partner shall have the absolute right to transfer up to one hundred percent (100%) of its Interest to any Affiliate of the SASN Special Limited Partner. The General Partner, at the sole expense of the assigning Limited Partner or Special Limited Partner, as the case may be, shall cooperate in good faith to effect a Permitted Transfer as expeditiously as possible, including without limitation the execution of appropriate amendments to, or updates of, the Project Documents and Loan Documents and/or any other documents which the assigning Limited Partner or Special Limited Partner reasonably determines necessary or appropriate to accomplish such Permitted Transfer, including, but not limited to, any amendments, updated corporate opinion, authorizing resolutions of the General Partner and any other documents reasonably deemed necessary and appropriate by the Limited Partner or Special Limited Partner, as the case may be. The Partnership shall not be required to recognize any such assignment until the instrument conveying such Interest has been delivered to the General Partner for recordation on the books of the Partnership. If an assignee of the Limited Partner or the Special Limited Partner pursuant to this Section 10.01(a) does not become a Substitute Limited Partner or Substitute Special Limited Partner, as the case may be, pursuant to Section 10.01(b), the Partnership shall not recognize the assignment, and the assignee shall not

have any rights hereunder or any rights exercisable against the Partnership to receive any portion of the share of profits, losses and distributions of the Partnership to which the Limited Partner or the Special Limited Partner, as the case may be, would have been entitled if no such assignment had been made by the Limited Partner or Special Limited Partner. Any such profits, losses and distributions shall continue to be allocated as if there were no assignment.

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

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

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

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

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

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

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

(e) The Limited Partner shall have an absolute right to withdraw from the Partnership without the Consent of the General Partner any time after the end of the Credit Period.

(f) Notwithstanding the foregoing provisions of Section 10.01, the Partners specifically acknowledge that: (i) pursuant to the terms and provisions of the Transfer

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

(g) Notwithstanding the foregoing provisions of Section 10.01, the Partners specifically agree and acknowledge that the AMCAL Special Limited Partner shall withdraw from the Partnership concurrently with Loan Conversion; provided, however, the AMCAL Special Limited Partner shall not withdraw if such withdrawal would result in a breach of any Project Document or Loan Document and/or any applicable Authority rules or regulations or result in any Credit reduction or recapture. Upon the withdrawal of the AMCAL Special Limited Partner, the Interest of the AMCAL Special Limited Partner shall be divided equally between the Managing General Partner and the Administrative General Partner.

ARTICLE XI

Management Agent

11.01 Managing General Partner to Engage Management Agent

The Managing General Partner shall have responsibility for engaging a management agent (which may be an Affiliate of the Managing General Partner) acceptable to the Limited Partner, the Mortgagees and any other governmental authority having jurisdiction over the Project. The Management Agent shall manage and operate the Partnership Property in accordance with the requirements of the Mortgagees, any other lenders and any other governmental authority having jurisdiction with respect thereto. The Property Management Agreement attached as Exhibit F shall provide that if the General Partner is removed pursuant to Section 9.02 and the Management Agent is an Affiliate of such removed General Partner, the Property Management Agreement will terminate. Any removal of the Management Agent in accordance with Article IX hereof or hiring of a new Management Agent shall be made only upon obtaining the consents or approvals, if any, required by the Loan Documents or Project Documents. If the Managing General Partner shall at any time select a management agent other than the Management Agent, such successor to the Management Agent may (subject to any required consent or approval of the Limited Partner or the Mortgagees) be an Affiliate of the

Managing General Partner, but shall not be the Managing General Partner. The Management Agent shall be entitled to receive such management fees as are included in the Budget and that are acceptable to the Mortgagees. Any successor management agent shall be entitled to receive such management fees as may be agreed upon between the Managing General Partner and such agent consistent with the Budget, and which shall be acceptable to the Mortgagees if their consent is required. In the event an Operating Deficit exists, the portion of the Property Management Fee payable as a Project Expense shall be reduced to five percent (5%) of the Partnership's Operating Revenue, in which case the balance of the Management Fee shall be paid from Cash Flow in accordance with Exhibit A-4.

ARTICLE XII

Dissolution of Partnership

12.01 Dissolution

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

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

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

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

(d) The expiration of the Term; or

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

12.02 Distribution of Partnership Assets

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

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

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

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

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

12.03 Termination of the Partnership

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

ARTICLE XIII

Accounting and Reports

13.01 Bank Accounts

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

13.02 Books of Account

There shall be kept at the principal office of the Partnership true, correct, and complete books of account, maintained in accordance with generally accepted accounting principles, consistently applied, in which shall be entered fully and accurately each and every transaction of the Partnership. For federal income tax and financial reporting purposes, the Partnership shall use the accrual method of accounting. Each Partner shall have access thereto to inspect and copy such books of account at all reasonable times. Any Partner shall further have the right to a private audit of the books and records of the Partnership, provided that such audit is made at the expense of the Partner desiring the same and is made at reasonable times during normal business hours after due Notice. The Partnership shall retain all books and records for the longest of the

period required by applicable laws and regulations, Section 42 of the Code, the Project Documents and Loan Documents.

13.03 Reports

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

(i) *Quarterly Financial Reports of the Partnership.* As soon as available and in any event not later than thirty (30) days after the end of the first, second and third quarters of each year, beginning with the quarter which includes the Completion Date, to be completed and transmitted electronically to the Limited Partner via the designated reporting website:

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

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

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

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

(B) copies of (1) the rent rolls for the Project indicating the rent, family size, family income and area median income for each tenant, (2) the bank statements, (3) status report and narrative description of material developments, and (4) vacancy report.

(iii) *Annual Audited Financial Statements of the General Partner.* Upon request, as soon as available and in any event not later than one hundred eighty (180) days after the end of the General Partner's fiscal year, the audited financial statements of the General Partner as of the end of each such year, including the balance sheet, related statement of operations, statement of changes in Partners' capital accounts, statement of cash flows, with the report of a certified public accountant thereon to the effect that such statements present fairly the financial position at the end of such year and the results of its operations and changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

(iv) *Annual Partnership Return.* As soon as available and in any event not later than forty-five (45) days after the end of each year, when required by the IRS, in draft form and not later than sixty (60) days after the end of each year in final form, all information necessary for the preparation of the Limited Partner's federal income tax return for each year in respect of income, gains, losses, deductions, or credits and the allocation thereof to each Partner, including a Form K-1 (or other comparable form subsequently required by the IRS) and a copy of the federal "Partnership Return" and any state or local partnership tax return required to be filed by the Partnership. Notwithstanding anything to the contrary in this Agreement, the Managing General Partner shall not file such partnership return without providing the Limited Partner at least fifteen (15) days to review and approve a timely received draft of such return; provided that drafts not timely received may require a longer review period. Upon such approval, the Managing General Partner shall immediately provide such tax returns to the Limited Partner in final form.

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

(vi) *Notice of Defaults, IRS Proceedings and Significant Developments.* Immediately upon receipt thereof (A) notice of any default under any Loan or financial obligation of the Partnership, (B) notice of any IRS proceeding involving the Partnership, or (C) any payment or draw made under any operating deficit guaranty, construction completion guaranty, performance bond or letter of credit, and any other significant developments affecting the Partnership, its business or assets.

(vii) *Construction and Lease-up Progress.* As soon as available, and in no event later than fifteen (15) days after the end of each month, a monthly report on the progress of construction and lease-up in the form attached as Exhibit K to this Agreement, including copies of all construction draws (regardless of whether draws require equity installments). If the Managing General Partner determines that the actual amount with respect to any line item in the then approved budget for the development of the Project is or likely will be less than the amount of such line item as set forth in the then approved budget for the development of the Project (a "Cost Savings"), the Managing General Partner will notify the Limited Partner of such Cost Savings and such Cost Savings will be utilized only as approved by the Limited Partner and by any lender or any Authority whose approval to such use is required.

(viii) *Tenant Income Certifications.* As soon as available, and in no event later than forty-five (45) days after achievement of 100% Qualified Occupancy, copies of all initial Tenant Income Certifications.

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

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

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

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

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

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

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

Partner to dismiss the Accountants, and to designate successor Accountants, subject to the approval of the Limited Partner.

13.04 Tax Matters Partner

(a) The Tax Matters Partner shall have and perform all of the duties required under the Code, including the obligations under Section 5.03(c) and the following duties:

(i) Furnish the name, address, profits interest, and taxpayer identification number of each Partner to the IRS; and

(ii) Within five (5) calendar days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS, the Tax Matters Partner shall forward to each Partner a photocopy of all such correspondence or communication(s). The Tax Matters Partner shall, within five (5) calendar days thereafter, advise each Partner in writing of the substance and form of any conversation or communication held with any representative of the IRS.

(b) The Tax Matters Partner shall not without the Consent of the Limited Partner:

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

(ii) Settle any audit with the IRS concerning the adjustment or readjustment of any Partnership tax item(s);

(iii) File a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

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

(v) Intervene in any action brought by any other Partner for judicial review of a final adjustment; or

(vi) Take any other action not expressly permitted by this Section 13.04 on behalf of the Partners or the Partnership in connection with any administrative or judicial tax proceeding.

(c) In the event of any Partnership-level proceeding instituted by the IRS pursuant to Sections 6221 through 6233 of the Code, the Tax Matters Partner shall consult with the Limited Partner regarding the nature and content of all action and defense to be taken by the Partnership in response to such proceeding. The Tax Matters Partner also shall consult with the Limited Partner regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Partnership (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Partnership or otherwise).

(d) The Tax Matters Partner will consult with the Limited Partner prior to engaging counsel to represent the Partnership in any action, proceeding or filing concerning any Partnership tax item, including, without limitation, all elections required or allowed under the Code or the Treasury Regulations.

ARTICLE XIV

Buyout Option and Right of First Refusal

14.01 Buyout Option

Upon the expiration of the Compliance Period, the General Partner shall give Notice thereof to all other Partners and, together with such Notice, shall represent and warrant that (a) all of the buildings comprising the Project have been maintained in a decent, safe and sanitary condition and in a rentable state of repair, all in accordance with the Project rules and regulations and local codes, (b) the Credit Units comprising the Project are operated as low-income housing in accordance with the provisions of Section 42 of the Code, and (c) the General Partner is not in default under any of the Project Documents, the Loan Documents or this Agreement, and no Event of Bankruptcy has occurred or is impending with respect to the General Partner or any of its Affiliates. If the General Partner is unable to truthfully make all such representations and warranties, the General Partner shall, instead, in such Notice make all such representations and warranties to the extent possible and describe in detail any exceptions thereto. In that event, the General Partner shall forthwith take such steps as may be necessary to permit the General Partner to truthfully make all such representations and warranties. Upon receipt of the latter of such Notices confirming expiration of the Compliance Period and containing all such representations and warranties, without exception, and for a period of one (1) year thereafter, the SASN Special Limited Partner shall have the option (the "**Buyout Option**"), to purchase the Limited Partner's entire Interest in the Partnership or the Partnership Property for the "**Buyout Price**." The Buyout Option shall be exercisable upon Notice to the Limited Partner (the "**Buyout Notice**") specifying a proposed closing date at least forty-five (45) days and not more than ninety (90) days following the date of the Buyout Notice. Notwithstanding the foregoing, the Buyout Option shall be exercisable only if as of the date of closing, the General Partner makes the aforementioned representations and warranties, without exception. If the General Partner is unable to truthfully make all such representations and warranties as of the date of closing, the General Partner shall forthwith take such steps as may be necessary to permit the General Partner to truthfully make all such representations and warranties and the date of closing shall be extended for such additional period as may be reasonably necessary to permit the General Partner to truthfully make all such representations and warranties. During the period of any such extensions, the SASN Special Limited Partner may, at its option, exercised upon Notice to the Limited Partner, withdraw its Buyout Notice; provided, however, that in the event of any such withdrawal the SASN Special Limited Partner shall be entitled to reinstate its Buyout Option within thirty (30) days of receipt of Notice from the General Partner that all such representations and warranties are true.

The Buyout Price shall equal the greater of (i) the Fair Market Value of the Limited Partner's Interest or of the Partnership Property, as the case may be, subject to continued use of the Project for low-income housing for at least fifteen (15) years after the end of the Compliance Period, and at least through the end of the Extended Use Period, as of the date of the closing of

the Buyout, or (ii) \$1 plus all federal, state and local taxes attributable to such sale, including those incurred or to be incurred by the partners, direct or indirect, of the Limited Partner (not to exceed, however, the sum of \$100,000).

If the SASN Special Limited Partner does not elect to purchase the Limited Partner's Interest in the Partnership or the Partnership Property within such one (1)-year period, the City of Santa Ana (the "**City**") shall thereafter have the Buyout Option for a period of thirty (30) days on the same terms as set forth herein. If the City also does not timely elect to purchase the Limited Partner's Interest in the Partnership or the Partnership Property, the Managing General Partner shall thereafter have the Buyout Option for a period of thirty (30) days on the same terms as set forth herein. Such of the SASN Special Limited Partner, the City or the Managing General Partner as shall elect to purchase the Limited Partner's Interest shall be hereinafter referred to as the "**Buyer**".

The Buyout Notice shall include (i) an appraisal of all of the assets of the Partnership (the "**Appraised Value**") by an appraiser selected by the Buyer, and (ii) a calculation by the Accountants of (A) the value of the Limited Partner's Interest or the Partnership Property, as the case may be, based on such Appraised Value and (B) the Buyout Price, all calculated as of the closing date proposed by the Buyer in its Buyout Notice. The Limited Partner shall have thirty (30) days after receipt of the Buyout Notice in which either to accept the Buyout Price set forth in the Buyout Notice or to notify the Buyer of its desire to appoint a second appraiser to evaluate the Buyout Price. In the event that the Limited Partner fails to notify the Buyer within the aforesaid thirty (30) day period that it desires to appoint a second appraiser, it shall be deemed to have accepted the Buyout Price, in which event the Buyout Price shall be the price set forth in the Buyout Notice, and the Buyer shall purchase the Interest of the Limited Partner or the Partnership Property, as the case may be, on the date specified in the Buyout Notice. In the event that the Limited Partner notifies the Buyer of its desire to appoint a second appraiser, the Limited Partner shall appoint such appraiser within thirty (30) days after it notifies the Buyer of its election, and the two appraisers shall together appoint a third appraiser within fifteen (15) days after the appointment of the second appraiser. The three appraisers so appointed shall each determine the Appraised Value of the assets of the Partnership within thirty (30) days after the appointment of the third appraiser, and the Appraised Value of such assets for the purpose of determining the Buyout Price shall be the average of the three appraisers' determinations; provided that if one or more of the appraisers' determinations is more than ten percent (10%) higher or lower than the average of the three determinations, such appraiser's determination shall be disregarded in determining the Appraised Value of the assets, and provided, further, that if none of the appraisers' determinations is equal to or less than ten percent (10%) higher or lower than the average of the three determinations, the Appraised Value shall be the middle of the three determinations.

The Accountants shall determine the Buyout Price within fifteen (15) days after the three appraisers complete their determinations of the Appraised Value. The Accountants' determination shall be based on either: (a) in the case of the Buyer's exercise of its option to purchase the Partnership Property, the amount of Sales Proceeds the Partnership would receive if the Partnership Property were sold for its Appraised Value, or (b) in the case of the Buyer's exercise of its option to purchase the Limited Partner's Interest, the amount of Sales Proceeds the Limited Partner would receive if the Limited Partner's Interest were sold for its Appraised Value.

The closing of the sale of the Limited Partner's Interest or the Partnership Property, as the case may be, to the Buyer shall occur within sixty (60) days after the Accountants determine the Buyout Price. The entire Buyout Price shall be paid to the Limited Partner or the Partnership, as the case may be, at the closing in cash or immediately available funds. The Limited Partner shall be responsible for the costs of the second appraiser and fifty percent (50%) of the costs of the third appraiser, if any, and for its own attorneys' fees incurred in connection with the closing. All other costs associated with the exercise of the Buyout Option, including the costs of the appraiser appointed by the Buyer, the Accountants' fees and any filing fees, shall be paid by the Buyer.

The Partnership and the SASN Special Limited Partner shall execute and cause to be recorded a Memorandum of Option in the form attached hereto as Exhibit G.

14.02 Right of First Refusal

In accordance with the Right of First Refusal Agreement attached as Exhibit J to this Agreement, and subject to the additional terms set forth therein, the Partnership will not transfer, sell, alienate, assign, give, bequeath or otherwise dispose of the Partnership Property to any Person without first offering the Partnership Property by Notice to the parties and upon the terms and conditions set forth therein.

14.03 Required Purchase Right

In the event neither the Right of First Refusal provided in Section 14.02 nor the option provided in Section 14.01 is exercised within the time periods specified in Section 14.01, subject to the requirements of the Authority, the General Partner, at the request of the Limited Partner at any time after the completion of such period, agrees to submit a written request to the Authority to find a buyer for the Project or the Limited Partner's Interest pursuant to a qualified contract under Section 42(h)(6)(E)(i)(II) of the Code. Any proposal approved by the Limited Partner must be accepted by the General Partner.

14.04 Subordination of Option and Right of First Refusal

All options, rights to purchase and rights of first refusal set forth in this Agreement are hereby made expressly subject and subordinate to the liens of all Mortgages entered into in accordance with the terms of this Agreement, including, without limitation, Section 4.01, as such Mortgages may be amended, modified and supplemented from time to time. Each holder of a Mortgage is hereby made an express third party beneficiary of the foregoing subordination provision.

ARTICLE XV

Miscellaneous Provisions

15.01 Amendments to Agreement

(a) Each Partner, including any additional Limited Partner and Substitute Limited Partner, additional General Partner, and successor General Partner shall become a signatory

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

(b) No amendments shall be adopted pursuant to this Section 15.01 unless the adoption of such amendment does not affect the limited liability of the Limited Partner or the Special Limited Partner under the Act or the status of the Partnership as a partnership for federal income tax purposes, or cause loss or recapture of the Credit for any partner that has not transferred its Partnership Interest.

(c) In making any amendments, there shall be prepared and timely filed for recordation by the General Partner all documents and certificates required to be prepared and filed under the Act and under the laws of any other jurisdiction in which the Partnership is then formed or qualified.

(d) The proposal of an amendment may only be made:

(i) By the Managing General Partner, upon Notice to the other Partners which shall include (A) the text of the amendment, and (B) a statement of the purpose of the amendment.

(ii) By the Limited Partner, upon Notice to the other Partners which shall include (A) the text of such amendment, and (B) a statement of the purpose of the amendment.

(e) Within thirty (30) days after Notice is given pursuant to Section 15.01(d), each Partner shall consent to or reject, in writing, the proposed amendment. Amendments to this Agreement shall become effective only upon the Consent of the General Partner and the Consent of the Limited Partner unless such Consent has been given under the terms of this Agreement. Consent may be withheld in the sole discretion of any Partner. Notwithstanding the foregoing, no amendment which in any way impacts the rights, obligations and/or liabilities of the Special Limited Partner shall become effective without the Consent of the Special Limited Partner.

15.02 Notices

All Notices to be given under this Agreement shall be sent to the Persons shown on Exhibit A-5. Any Partner may change its Notice address by providing Notice thereof to all other Partners.

15.03 Meetings of the Partnership

Meetings of the Partnership may be called by the General Partner or by the Limited Partner for any matters upon which the Partners may vote, as set forth in this Agreement. The calling of a meeting shall be made:

(a) By the General Partner, which shall give Notice to the Limited Partner and the Special Limited Partner, which Notice shall include (i) a statement of the purposes of the meeting, and (ii) the date of the meeting which shall be a date no fewer than fifteen (15) days and no more than thirty (30) days after the date of the Notice;

(b) By the Limited Partner, which shall give Notice to the General Partner and the Special Limited Partner, which Notice shall include a statement of the purposes of the meeting. No more than fifteen (15) days after receipt of such Notice, the General Partner shall provide Notice of the meeting to the Limited Partner and the Special Limited Partner in accordance with Section 15.03(a).

15.04 Action for Breach

The representations, warranties, covenants, agreements, and duties of the General Partner contained in this Agreement are being made in order to induce, and in consideration of, the Limited Partner's acquisition of its Interest. Upon the breach of any representation, warranty, covenant, agreement, or duty, the Limited Partner, if decided by Consent of the Limited Partner, may pursue any available legal or equitable remedy against the General Partner without being required to dissolve the Partnership and notwithstanding the availability of any other remedy.

15.05 Consent and Voting

No vote or Consent of the Limited Partner or the Special Limited Partner shall ever be construed to make the Limited Partner or the Special Limited Partner liable as a general partner or cause the Limited Partner or the Special Limited Partner to be liable for Partnership obligations. Except as otherwise expressly provided in this Agreement or the Act, the Special Limited Partner shall have no voting or consent rights under this Agreement.

15.06 Survival of Representations

All representations, warranties, and indemnifications contained herein shall survive the dissolution and final liquidation of the Partnership.

15.07 Entire Agreement

This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

15.08 Applicable Law

It is the intention of the parties hereto that all questions with respect to the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the United States of America and the laws of the State of California, without regard to California's internal conflicts of laws.

15.09 Severability

This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable statutes, laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law. In the event that any provision of this Agreement or the application thereof shall be invalid or unenforceable, the Partners agree to negotiate (on a reasonable basis) a substitute valid or enforceable provision providing for substantially the same effect as the invalid or unenforceable provision.

15.10 Binding Effect

When entered into by the parties hereto, this Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective spouses, heirs, executors and administrators, personal and legal representatives, successors and assigns.

15.11 Counterparts

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

15.12 Successor Statutes and Agencies

Any reference contained in this Agreement to specific statutory or regulatory provisions or to specific governmental agencies or entities shall include any successor statute or regulation, or agency or entity, as the case may be.

15.13 No Implied Waiver

No failure on the part of any Partner to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

15.14 Incorporation by Reference

Each document attached hereto as an exhibit is incorporated herein by reference and an occurrence of a default under an exhibit hereto shall constitute a default under this Agreement.

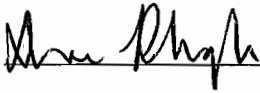
[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

VISTA DEL RIO HOUSING PARTNERS LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

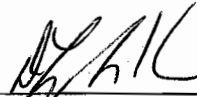
Signature Page

WITNESS/ATTEST:

A COMMUNITY OF FRIENDS,
Managing General Partner

 _____

By:

 *CEO*
Name: Dora Leong Gallo
Title: Chief Executive Officer

VISTA DEL RIO HOUSING PARTNERS LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

Signature Page

WITNESS/ATTEST:

FOUNDATION FOR AFFORDABLE
HOUSING V, INC.
Administrative General Partner

Ferraine Stentz

By:

Deborah A. Willard

Name: Deborah A. Willard

Title: President

VISTA DEL RIO HOUSING PARTNERS LP
FIRST AMENDED AND RESTATED AGREEMENT
OF LIMITED PARTNERSHIP

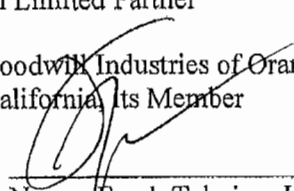
Signature Page

WITNESS/ATTEST:

SANTA ANA SPECIAL NEEDS, LLC
Special Limited Partner

By: Goodwill Industries of Orange County,
California, Its Member

By:


Name: Frank Talarico, Jr.
Title: President and CEO

VISTA DEL RIO HOUSING PARTNERS LP
FIRST AMENDED AND RESTATED AGREEMENT
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Signature Page

WITNESS/ATTEST:

Brian M. Davis

AMCAL ENTERPRISES, INC.,
Special Limited Partner

By:

Arjun Nagarkatti

Name: Arjun Nagarkatti
Title: President

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WITNESS/ATTEST:

WINCOPIN CIRCLE LLLP,
Limited Partner

By: Enterprise Community Investment, Inc.,
General Partner

Kwaja

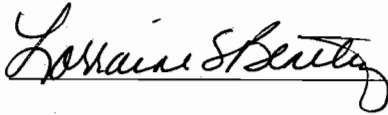
By: B Susan Wilson
Name: B. Susan Wilson
Title: Vice President


VISTA DEL RIO HOUSING PARTNERS LP
FIRST AMENDED AND RESTATED AGREEMENT
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WITNESS/ATTEST:

FOUNDATION FOR AFFORDABLE
HOUSING, INC.,
Withdrawing Limited Partner

 _____

By:  _____
Name: Deborah A. Willard
Title: Secretary

VISTA DEL RIO HOUSING PARTNERS LP
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WITNESS/ATTEST:

Lisa M. Davis

AMCAL MULTI-HOUSING, INC.,
Withdrawing Special Limited Partner

By:



Name: Arjun Nagarkatti
Title: President

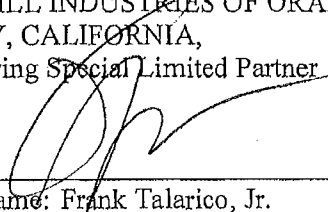
VISTA DEL RIO HOUSING PARTNERS LP
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WITNESS/ATTEST:

GOODWILL INDUSTRIES OF ORANGE
COUNTY, CALIFORNIA,
Withdrawing Special Limited Partner

By: _____


Name: Frank Talarico, Jr.
Title: President and CEO

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A
Partners; Percentage Interests;
Capital Contribution Commitments

<u>General Partner</u>	<u>Percentage Interests</u>	<u>Capital Contributions*</u>
A Community of Friends	0.0025%	\$25
Foundation for Affordable Housing V, Inc.	0.0025%	\$25
<u>Special Limited Partner</u>		
Santa Ana Special Needs, LLC	0.0025%	\$25
AMCAL Enterprises, Inc.	0.0025%	\$25
<u>Limited Partner</u>		
Wincopin Circle LLLP	99.99%	\$6,581,074
TOTALS	100%	\$6,581,174

*The Capital Contribution of the Limited Partner will be paid in Installments as described on the following page. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications, in the exact form attached as Exhibit A-7, in accordance with Section 3.02(c). In addition, the Capital Contributions are subject to reduction and/or increase only as provided in this Agreement

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A-1
Capital Contribution Installments

Installment	Amount of Installment	Due Date of Contribution
<u>First</u>	\$658,107	Admission Date.
<u>Second</u>	\$658,107	<p>Latest of:</p> <ul style="list-style-type: none"> (a) the Limited Partner's receipt of copies of all loan documents for loans closed on or before the Admission Date; (b) the Limited Partner's receipt and approval of the Accountant's certification as to the satisfaction of the "ten percent test" under Code Section 42(h)(1)(E); (c) Completion Date (including, without limitation, receipt of temporary certificates of occupancy for 100% of the Units, receipt of a certificate of substantial completion signed by the architect of record, documenting that the buildings have been completed in accordance with the relevant Project Documents, final AIA forms G702 and G703, including all change orders not previously submitted and approved to the extent required under Section 5.13, and such other items as the Limited Partner may reasonably require, including, without limitation, the Independent Construction Inspector's Report); (d) receipt and approval by the Limited Partner of a draft Cost Certification, prepared by the Accountants, which report shall include the Project's eligible basis, matching sources and uses, calculation of annual Credit; (e) receipt and approval by the Limited Partner of a final release of lien from General Contractor, evidencing that the General Contractor has been paid in full; (f) receipt and approval by the Limited Partner of the Partnership's valid and timely election under Section 168(k)(2)(D)(iii) of the Code to opt out of "bonus" depreciation under Section 168(k) of the Code; (g) receipt by the Limited Partner of copies of all insurance binders (including Owner's title insurance) on the Partnership Property acceptable to the Limited Partner; (h) the Limited Partner's receipt and approval of evidence that application for tax abatement for the Property has been filed with the appropriate party in a timely manner; (i) receipt and approval by the Limited Partner of an updated title report for the Project, evidencing that there are no recorded mechanic's liens that have not been released or bonded against so as to preclude the holder of such lien from having any recourse to the Partnership Property, the Project, any of the Units, or the Partnership for the debt secured thereby;

Installment	Amount of Installment	Due Date of Contribution
		<ul style="list-style-type: none"> (j) receipt and approval by the Limited Partner of an as-built ALTA survey; (k) evidence that as-built plans have been approved by the architect of record; (l) evidence of satisfactory radon testing required by the procedures detailed in Exhibit A-9; (m) receipt and approval by the Limited Partner of the HAP Contract; (n) the Limited Partner's receipt and approval of a Tax Parcel endorsement from the Title Company; (o) receipt and approval by the Limited Partner of all required reporting items in accordance with Section 13.03; (p) certification that the Partnership Property has been constructed in accordance with Green Communities Criteria; (q) the satisfaction of all the conditions to all prior Capital Contributions; or (r) April 1, 2013.
Third	\$4,919,048	<p>Latest of:</p> <ul style="list-style-type: none"> (a) receipt and approval by the Limited Partner of Cost Certification (before submission to the Authority), certified by the Accountant, which report shall include the Project's eligible basis, matching sources and uses, calculation of annual Credit, and evidence of submission to the Authority after approval; (b) receipt and approval by the Limited Partner of a copy of the Extended Use Agreement, with recording information from the city/county in which the Property is located; (c) receipt and approval by the Limited Partner of an updated source and use schedule for the Project that confirms the Partnership will have sufficient funds available to achieve Loan Conversion; (d) receipt and approval by the Limited Partner of evidence that all Partnership reserve accounts required on Exhibit A-6 have been established; (e) receipt and approval by the Limited Partner of permanent certificates of occupancy for 100% of the Units; (f) achievement of the Stabilization Date (including 3 months of Required Debt Service Coverage following 90% occupancy and 90% rent potential); (g) receipt and approval by the Limited Partner of the Partnership's projection of the Projected Credits prepared pursuant to Section 3.03(a) and 3.03(c); (h) the end of the Lease-up Period (including achievement of 100% Qualified Occupancy) and receipt and approval by the Limited Partner of a supporting schedule providing each Qualified Tenant's move-in date; (i) the Limited Partner's receipt and approval of evidence that the tax abatement for the Partnership Property has been approved by the appropriate party; (j) the Limited Partner's receipt and approval of all initial Tenant Income

Installment	Amount of Installment	Due Date of Contribution
		Certifications (including first and last page of lease and third-party confirmation);
		(k) Loan Conversion and delivery of all executed loan documents related thereto;
		(l) the satisfaction of all the conditions to all prior Capital Contributions; or
		(m) August 1, 2013.
<u>Fourth</u>	\$345,811	Latest of:
		(a) receipt and approval by the Limited Partner of a draft IRS Form 8609 with parts I and II completed, before submission to the IRS, and the executed IRS Form 8609 as submitted to the IRS;
		(b) receipt and approval by the Limited Partner of the Partnership's tax returns and audited financial statements (including K-1s) for 2012;
		(c) the satisfaction of the conditions to all prior Capital Contributions and receipt and approval by the Limited Partner of all required reporting items; or
		(d) October 1, 2013.
TOTAL	\$6,581,074	

Note: Defined terms used in this Exhibit A-1 have the meanings set forth in the Partnership Agreement.

Pursuant to Exhibit K, the Managing General Partner is required to provide the Limited Partner with a schedule of all draws from other sources even if no Capital Contribution Installment is requested from the Limited Partner for such draw. The requirement of monthly reports pursuant to Exhibit K is a condition of each Additional Capital Contribution made under this Exhibit A-1 during the construction and Lease-up Period of the Project.

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Exhibit A-2
Fixed Dollar Amounts

<u>Reference Term</u>	<u>Section Reference</u>	<u>Amount</u>
Annual Federal Credit Allocation	5.10(aa)	\$526,779
State Credit Allocation	5.10(jj)	\$1,645,630
Federal Lease-up Projection	3.03(c)(1)	\$345,699
State Lease-up Projection	3.03(c)(ii)	\$1,058,907
Maximum Operating Deficit Contribution	5.14	\$87,000
Operating Reserve Amount	5.14	\$323,520
Transition Reserve Amount	5.14	\$180,000
Owner's Title Policy Amount	2.01	\$13,016,524
Rehab/NC Basis Amount	5.10(aa)	\$11,765,206

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Exhibit A-3
Loans to the Project

Mortgage Priority	Lender	Loan Amount
	JP Morgan Chase Bank, NA (the "Construction Loan")	\$5,599,180
Permanent		
First	JP Morgan Chase Bank, NA (the "First Mortgage Loan")	\$600,000
Second	City of Santa Ana (the "HOME Loan")	\$1,500,000
Third	City of Santa Ana, as successor agency to the Community Redevelopment Agency of the City of Santa Ana (the "LMIF Loan")	\$469,000
Fourth	Santa Ana Special Needs, LLC (the "SASN Loan")	\$125,000
Fifth	City of Santa Ana, as successor agency to the Community Redevelopment Agency of the City of Santa Ana (the "Entrance Loan")	\$100,000
Sixth	Foundation for Affordable Housing V, Inc. (the "AHP Loan")	\$400,000
	TOTAL PERMANENT LOANS	\$3,194,000
Unsecured	City of Santa Ana, as successor agency to the Community Redevelopment Agency of the City of Santa Ana (the "Seller Loan")	2,900,000*

*This is a forgivable loan and, for tax purposes, will be treated as a grant to the Partnership as of the Admission Date.

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Exhibit A-4
Fees; Priority Uses of Cash Flow

Fees

<u>Fee</u>	<u>Governing Agreement</u>	<u>Fee Recipient</u>
Development Fee	Development Services Agreement	A Community of Friends, Foundation for Affordable Housing V, Inc. and AMCAL Enterprises, Inc.
Property Management Fee	Property Management Agreement	Management Agent
Investor Services Fee	Investor Services Agreement	Limited Partner
Partnership Administration Fee	Partnership Administration Agreement	A Community of Friends and Foundation for Affordable Housing V, Inc.

Payments contingent on Cash Flow shall be made in the following order of priority:

First, to the Limited Partner, an amount equal to the Credit Deficiency;

Second, to the Limited Partner, an amount sufficient to pay federal income taxes on taxable income allocated to the Limited Partner for such Fiscal Year by the Partnership, assuming the highest marginal tax rates applicable to corporations;

Third, to pay the Investor Services Fee in accordance with the Investor Services Agreement, attached hereto as Exhibit I;

Fourth, to fund the Operating Reserve after the Capital Contributions of the Limited Partner have been paid up to the Operating Reserve Amount;

Fifth, to pay the Deferred Development Fee, if any, in accordance with the Development Services Agreement, attached hereto as Exhibit C;

Sixth, to pay the Partnership Administration Fee in accordance with the Partnership Administration Agreement, attached hereto as Exhibit E;

Seventh, 57% of the remaining Cash Flow to repay the HOME Loan and 18% of the remaining Cash Flow to repay the LMIF Loan;

Eighth, to the Managing General Partner to repay any Operating Deficit Contribution;

Ninth, 50% of the remaining Cash Flow to repay the SASN Loan; and

Tenth, to prepay the HOME Loan and, when repaid, the LMIF Loan; and

Any remaining Cash Flow shall constitute Net Cash Flow which is distributable to the Partners in accordance with Section 8.01 of this Agreement.

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A-5
Notice Addresses

General Partner

A Community of Friends
3701 Wilshire Boulevard, #700 Los Angeles,
California 90010
Attn: Chief Executive Officer
Tel: (213) 480-0809; Fax: (213) 480-4189

Foundation for Affordable Housing V, Inc.
30950 Rancho Viejo Road, #100
San Juan Capistrano, California 92675
Attn: President
Tel: (949) 443-9101; Fax: (949) 443-9133

With a copy to:

Scott Barshay, Esq. Gubb & Barshay LLP
50 California Street, Suite 3155
San Francisco, California 94111
Tel: (415) 781-6600; Fax: (415) 781-6967

Sheldon Chernove, Esq.
Chernove & Associates
16027 Ventura Boulevard, Suite 660
Encino, California 91436
Tel: (818) 377-8102; Fax: (818) 377-9132

Limited Partner

Wincopin Circle LLLP
c/o Enterprise Community Investment, Inc.
10227 Wincopin Circle, Suite 810
Columbia, Maryland 21044
Tel: (410) 964-0552; Fax: (410) 772-2630
Email: brothschild@enterprisecommunity.com
Attn: General Counsel

With a copy to:

Kenneth S. Gross, Esq.
Gallagher Evelius & Jones LLP
218 North Charles Street
Suite 400
Baltimore, Maryland 21201
Tel: (410) 727-7702; Fax: (410) 468-2786

Special Limited Partner

Santa Ana Special Needs, LLC
410 N. Fairview Street
Santa Ana, California 92703
Attn: President
Tel: (714) 484-3400; Fax: (714) 835-6675

AMCAL Enterprises, Inc.
30141 Agoura Road, Suite 100
Agoura Hills, California 91301
Attn: Arjun Nagarkatti
Tel: (818) 706-0694; Fax: (818) 889-9158

With a copy to:
Ed Sybesma, Esq.
Rutan & Tucker
611 Anton Boulevard, Suite 1400
Costa Mesa, California 92626
Tel: (714) 641-3427; Fax: (714) 546-9035

Kyle Arndt, Esq.
Bocarsly Emden Cowan Esmail & Arndt
LLP
633 W. Fifth Street, 70th Floor
Los Angeles, California 90071
Tel: (213) 239-8000; Fax: (213) 239-0410

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

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A-6
Partnership Reserves

The General Partner shall establish the following reserves in the name of the Partnership:

(i) *Operating Reserve.* An Operating Reserve equal to the Operating Reserve Amount to be funded upon the payment of the Third Installment of the Limited Partner's Capital Contribution. In addition, the Managing General Partner shall replenish the Operating Reserve from Cash Flow (calculated for this sole purpose prior to deducting contributions to the Operating Reserve) in accordance with Exhibit A-4 in order to maintain, to the extent possible, a balance at all times in the Operating Reserve equal to the Operating Reserve Amount. The Operating Reserve shall be deposited in an interest-bearing account in a bank approved by the Limited Partner with Enterprise as a co-signatory on the account. The Operating Reserve account instructions shall provide that no withdrawal may be made from the account without the signature of Enterprise permitting such withdrawal. No withdrawal may be made from the account without the Consent of the Limited Partner. In the event funds are withdrawn from the account without required consent and/or signatures, Enterprise has the right to take sole control of the Operating Reserve, or to withdraw the balance in the Operating Reserve and deposit it into a new account which shall be established in the name of the Partnership. The General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Operating Reserve as outlined above in the event of a default by the General Partner under this Exhibit A-6. In the event the Operating Reserve is held by any party other than the Partnership, no request for a withdrawal from the Operating Reserve made to the holder thereof shall be made without the Consent of the Limited Partner. Interest earned on the Operating Reserve shall be added to the Operating Reserve. The General Partner may use funds in the Operating Reserve (only (a) after the Stabilization Date, and (b), with the Consent of the Limited Partner, for any Partnership purpose, but only to the extent the revenues of the Partnership are insufficient to accomplish such purposes. The Operating Reserve shall be maintained throughout the Term of the Partnership. Upon termination and winding up of the Partnership, subject to the provisions of Section 12.02, the balance in the Operating Reserve shall be used to (a) pay any tax (including exit and transfer taxes imposed) on the Partnership, Limited Partner and its partners as a result of the sale of the Partnership Property and winding up of the Partnership or (b) for other uses approved by the Limited Partner.

(ii) *Replacement Reserve.* A Replacement Reserve to be funded beginning the second full month after the Completion Date, in the amount of \$300 per unit per year, prorated for a partial year, increasing at 3% annually. The Partnership shall utilize amounts in the Replacement Reserve to fund major repair, capital expenditures and replacement of capital items in the Project. The Partnership may not utilize the Replacement Reserve for any capital expenditure which causes total withdrawals from the Replacement Reserve during any calendar year to exceed \$5,000 unless the Partnership has obtained the Consent of the Limited Partner to make

such an expenditure. The Replacement Reserve shall be deposited in an interest-bearing bank account with Enterprise as co-signatory on the account for disbursements in excess of \$5,000. The Replacement Reserve account instructions shall provide that no withdrawal may be made from the account without the signature of Enterprise permitting such withdrawals in excess of \$5,000. In the event funds are withdrawn from the account without required consent and/or signatures, Enterprise has the right to take sole control of the Replacement Reserve, or to withdraw the balance in the Replacement Reserve and deposit into a new account which shall be established in the name of the Partnership. The General Partner hereby appoints Enterprise as Attorney in Fact for the purposes of taking control of the Replacement Reserve as outlined above in the event of a default by the General Partner under this Exhibit A-6. Interest earned on the Replacement Reserve shall be added to the Replacement Reserve. Upon any sale of the Project, amounts in the Replacement Reserve shall be utilized to make any capital expenditures, repairs or improvements in connection with such sale or other uses approved by the Limited Partner.

(iii) *Transition Reserve.* A Transition Reserve equal to the Transition Reserve Amount to be funded from the Fourth Installment of the Limited Partner's Capital Contribution. The Partnership shall utilize amounts in the Transition Reserve, with the Consent of the Limited Partner, to pay Project Expenses to the extent funds are not available from other sources including the Operating Reserve, because of a loss of funds from the HAP Contract. The Transition Reserve shall be deposited in an interest bearing bank account in a bank approved by the Limited Partner. The Transition Reserve account instructions shall provide that no withdrawal may be made from the account without the prior consent of Enterprise permitting such withdrawal. Interest earned on the Transition Reserve shall be added to the Transition Reserve. The Transition Reserve shall be maintained throughout the Term of the Partnership. Upon termination and winding up of the Partnership, subject to the provisions of Section 12.02, the balance in the Transition Reserve shall be disposed of in the same manner as the Operating Reserve.

(iv) *Debt Service Reserve.* A Debt Service Reserve of \$100,000 to be funded upon the payment of the Fourth Installment of the Limited Partner's Capital Contribution. The Partnership shall utilize amounts in the Debt Service Reserve to pay Project Expenses, including, without limitation, mandatory debt service payments with respect to the First Mortgage Loan, to the extent funds are not available from other sources, including the Operating Reserve. The Debt Service Reserve shall be held and administered on the same terms as the Operating Reserve, provided however, that upon repayment in full of the First Mortgage Loan, any balance remaining in the Debt Service Reserve shall be treated as Cash Flow and distributed in accordance with Exhibit A-4.

(v) *Investment of Reserve Accounts.* Funds in the reserve accounts shall be deposited in a banking institution whose deposits are insured by an agency of the federal government. If funds in Partnership reserve accounts deposited in any banking institution exceed \$250,000, the Partnership accounts shall be deposited in a commercial bank having combined capital and surplus of not less than \$250,000,000. The General Partner (or the Management Agent, as directed by the General Partner) may invest funds in the reserve accounts in domestic bank certificates which are insured by an agency of the federal government; in direct obligations of the federal government; in federal government agencies with an AA rating or better, federally guaranteed agencies, or in repurchase agreements which are direct obligations of the federal

government or federal agencies, or which are specifically collateralized by federal government obligations; or in short term commercial paper receiving one of the two highest ratings from Moody's or Standard and Poor's. Any exceptions to the above policy must be approved by Enterprise. The General Partner (or the Management Agent as directed by the General Partner) shall select investment vehicles and maturities on such investment so as to maximize the Partnership's return taking into account the anticipated need for available cash in the reserve account(s). The term of any investment shall not exceed five (5) years.

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A-7
Notice Certifications

As a condition of payment of the Additional Capital Contribution requested by the Additional Capital Contribution Notice dated [_____], the Managing General Partner hereby certifies that the following representations and warranties remain true, correct and not misleading as of the date set forth below. The following certifications (i) - (xiii) in this Exhibit A-7 are hereinafter referred to as "*Notice Certifications*."

(i) *Occupancy.* After the occurrence of the Completion Date, each [Credit] Unit is either (A) occupied by Qualifying Tenants or (B) held available for occupancy by Qualifying Tenants at the time of payment of each Additional Capital Contribution, and the operation of the Project and each Unit in all respects complies with the provisions of Section 42 of the Code.

(ii) *No Defaults; Documents in Force; No Jeopardizing Events.* No default (or event that, with the giving of notice or the passage of time or both, would constitute a default) has occurred and is continuing under any Loan Document, Project Document or the Agreement; the Loan Documents, the Project Documents and the Agreement are in full force and effect; and no event has occurred and is continuing that materially jeopardizes or is likely to materially jeopardize the ability of the Partnership to continue to operate the Project as housing eligible for the Credit.

(iii) *No Liens.* The Partnership owns the Partnership Property, the Project, and each of the Units free and clear of any liens (including mechanics' liens), charges, or encumbrances other than matters set forth in the Title Policy.

(iv) *No Bankruptcies.* No Event of Bankruptcy has occurred and is continuing, and no event has occurred that, with the passage of time, could become an Event of Bankruptcy, with respect to the General Partner or any of its Affiliates.

(v) *No Breach.* The General Partner is not in breach in any material respect of any provision of the Agreement to be observed or performed by it including, but not limited to, all representations, warranties, and covenants given by the General Partner, pursuant to this Agreement and all representations and warranties herein remain true and correct in all material respects.

(vi) *Advances Paid.* All Credit Adjuster Advances, Additional Advances, Development Advances, Operating Reserve deposits, Replacement Reserve deposits, Operating Deficit Contributions and any other deposits, advances, or contributions required to be made by the Managing General Partner, the Administrative General Partner or its Affiliates pursuant to this Agreement (and any exhibits attached hereto) have been made.

(vii) *Environmental.* To the best knowledge of the Managing General Partner after due inquiry, the Partnership Property contains no, and is not adversely affected by the presence of, any Environmental Hazard, nor is it in violation of any federal, state, or local law, regulation, rule, or ordinance, and no violation of any Environmental Law has occurred or is continuing. The General Partner has not received any notice from any source whatsoever of the existence of any Environmental Hazard or of a violation of any federal, state, or local law, regulation, rule or ordinance with respect to the Partnership Property. If any Environmental Hazard (including lead-based paint and asbestos) was found to exist or be present, it has been either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state, and local statutes, laws, rules and regulations, any recommendations set forth in the Environmental Reports, and any requirements in the Loan Documents.

(viii) *Document Compliance.* All documents required by Section 13.03 of the Agreement to be provided to the Limited Partner as of such date have been delivered to the Limited Partner.

(ix) *No Audit.* There is no ongoing audit by the IRS in which the IRS is asserting, by means of a thirty day letter, that the Credit available to the Partnership for any taxable year is less than ninety-five percent (95%) of the amount of Credit claimed by the Partnership for that year or that all or a portion of the Credit claimed with respect to any prior taxable year(s) must be recaptured pursuant to Section 42(j) or other relevant sections of the Code, or is unavailable to the Partnership.

(x) *Conformity with Laws.* The Project conforms in all material respects with applicable law.

(xi) *Prior Qualification.* The Partnership qualified for, and subject to adjustment as provided in the Agreement, has received all prior Additional Capital Contributions.

(xii) *All Prerequisites Satisfied.* The preconditions to payment of the Additional Capital Contribution described on Exhibit A-1 to the Agreement have occurred.

(xiii) *Sources and Uses in Balance.* The Partnership will have sufficient funds available from all sources to complete construction and convert all Loans to permanent status. [DELETE AFTER LOAN CONVERSION.]

A COMMUNITY OF FRIENDS

Date

By: _____
Name: _____
Title: _____

VISTA DEL RIO HOUSING PARTNERS LP
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Exhibit A-8
Significant Accounting Information

<u>Information Required</u>	<u>Data</u>
Taxpayer Identification Numbers	
Partnership	27-0307335
Limited Partner	52-2331442
SASN Special Limited Partner	45-4282344
AMCAL Special Limited Partner	95-4677941
Quarterly Reporting Deadlines	
1 st quarter	04/15/xx
2 nd quarter	07/15/xx
3 rd quarter	10/15/xx
Annual Reporting Deadline	
Draft tax return and audited financial statements	02/15/xx
Final tax return and audited financial statements	03/01/xx
EReporting and tax return and financial statement prep guide website address	
http://reporting.enterprisecommunity.com	
Depreciable lives	
Building	27.5 years
FF&E	5 years
Site Improvements	15 years

Other elections required

Election under Section 168(k)(2)(D)(iii) of the Code to opt out of "bonus" under Section 168(k) of the Code.

Elect to begin Credit Period in 2013 unless the Limited Partner provides Notice to the General Partner that the Partnership shall elect to defer to commencement of the Credit Period until 2014.

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Exhibit A-9
Radon Testing Procedures

PROCEDURES	
When to Test:	<p>>Every project to produce test results of less than 4 pCi/L <i>after substantial completion and before lease-up of the units (see Exceptions below for REHAB Projects)</i>.</p> <p>>In the event of a failing test, proof of mitigation and further testing resulting in a test result of less than 4 pCi/L will be required.</p>
Where to Test:	<p><u>Single family home(s)</u> - each home: basement and 1st floor living space;</p> <p><u>Townhouses</u> - Basement and 1st floor living space of each home >Only units that fail need mitigation, not the entire block of units</p> <p><u>Multi-story building</u> - Basement/garage/crawl space & 25% of first floor living space units in various locations in the building</p> <p><u>Multi-story buildings, scattered sites</u> - (same as above for each building)</p>
Minimum Requirements:	<p>>Include testing in at least one basement/crawl space, one bedroom, and one other living area</p> <p>>Exclude testing hallways, bathrooms, laundry room and kitchen</p>
Testing Requirements:	<p>>Testing to be performed by a qualified, licensed testing company.</p> <p>>If a State does not have licensing requirements, a qualified testing company shall mean any company whose primary business is that of a radon testing and remediation.</p> <p>Radon test and report must comply with EPA guidelines.</p>

PROCEDURES	
Exceptions ?	1) We will accept "non-action" radon results done as part of the acquisition environmental review (on a case-by-case basis) provided the following: <ul style="list-style-type: none"> a) REHAB: No work is performed with respect to the foundation, grading, below slab plumbing, etc. b) Exceptions must be pre-approved by Construction Monitoring. Provide supporting documentation.
Occupant Notification?	Yes
If remediation or mitigation is required:	>A radon report meeting the foregoing requirements must be submitted after mitigation.

	State Radon Reference Web Address
Alabama	www.adph.org
Alaska	www.hss.state.ak.us/dph
Arizona	www.azdhs.gov
Arkansas	www.healthystate.com
California	www.dhs.ca.gov
Colorado	www.cdphe.state.co.us
Connecticut	www.pdh.state.ct.us
Delaware	www.dhss.delaware.gov/dhss/dph/hsp
District of Columbia	http://dchealth.dc.gov
Florida	www.doh.state.fl.us
Georgia	www.dnr.state.ga.us/environ/home_files/mainpage.cgi
Hawaii	http://hawaii.gov/health
Idaho	www.idahohealth.org
Illinois	www.epa.state.il.us
Indiana	www.in.gov/isdh
Iowa	www.idph.state.ia.us/eh/radon
Kansas	www.kdheks.gov
Kentucky	http://chfs.ky.gov/dph/info/phps/radongas
Louisiana	www.dhh.louisiana.gov
Maine	www.maine.gov/dhhs/eng/rad/radon/hp_radon
Maryland	www.dhmh.state.md.us
Massachusetts	www.mass.gov/dph
Michigan	www.michigan.gov/deq
Minnesota	www.health.state.mn.us/index
Mississippi	www.msdh.state.ms.us
Missouri	www.dhss.mo.gov
Montana	www.dphhs.state.mt.us
Nebraska	www.hhs.state.ne.us
Nevada	http://health2k.state.nv.nv.us

	State Radon Reference Web Address
New Hampshire	www.des.state.nh.us/EOH/radon
New Jersey	www.nj.gov/dep/rpp.index.htm
New Mexico	www.nmenv.state.nm.us/nmrcb/radon
New York	www.health.state.ny.us/nysdoh/radon/radonhom
North Carolina	www.dhhs.state.nc.us/docs/division.htm
North Dakota	www.health.state.nd.us/AQ/IAQ/radon
Ohio	www.odh.ohio.gov/odhprograms/rp/envrad/indrad.aspx
Oklahoma	www.deq.state.ok.us/radon
Oregon	www.dhs.state.or.us/publichealth
Pennsylvania	www.dep.state.pa.us/brp
Rhode Island	www.health.ri.gov
South Carolina	www.scdhec.net/environment/envserv/radon.htm
South Dakota	www.state.sd.us/denr/DES/AirQuality/aarad.htm
Tennessee	http://tdec.net/ea/radon
Texas	www.dshs.state.us/radiation/radon.shtm
Utah	www.radon.utah.gov
Vermont	http://healthvermont.gov/enviro/rad/radon.sapx
Virginia	www.vdh.virginia.gov/epidemiology/radiologicalhealth/radon
Washington	www.doh.wa.gov/ehp/ts/IAQ/htm
West Virginia	www.wvdhhr.org/oehs
Wisconsin	www.dhfs.state.wi.us
Wyoming	http://wdh.state.wy.us/PHSD/radon/index.html

Exhibit B

DESCRIPTION OF PROJECT

[Reserved]

Exhibit "A"**Legal Description**

A.P.N.: 101-055-27

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS PER MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, AS DESCRIBED IN A DEED TO THE NEWBERT PROTECTION DISTRICT, RECORDED OCTOBER 16, 1919 IN BOOK 339 PAGE 382 OF DEEDS IN THE OFFICE OF SAID COUNTY RECORDER MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF LOT 38 OF TRACT NO. 2887 AS SHOWN ON A MAP FILED IN BOOK 117, PAGES 28 THROUGH 30, INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, BEING ALSO THE WESTERLY CORNER OF THAT CERTAIN STRIP OF LAND DEEDED TO THE CITY OF SANTA ANA ON MAY 14, 2002 BY INSTRUMENT NO. 20020400664 OF OFFICIAL RECORDS OF SAID COUNTY, THE SOUTHERLY LINE OF SAID STRIP BEING A TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 867.00 FEET, THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 23' 48", AN ARC LENGTH OF 157.32 FEET TO THE END OF SAID CURVE, THENCE SOUTH 69° 55' 32" EAST A DISTANCE OF 77.35 FEET ALONG THE SOUTHERLY LINE OF SAID STRIP; THENCE DEPARTING SAID SOUTHERLY LINE ON A COURSE BEARING SOUTH 20° 04' 28" WEST A DISTANCE OF 7.00 FEET; THENCE NORTH 69° 55' 32" WEST A DISTANCE OF 28.00 FEET; THENCE SOUTH 62° 04' 28" WEST A DISTANCE OF 13.38 FEET; THENCE SOUTH 14° 04' 28" WEST A DISTANCE OF 36.00 FEET; THENCE SOUTH 40° 01' 11" EAST A DISTANCE OF 27.44 FEET; THENCE SOUTH 25° 35' 43" EAST A DISTANCE OF 29.37 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIAL BEARING OF SOUTH 39° 52' 08" WEST AND A RADIUS OF 42.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 45' 00" AN ARC LENGTH OF 37.20 FEET TO THE END OF SAID CURVE; THENCE ALONG A LINE TANGENT TO SAID CURVE SOUTH 00° 37' 08" WEST A DISTANCE OF 140.00 FEET; THENCE SOUTH 89° 22' 52" EAST A DISTANCE OF 14.00 FEET TO A POINT ON THE NORTHWESTERLY LINE OF "PARCEL 1" OF A DOCUMENT RECORDED IN BOOK 9034, PAGE 417, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 26° 53' 03" WEST A DISTANCE OF 534.66 FEET ALONG THE NORTHWESTERLY LINE OF SAID "PARCEL 1" TO A POINT ON THE EASTERLY LINE OF SAID TRACT 2887; THENCE NORTH 0° 37' 08" EAST ALONG SAID EASTERLY LINE A DISTANCE OF 802.28 FEET TO THE POINT OF BEGINNING.

Exhibit C

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (this "**Agreement**"), dated and effective as of the 20th day of March, 2012, is made by and between VISTA DEL RIO HOUSING PARTNERS LP, a limited partnership formed under the laws of the State of California (the "**Partnership**"), A COMMUNITY OF FRIENDS, a California nonprofit public benefit corporation ("**ACOF**"), FOUNDATION FOR AFFORDABLE HOUSING V, INC., a California nonprofit public benefit corporation ("**FFAH V**," and together with ACOF, the "**Developer**"), and AMCAL Enterprises, Inc., a California corporation ("**AMCAL**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a forty-one (41) unit residential project in one (1) building(s) located in Santa Ana, California (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership desires that the Developer provide certain services with respect to the development of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby appoints the Developer to render services in overseeing the development of the Project for the Partnership as herein contemplated and the Developer hereby accepts such appointment. The term of this Agreement shall begin on the date hereof and shall end on December 31, 2026.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, the Developer shall have the authority and obligation to:

(a) Obtain construction financing on behalf of the Partnership in an amount sufficient to fund the construction of the Project pursuant to the Projections.

(b) Prepare or cause to be prepared such environmental and neighborhood impact studies or reports, engineering surveys, and plans and specifications as may be required in connection with the construction of the Project.

(c) Prepare and submit to the Partnership for approval a construction budget and make recommendations to the Partnership regarding any necessary modifications thereto.

(d) Make available to the Partnership upon request copies of all contracts, option agreements, construction financing commitments, budgets, plans and specifications or other items prepared or obtained.

(e) Obtain a construction contract (the "**Construction Contract**") in an amount not to exceed the amount provided therefor pursuant to the Projections from a reputable general contractor (the "**Contractor**"), which may be an affiliate of Developer, which Construction Contract shall require the Contractor to post a payment and performance bond in the full amount of the Construction Contract letter of credit in an amount acceptable to the Partnership or other assurances acceptable to the Partnership and the Limited Partner.

(f) Perform or cause to be performed, in a diligent and efficient manner, general administration and supervision of construction of the Project, including but not limited to the following:

(i) administration and supervision of the activities of the Contractor and all other contractors, subcontractors and others employed in connection with the construction of the Project;

(ii) preparation of construction schedules pursuant to which all phases of construction are to be completed on or before the Completion Date and supervision of the scheduling of construction in conformity with such construction schedules;

(iii) periodic inspection of construction in progress, including but not limited to inspection at completion, for defects in construction and to assure compliance with the plans and specifications, and supervision of correction of any and all deficiencies noted pursuant to such inspections;

(iv) processing and payment of applications for progress payments made by the Contractor, including verification of such applications against the progress of construction as indicated by the aforementioned periodic inspections; and

(v) analysis of requests for any and all change orders to or variations from the Projections and the plans and specifications and submission of such requests to the Partnership for approval.

(g) Perform, or cause to be performed, in a diligent and efficient manner, preparation of contracts, letter agreements, purchase orders, and similar documents as are necessary to complete timely the construction of the Project in accordance with the plans and specifications.

(h) Cause the Project to be completed on or before the Completion Date in a manner consistent with good workmanship, in compliance with the following:

(i) the plans and specifications;

(ii) all obligations of the Partnership under any documents executed by the Partnership under the Loan Documents; and

(iii) all municipal, state, and other governmental laws, ordinances, and regulations governing the construction of the Project and the use thereof for its intended purposes and all other requirements of law applicable to construction of the Project;

(i) Maintain, or cause to be maintained, builders risk, contractor's liability, and workers' compensation insurance required by law or by the Limited Partner with the Partnership named as an additional insured, the limits of such coverage to be reasonable under the circumstances, but no less than that required by construction lenders or applicable statutes.

(j) Keep or cause to be kept separate project accounts and cost records and prepare and furnish upon request financial and progress reports and statements with respect to construction of the Project.

(k) Make available to the Partnership upon request copies of all contracts and subcontracts.

(l) Deliver to the Partnership copies of all inspection reports and applications for payment given any lender providing a loan to the Partnership.

3. **Accrual Schedule.** The Development Fee shall be earned as follows:

(a) \$296,869 shall be earned upon the execution of this Agreement.

(b) The balance of the Development Fee shall be earned pro rata during construction.

(c) Once a portion of the Development Fee has been earned, it shall be payable by the Partnership in all events.

4. **Development Fee.** For development services to be performed under this Agreement, the Partnership shall pay the Developer and AMCAL a fee in the amount of \$1,083,623 (the "**Development Fee**"), as follows:

(a) \$742,173 from Capital Contributions as follows:

(i) \$296,869 on the Admission Date (of which the first \$50,000 shall be paid to AMCAL and the remainder paid to the Developer);

(ii) \$185,543 on the due date of the Limited Partner's Second Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement (all of which shall be paid to the Developer);

(iii) \$193,950 on the due date of the Limited Partner's Third Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement (of which the first \$50,000 shall be paid to AMCAL and the remainder paid to the Developer); and

(iv) \$65,811 on the due date of the Limited Partner's Fourth Installment of its Capital Contribution as set forth on Exhibit A-1 of the Partnership Agreement (all of which shall be paid to the Developer).

(b) \$341,450, with interest thereon at a rate of one percent (1%) per annum (the "**Deferred Development Fee**") from Cash Flow to the extent available for payment of such

fee pursuant to Exhibit A-4 of the Partnership Agreement or from capital proceeds under Section 8.02 of the Partnership Agreement;

(c) Any amount of the Development Fee, including the Deferred Development Fee, that has not been paid in full on or before the earlier of (A) December 31, 2026, or (B) the date that is the thirteenth (13th) anniversary of the date on which the Project is placed in service, shall be paid no later than such date;

(d) The Developer shall not be compensated for, and no portion of the Development Fee shall apply to, services in connection with the development of nonresidential improvements, the organization or syndication of the Partnership, the acquisition of land or existing buildings included in the Project, obtaining an allocation of Credits or securing Project financing other than construction financing; it being the understanding between the parties hereto that all such listed activities are the exclusive responsibility of the Partnership, the General Partner and/or consultants or others engaged by the Partnership.

(e) The Development Fee (other than that portion of the Development Fee payable to AMCAL) shall be paid as follows: the first \$500,000 shall be paid to ACOF and the remainder shall be paid to FFAH V.

5. **Prior Developer Services of AMCAL.** The parties hereto agree and acknowledge that the fee being paid to AMCAL hereunder is for development-related services rendered in connection with the Project prior to the date hereof. Notwithstanding anything to the contrary contained herein, (i) AMCAL shall have fully earned that portion of the Development Fee payable to it hereunder as of the date hereof, and (ii) AMCAL shall have no obligation to perform any future development services in connection with the Project.

6. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

7. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party.

8. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

9. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

10. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

11. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

12. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

13. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

14. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

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

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Development Services Agreement as of the date first written above.

WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

Shana Bligh

By:

Dora Leong Gallo
Name: Dora Leong Gallo
Title: Chief Executive Officer

A COMMUNITY OF FRIENDS,
Developer

Shana Bligh

By:

Dora Leong Gallo
Name: Dora Leong Gallo
Title: Chief Executive Officer

FOUNDATION FOR AFFORDABLE HOUSING
V, INC.,
Developer

By:

Name: _____
Title: _____

AMCAL ENTERPRISES, INC.

By:

Name: Arjun Nagarkatti
Title: President

IN WITNESS WHEREOF, the parties have executed this Development Services Agreement as of the date first written above.

WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____
Name: _____
Title: _____

A COMMUNITY OF FRIENDS,
Developer

By: _____
Name: _____
Title: _____

FOUNDATION FOR AFFORDABLE HOUSING V,
INC.,
Developer

Lerrain Bentley

By: Deborah A. Willard
Name: Deborah A Willard
Title: President

AMCAL ENTERPRISES, INC.

By: _____
Name: Arjun Nagarkatti
Title: President

IN WITNESS WHEREOF, the parties have executed this Development Services Agreement as of the date first written above.

WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____
Name: _____
Title: _____

A COMMUNITY OF FRIENDS,
Developer

By: _____
Name: _____
Title: _____

FOUNDATION FOR AFFORDABLE HOUSING
V, INC.,
Developer

By: _____
Name: _____
Title: _____

AMCAL ENTERPRISES, INC.

Leona M. Davis

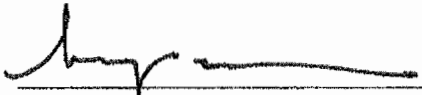
By: 
Name: Arjun Nagarkatti
Title: President

Exhibit D

[INTENTIONALLY OMITTED]

Exhibit E

PARTNERSHIP ADMINISTRATION AGREEMENT

THIS PARTNERSHIP ADMINISTRATION AGREEMENT (this "**Agreement**"), dated and effective as of the 20th day of March, 2012, is made by and between VISTA DEL RIO HOUSING PARTNERS LP, a limited partnership formed under the laws of the State of California (the "**Partnership**") and A Community of Friends, a California nonprofit public benefit corporation ("**ACOF**"), and Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation ("**FFAHV**" and together with ACOF, the "**Administrator**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a forty-one (41) unit residential project in one (1) building(s) located in Santa Ana, California (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership has agreed to make certain payments to Administrator as an inducement for the efficient administration of the Project.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Services.** Subject to the applicable provisions of the Partnership Agreement, the Administrator shall:

(a) Provide any and all supervisory services designed to cause the Project to operate efficiently, including reviewing and evaluating programs, policies and procedures instituted by the Management Agent for advertising and tenant recruitment, screening and selection;

(b) Investigate and make recommendations with respect to the selection and conduct of relations with consultants and technical advisors (including, without limitation, accountants, depositories, custodians, agents for collection, insurers, insurance agents and banks) if necessary at any given time; and

(c) Formulate programs for owner, tenant, public and government relations.

2. **Partnership Administration Fee.** Subject to the applicable terms and conditions of the Partnership Agreement and the Loans and Project Documents and, assuming there is no Event of Default under Section 9.02 of the Partnership Agreement, beginning in the later of (i) 2013, or (ii) the first calendar year the Partnership receives rental income (the "**Initial Year**"), the Partnership shall pay to the Administrator, over the term of this Agreement, an annual Partnership Administration Fee of \$12,500. The first \$9,375 of the Partnership Administration Fee for each year shall be paid to ACOF, and the balance shall be paid to FFAH V. After the

Initial Year, the Partnership Administration Fee shall increase at the rate of three percent (3%) per year. The Partnership Administration Fee for the Initial Year shall be prorated for the number of months the Partnership has rental income. The Partnership Administration Fee shall be payable from Cash Flow available for payment of such fee pursuant to Exhibit A-4 of the Partnership Agreement. If not paid, the Partnership Administration Fee shall accrue without interest from year to year and shall be payable out of the next available Cash Flow or Capital Proceeds.

3. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement. The occurrence of a default by the General Partner under the Partnership Agreement shall constitute a default by the Administrator and the Partnership shall have no further obligations under this Agreement.

4. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto and their heirs, executors, personal representatives, successors and assigns. No party may assign this Agreement without the consent of the other party.

5. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

6. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

7. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

8. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

9. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

10. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

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

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Partnership Administration Agreement as of the date first written above.


WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

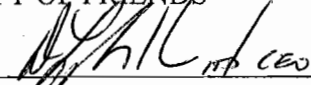
Mara Bligh

By:


Name: Dora Leong Gallo
Title: Chief Executive Officer

A COMMUNITY OF FRIENDS

By:


Name: Dora Leong Gallo
Title: Chief Executive Officer

FOUNDATION FOR AFFORDABLE HOUSING
V, INC., Administrator

By:

Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this Partnership Administration Agreement as of the date first written above.

WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____

Name: _____

Title: _____

A COMMUNITY OF FRIENDS

By: _____

Name: _____

Title: _____

FOUNDATION FOR AFFORDABLE HOUSING
V, INC., Administrator

Lorraine Bentley

By: _____

Deborah A. Willard

Name: Deborah A Willard

Title: President

Exhibit F

PROPERTY MANAGEMENT AGREEMENT

[See Attached]

VISTA DEL RIO
MANAGEMENT AGREEMENT

This Agreement is made this 30th day of November, 2011 between Vista del Rio Housing Partners, L.P. ("Owner"), and The John Stewart Company, a California corporation ("Agent"). This Agreement shall be effective when it is executed by all parties.

1. **Appointment and Acceptance.** The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement. Agent hereby agrees to manage the Project in an efficient and satisfactory manner to the best of its ability.
2. **Description of Project.** The property (the "Project") to be managed by the Agent under this Agreement is a housing development consisting of the land, buildings, and other improvements as follows:

Project Name: Vista del Rio
Tax ID Number: 27-0307335
City: Santa Ana
County: Orange County
State: CA

Number of Dwelling Units (including any units for on-site employees): 41

Other Identifying Numbers:

CTCAC Number: CA-2011-105

3. **Definitions.**

- (1) "Lenders" shall mean those agencies or individuals that have provided financing for the Project.
- (2) "Management Representative" shall mean a John Stewart Company employee, i.e., Regional Manager, Property Manager or maintenance personnel.
- (3) A "Mortgage" is an instrument or agreement between the Owner, as Mortgagor, and the Mortgagee, creating a lien on the Project as security for the payment of debt.
- (4) "Mortgagee" shall mean agencies or individuals to which the Project has been mortgaged.
- (5) ~~"Principal Parties" shall mean the Owner and the Agent.~~
- (6) "Regulatory Agreements" shall mean those regulatory agreements, use agreements or declarations of restrictive covenants by and between the Owner and Lenders or regulatory agencies which have been provided to the Agent.
- (7) "Code" shall mean Section 42 of the Internal Revenue Code of 1986, as amended.
- (8) "Limited Partner" shall mean the tax credit investor limited partner of the Owner, as provided in the Owner's partnership agreement.

4. **Basic Information.** As soon as possible, the Owner will furnish the Agent with a complete set of plans and specifications, and copies of all guaranties, warranties, regulatory agreements and loan documents applicable to the property, operating instructions and/or handbooks pertinent to construction, fixtures, and equipment at the Project. With the aid of this information and through inspection by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Project, and especially the electrical, heating, plumbing, air-conditioning and ventilating systems, the elevators, and all other mechanical equipment and systems. The Owner will be required to confirm in writing any and all initial rents and utility charges/allowances prior to the start of the marketing/lease-up (as applicable) or prior to the commencement of the term of this Agreement, whichever comes first.
5. **Rentals.** The Agent will offer for rent and will rent the dwelling units, parking spaces, commercial space and other rental facilities and concessions in the Project. Incident thereto, the following provisions will apply:
 - a. The Agent or Owner's representative will promote, market, and show the premises to prospective applicants in compliance with the Regulatory Agreements.
 - b. The Agent will process, in compliance with the Owner's tenant selection plan and the Regulatory Agreements subject to Owner's approval, applications for tenancy, and will notify applicants of their eligibility status and their right to appeal a determination of ineligibility or denial. If an application is rejected, the Agent will tell the applicant the reason for rejection, and advise rejected applicants of their right to appeal. Rejected applications, with reasons for rejection noted thereon, will be kept on file for three (3) years, or for such longer period as may be required by a Lender, if any. A current list of prospective tenants will be maintained.
 - c. In consultation with the Owner the Agent will prepare all dwelling leases, parking permits, house rules and other relevant lease addenda for approval by the Owner, and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases will comply with the pertinent provisions of California landlord/tenant law, and the Regulatory Agreements. Dwelling leases will be in a form approved by the Owner, but individual dwelling leases and parking permits need not be submitted for the approval of the Owner.
 - d. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each household's lease. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government and the interest thereon will be used as required by local ordinance or Owner direction; in the absence of such local ordinance or Owner direction, said interest will be transferred to the Project operating account on a regular basis. This account will be carried in the Agent's name and designated of record as "Vista del Rio" Security Deposit Account, The John Stewart Company, Trustee."
6. **Collection of Rent and Other Receipts.** The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Subject to the rights of mortgagees under any assignment of rents, such receipts will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Agent's name and designated of record as "Vista del Rio" Operating Account, The John Stewart Company, Trustee."
7. **Enforcement of Governing Documents.**
 - a. The Agent will secure full compliance by each Tenant with the terms of his or her lease and/or other applicable documents including the Regulatory Agreements. Voluntary compliance will be

emphasized, and the Agent, utilizing the services of the service provider for the Project, will counsel tenants and make referrals to community agencies in cases of financial hardship or under the circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent possible, consistent with sound management of the Project and the Owner's operating philosophy. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the Tenant's Lease. For this purpose, Owner authorizes Agent to consult with legal counsel to file actions for eviction and assigns to Agent the right to both file unlawful detainer actions in Agent's own name to recover possession of units and to execute notices to vacate and judicial pleadings incident to such actions, provided that Agent keeps Owner informed of such actions and follows instructions that the Owner may provide for the conduct of such actions. Agent may incur legal fees up to \$500 per action or as otherwise agreed to in writing by Owner.

- b. Agent and Owner agree to abide by all regulatory, statutory and administrative requirements of governing agencies pertaining to the Project.

8. **Maintenance and Repair.** The Agent will maintain the Project in good repair and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner (including financial limitations) in addition to those contained herein. Incident thereto, the following provisions will apply:

- a. Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used. A preventive maintenance schedule shall be developed by Agent for approval by the Owner. This schedule shall be updated annually.
- b. Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
- c. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
- d. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for the proper maintenance and repair of the Project.
- e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds \$1,000 (one thousand dollars), in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
- f. **Inspection of Units.** Agent shall have the right to inspect all units in the Project at least annually and shall invite Owner to join in the inspection. Advance notice shall be given to tenants as provided in the Lease Agreements and required by law. Agent will cooperate with Owner's Lenders when inspections are requested.

9. **Employees.** The Owner and Agent will determine the number, qualifications, and duties of the personnel to be regularly employed in the management of the Project. All such on-site personnel will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:
- a. The Property Manager will have duties of the type usually associated with this position. He/she will be directly responsible to the Agent. The Property Manager will coordinate his/her activities in the interest of good overall management of the Project.
 - b. In accordance with Agent's employment policies, the compensation (including fringe benefits) of the on-site employees will include but not necessarily be limited to those required by local, state and federal law; life, disability, and medical insurances; paid vacation and sick leave and other benefits as may be provided by Agent.
 - c. The Project is responsible for compensation (including fringe benefits) payable to the on-site employees, for all local, state, and Federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance) and for any payroll processing fees and training expenses incident to the employment of such personnel. Such costs will be paid out of the Operating Account and will be treated as Project expenses.
 - d. Compensation payable to the on-site employees, including fringe benefits and assessments incident to the employment of such personnel, will be borne solely by the Project, and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free (partially or in full) to any on-site staff will be treated as a cost to the Project.
10. **Financial Accounts.** Agent shall establish the following separate interest bearing deposit accounts for Project funds as may be required by the Owner and/or the Regulatory Agencies and/or the partnership agreement: the "General Operating Account," the "Replacement Reserve Account," the "Operating Reserve Account," and the "Security Deposit Account." Each of these accounts shall be fully insured by the Federal Deposit Insurance Corporation and shall be in the Owner's name. These funds shall not be commingled with Agent's funds or Owner's other funds. In collecting, handling, and disbursing these funds, Agent shall comply with this Agreement and applicable law.
- a. **General Operating Account.** All revenue collected pursuant to Section 6 of this Agreement (other than security deposits) shall be credited to the General Operating Account.
 - b. **Replacement Reserve Account.** Agent shall transfer from the General Operating Account to the Replacement Reserve Account one-twelfth of the annual required amount on or before the 20th day of each month. All interest or other income earned by the Replacement Reserve Account shall be applied solely to the purposes of the Account. Disbursement will be made in accordance with the applicable regulatory restrictions and Lender and Investor requirements.
 - c. **Operating Reserve Account.** The Agent acknowledges that Owner will capitalize the Operating Reserve Account in an amount required by Lenders and Limited Partner at the time the project receives its IRS Form 8609. Thereafter the Agent will deposit an amount required by the Lenders and Limited Partner in the Operating Reserve Account each month, if any. All interest or other income earned by the Operating Reserve Account shall be applied solely to the purposes of the Account. Disbursement will be made in accordance with the applicable regulatory restrictions and loan agreement.

- d. **Security Deposit Account.** Agent shall deposit all tenant security deposits in the Security Deposit Account. All interest or other income earned by the Security Deposit Account shall be applied solely to the purposes of the Account or as otherwise directed by Owner or local law if no regulatory requirements apply. In the absence of local ordinances, regulatory requirements, state law or instructions from the Owner, interest on the Security Deposit Account shall be transferred to the Operating Account on a regular basis. Disbursements will be made in accordance with applicable laws and regulatory restrictions.

11. Disbursements from Operating Account.

- a. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 6 above, the Agent will make the following disbursements promptly when payable:
 - (1) Compensation, taxes and benefits payable to the employees specified in Section 9 above, and for the taxes and assessments payable to local, state, and federal agencies in connection with the employment of such personnel.
 - (2) The single aggregate payment required to be made monthly by the Owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premium, ground rents, taxes and assessments, fire and other hazard insurance premiums, and the amount specified in the Regulatory Agreement for allocation to the Reserve for Replacements (if applicable).
 - (3) All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 23 below, for its service hereunder.
- b. Except for the disbursements mentioned in Subsection 11a above, in the event of an emergency, as provided in Section 8e, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.
- c. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 11a above, in no event will the Agent be required to use its own funds to pay such disbursements. Agent will advise Owner immediately of any such deficiency. Any such operating shortfalls that cannot be covered by the Owner will be considered a material breach of the Agreement and may result in the termination of the Agreement, as discussed in Section 24 below.
- d. If at any time the Agent has, due to the circumstances described above and at its sole and absolute discretion, paid out of its own funds any debts due and payable by the Project/Owner, including but not limited to management fees and payroll expenses of personnel providing on-site services, the Agent has the right to recover the total cost of any debts paid plus interest charges in the amount of 1.5% per month of the unpaid balance.

12. Annual Operating Budgets. Annual operating budgets for the Project will be as approved by the Owner. Except as permitted under Subsection 8e above, annual disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. The Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least ninety (90) days before the beginning of the fiscal year. This recommended operating budget will include (i) repairs and maintenance; (ii) utilities; (iii) cleaning and janitorial services; (iv) expenditures, if any, for repairs, alterations, rebuilding, replacements, additions

and/or improvements in and to the project; (v) security services; (vi) compensation and related fringe benefits and payroll expenses for personnel providing on-site services; and (vii) other costs and expenses to be incurred in operating the Project, including but not limited to customary and conventional site office expenses such as copying and postage, computer hardware and software, telephone and internet access, etc.

The Owner will accept or reject the proposed Annual Operating Budget and will inform the Agent of any changes in the budget within thirty (30) days of Agent's submittal of the recommended operating budget. If Owner shall reject any proposed Annual Operating Budget submitted by Agent as provided above, Agent shall submit to Owner for Owner's approval a new proposed Annual Operating Budget satisfying Owner's rejection as aforesaid. If the proposed Annual Operating Budget is not approved before the start of the new fiscal year, the Agent shall operate, to the extent possible, under the previous year's Annual Budget. In the event that a Project Regulatory Agreement requires Lender approval of an Annual Operating Budget, Agent may submit the proposed budget to Owner in advance of the time period set forth herein, in order to allow for submission and approval of the budget by Lender prior to the start of a new fiscal year.

During the fiscal year (or partial fiscal year) covered by each particular Annual Operating Budget, the Agent in the performance of its duties as provided in this Agreement, shall operate within that Annual Budget as approved by Owner, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

13. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. **Records.** The Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner and in accordance with GAAP guidelines and the Regulatory Agreements. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.
- b. Agent will furnish to the Owner by the Fifteen (15th) day of each month (or such other date as agreed upon in writing by Owner and Agent) the following:
 - (1) A statement of income and expenses for the previous month, with a schedule of accounts receivable and payable, balance sheet, detailed general ledger, check register, and reconciled bank statements for the Operating Account and Security Deposit Account as of the end of the prior month.
 - (2) An itemized list of all delinquent accounts, including rental accounts, as of the last day of the prior month and a rent roll.
 - (3) A report comparing actual and budgeted figures for income and expenses for the prior month and year-to-date.
 - (4) Mortgage statements, if any.
- c. **Additional Reports.**
 - (1) The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.

Agent acknowledges that the Project is eligible for a property tax exemption and Owner is required to qualify and maintain this welfare tax exemption. Agent shall provide promptly upon request by Owner all supportive documentation and tenant income certifications required by the Assessor for the county in which the Project is located or the State Board of Equalization (or both) for Owner to submit a claim for the welfare tax exemption. Agent shall be in default under this Agreement if it fails to provide this documentation to Owner no later than 15 days before the deadline set for such filing

14. **Fidelity Bond.** The Agent will furnish a fidelity bond in an amount that is no less than \$250,000 to protect the Owner against misappropriation of Project funds by the Agent and on-site and corporate employees. The pro rata cost of this bond for on-site employees shall be paid from the Project Operating Account and the pro rata cost of this bond for Agent's corporate employees shall be borne by Agent. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Owner.
15. **Audits.** Owner must execute an engagement letter and provide a copy to the Agent before Agent will release documents and information to the Auditor. All financial work completed by the Agent will be maintained in detailed, well-organized folders for review and audit purposes. At the end of each fiscal year, the Agent will provide the auditors a year-end trial balance together with a complete report for the last month of the year and a year-to-date general ledger. The Agent will include in the report copies of insurance and property tax bills. The Agent will provide schedules, lists, and account analysis, as needed, and shall prepare mortgage or bank confirmations for the Auditor. The Agent will coordinate with Auditor an acceptable time and office space for auditor's fieldwork at the Agent's office. The Agent will make corporate staff available to answer questions. The Agent will release books and records to site or storage upon receipt of a complete and final audit or review and adjusting journal entries, if any.
16. **Utilities and Service Contracts.** In accordance with the operating budget for the Project, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, computer software and services and/or licensing, internet access, fax and telephone services. The Agent will negotiate concession agreements, maintenance and service contracts, and will execute the same, identified thereon as Agent for the Owner, subject to the Owner's prior approval of all terms and conditions, including, but not limited to length of term and fees for such services. All said contracts shall be in the name of the Project or Owner and shall be the obligation of the Project/Owner and not the Agent. All contracted equipment and services will survive the term of this Agreement and will remain an obligation of the Project/Owner and are not transferable to the Agent.
17. **Bids and Purchase Discounts, Rebates or Commissions.** The Owner and Agent agree to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the Project and to secure and credit to the Project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the Project.

The Agent shall solicit written cost estimates (i.e. bids) from at least three qualified contractors or suppliers for any work item which the Owner estimates will cost \$2,500 (two thousand five hundred dollars) or more and for any contract or ongoing supply or service arrangement which is estimated to exceed \$5,000 (five thousand dollars) per year. The Agent agrees to accept the bid which represents the lowest responsible price taking into account the bidder's reputation for quality of workmanship or materials and timely performance, and the timeframe within which the services or goods are needed. At start-up, the Agent may be asked to bid out the various major contracts, i.e., the exterminator service, landscape, and major vendors. All initial bids will be reviewed by the Owner prior to execution of the contracts. All renewals of contracts will be first reviewed by the Owner. No contract shall exceed one (1) year in length, without prior approval from Owner, and contracts over one (1) year shall be terminable without penalty on thirty (30) days notice. For any contract or ongoing

supply or service arrangement obtainable from more than one source and estimated to cost less than \$5,000 (five thousand dollars), the Agent shall solicit verbal or written cost estimates, as necessary, to assure that the Project is obtaining services, supplies and purchases at the lowest possible estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Agent shall be made part of the Project's records and shall be retained for three (3) years from the date the work was completed. Owner will be notified in writing before any records or documents are discarded after three (3) year retention period. This documentation shall be subject to inspection by the Owner or his/her designee and the Agent agrees to submit such documentation upon request.

18. **Services Program.** Agent acknowledges the Project is a supportive housing project for developmentally and/or physically disabled adults and agrees to receive, consider and respond to all Tenant concerns and complaints in a professional and businesslike manner. Owner will be responsible for ensuring the provision of on-site supportive services. The provider(s) of any on-site services and/or Owner will coordinate program activities with the property management staff.
19. **On-Site Management Facilities.** Subject to the further agreement of the Owner and Agent as to more specific terms and pursuant to California law, the Agent will maintain a management office within the Project and at least one on-site employee will reside in one of the dwelling units in the Project. The employee may or may not pay rent pursuant to California laws and/or Regulatory Agreements.
20. **Insurance.** The Owner will place property general liability and loss of rent insurance to the Project and its operations (including any non-residential space), and will cause such insurance to be placed. The Owner will be required to complete and submit to the Agent Attachment 1, "Owner Certification of Project Insurance Requirements" no later than sixty (60 days) prior to occupancy of the Project. The Agent will be listed as an additional insured to the property's insurance policies. Under no circumstances will the Agent be required to provide liability coverage for the Project/Owner from the Agent's corporate liability policy. The Agent will pay premiums for Project insurance out of the Operating Account, and such premiums will be treated as operating expenses of the Project. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the Owner, and shall be otherwise in conformity with the requirements of the Lenders and the Mortgagee; provided that the same will include public liability coverage, with the Agent named an additional insured. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith. The Owner is required to provide a full copy of all policies to the Agent. Any policy exclusions must be disclosed prior to the execution of this Agreement. If the property has commercial tenants, said tenants will be required to name Agent as additional insured on their liability policies and provide evidence thereof. Agent will maintain liability, worker's compensation, fidelity and automobile insurance consistent with the limits required in the attached Addendum to Property Management Agreement. Owner will be named as a certificate holder on these policies.
21. **Compliance with Governmental Orders.** The Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by Federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 8e with respect to repairs.

Nevertheless, the Agent shall take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within twenty-four (24) hours from the time of their receipt.

22. **Nondiscrimination.** In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, familial status, source of

income, age, disability, AIDS or AIDS related condition including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

23. **Agent's Compensation.** The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Project expenses. Such fees will be payable by the tenth (10th) day of each month during the term of this Agreement.

- a. Each such monthly fee will be \$55 (fifty five dollars) per unit per month, for management services;
- b. \$0 per unit per month fee for bookkeeping services.

If applicable, initial one-time lease-up fees. A separate Lease Up Agreement will be executed as indicated in Section 29 of this Agreement.

If applicable, other consulting, compliance or marketing fees. A separate Marketing Agreement will be executed as indicated in Section 29 of this Agreement.

24. **Term of Agreement.** This Agreement shall be in effect for a period of one year (1), beginning at the time the property receives its Certificate of Occupancy. If by the final day of said term, this Agreement is not extended or superseded by an extension agreement or a newly executed agreement, the term of the Agreement is then assumed to be month-to-month. Any increase in fees will be subject to the written approval of Owner and its lenders. The term of this Agreement is subject, however, to the following conditions:

- a. **Voluntary Termination:** This Agreement may be terminated voluntarily by either party subject to the mutual consent by both parties with 60 days written notice
- b. **Involuntary Termination by the Owner:**

This Agreement may be terminated by the Owner under the following circumstances:

- (1) For cause in the event of material non-performance and/or breach of contract by Agent subject, however, to the proviso that Agent shall be given notice of such failure and a reasonable opportunity to remedy the stated cause if such breach or nonperformance is capable of being remedied. Unless otherwise provided by Owner, a reasonable cure period shall be defined as thirty (30) days. In the event that Agent has not demonstrated that it can remedy the failure within a reasonable time period, the Agreement shall be terminated for cause with thirty (30) days written notice.
- (2) If any governmental authority institutes criminal, civil or other administrative action against Agent, which, if adjudicated adversely to Agent, in the reasonable opinion of Owner, would materially and adversely affect Agent's condition, operations, or ability to comply with the terms of this Agreement.
- (3) The bankruptcy or insolvency or material adverse change in the assets, liabilities or financial position of Agent.
- (4) If Agent transfers, pledges, hypothecates or encumbers any interest in this Agreement without the prior written approval of Owner.

- (5) If Agent dissolves, discontinues or otherwise terminates its existence, enter into any merger or other reorganization with another entity, or sells or otherwise transfer the majority of its voting stock or beneficial interest, without the prior written approval of Owner.

This Agreement may also be terminated by Owner, at direction of any lender, with or without cause at any time with (30) days written notice.

c. Involuntary Termination by Agent.

- (1) This Agreement may be immediately terminated by the Agent in the event that:
- (a) Operating shortfalls are not covered by the Owner. In no event will the Agent be required to cover such shortfalls, and such shortfalls shall be deemed to constitute a material breach of the Agreement.
 - (b) A petition is filed by or against the Project and/or the Owner, or the Project and/or the Owner seeks relief under any of the chapters of the Federal Bankruptcy Acts, or in the event that the Property and/or the Owner makes an assignment for the benefit of creditors (whether by common law assignment or pursuant to specific provisions of State or Federal law) or states in writing that it cannot pay its debts when due, or takes advantage of any insolvency act.
- (2) This Agreement may also be terminated by the Agent with thirty (30) days written notice to the Owner upon the following:
- (a) Owner's violation or willful disregard of any material provisions of any health and safety codes, applicable Federal, State and local laws, Regulatory Agreement or other binding documents affecting the Project.
 - (b) The Owner pursues any unlawful activity that materially affects the Project or disrupts or interferes with Agent's ability to provide management services to the Project under the terms of this Agreement.
- d. Upon termination, the Agent will submit to the Owner any financial statement required and, after the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and principal amount reasonably satisfactory to the Agent, against any undisputed obligations or liabilities the Agent may properly have incurred on behalf of the Owner hereunder during the term of this Agreement prior to the date of termination.

25. Interpretative Provisions.

- a. At all times, this Agreement will be subject and subordinate to all rights of the Secretary (as applicable), and will inure to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns.
- b. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid, unless made by supplemental written agreement, executed and approved by the Principal Parties.

- c. This Agreement may be executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the counterparts.

26. Indemnification.

- a. Owner to Agent: Owner shall indemnify and defend Agent against and hold Agent harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of any matter related to the Project, the conduct of the business of Owner, any and all pre-existing conditions at the Project (including but not limited to mold and mildew) as of the starting date of this Agreement, or any action taken by Agent within the scope of its duties or authority under this Agreement, excluding only such of the foregoing as result from (i) any material default by Agent, (ii) any gross negligence or willful misconduct of Agent or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein. Agent shall be designated as an additional named insured on all applicable insurance coverage related to the Project.
- b. Agent to Owner: Agent shall indemnify and defend Owner against and hold Owner harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of (i) any material default by Agent under the provisions of this Agreement, (ii) any gross negligence or willful misconduct of Agent, or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein.
- c. The provisions of this Section shall survive the termination of this agreement.

27. Adjudication and Attorney's Fees. The provisions of this Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event that either party incurs legal costs in the enforcement of the Agreement, the non-prevailing party in such controversy shall pay the legal costs (including, but not limited to reasonable attorney's fees) of the prevailing party.

28. Business License. At its own expense, Agent shall qualify to do business and obtain and maintain such licenses as may be required for the performance by Agent of its services under this Agreement.

29. Program Specific Addenda

- a. **YES.** **NO.** This Agreement requires the "Tax Credit and Regulatory Requirements Addendum".
- b. **YES.** **NO.** This Agreement requires a "Lease Up and Marketing Addendum."

30. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and addressed to the address set forth below and shall be given by any of the following means: (a) personal service; (b) electronic communication, by facsimile (if confirmed in writing sent by registered or certified, first class mail, return receipt requested); or (c) registered or certified, first class mail, return receipt

requested. Such addresses may be changed by notice to the other parties given in the same manner, as provided above. Any notice, demand or request sent pursuant to either subsection (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, and, if sent pursuant to subsection (c) shall be deemed received on the date of delivery or the date that delivery is refused by the addressee, as shown on the return receipt.

If to Owner:

Vista del Rio Housing Partners, L.P.
c/o A Community of Friends
3701 Wilshire Blvd, Suite 700
Los Angeles, CA 90010
(213) 480-0809
Fax - (213) 480-4189

and, if intended for Agent, shall be addressed to:

The John Stewart Company
624 S. Grand Avenue
Los Angeles, CA 90064
(213) 833-1860
Fax - (213) 833-1864

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers), have executed this Agreement on the date first above written.

OWNER: Vista del Rio Housing Partners, L.P.

BY: A Community of Friends,
Its Managing General Partner

SIGNATURE: 

TITLE: Chief Executive Officer

BY: Foundation for Affordable Housing V, Inc.
Its Administrative General Partner

SIGNATURE: _____

TITLE: _____

AGENT: The John Stewart Company

SIGNATURE: 

BY: Lori Horn
TITLE: Vice President

**ATTACHMENT 1:
OWNER CERTIFICATION OF PROJECT INSURANCE REQUIREMENTS**

Property Name: Vista del Rio

Location: 1600 W. Memory Lane, Santa Ana, CA

1. The Owner must advise the Agent during the term and during any subsequent renewals or extensions of this Agreement the amount of insurance coverage required by Owner and/or any mortgagee, loss payee, additional insured, partnership agreement or Regulatory Agreement;

2. If the Owner does not advise requirements, the Agent will purchase, at project expense, insurance coverage for General Liability and Property insurance with minimum limits as follows (Insurer will have a Best's Rating greater than A -, VII):

GENERAL LIABILITY: Commercial or Comprehensive General Liability covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 per occurrence and \$2,000,000 aggregate liability limits. Said insurance shall include, but not be limited to: Premises and operations liability and personal Injury liability. Where a location exceeds four stories, an additional one million of excess coverage will be added for every two floors above the first three floors. All policies shall include the Agent as a named insured or additional named insured.

PROPERTY: Building coverage limits shall be sufficient to replace the property in the event of a total loss (based on an inspection ordered by the Agent), and include contents as necessary, and coverage for Loss of Rents (income) for no less than one year's income. Other coverages such as Boiler and Machinery and Building Ordinance shall be included when applicable.

3. Coverages Required and/or Advised by the Owner:

Insurance Type	Required	Amount Required	Responsible to Obtain (Owner to Initial Below for Each)		Where Required (Regulatory Agreement, Loan Agreement, Partnership Agreement, Etc.)
			Mgmt	Owner	
Property	Yes: ___ / No: ___				
General Liability	Yes: ___ / No: ___				
Business Income	Yes: ___ / No: ___				
Separate Auto Liability	Yes: ___ / No: ___				
Umbrella/Excess Liability	Yes: ___ / No: ___				
Boiler & Machinery	Yes: ___ / No: ___				
Directors & Officers	Yes: ___ / No: ___				
Earthquake	Yes: ___ / No: ___				
Flood	Yes: ___ / No: ___				
Fidelity/Crime	Yes: ___ / No: ___				

OWNER: Vista del Rio Housing Partners, L.P.

OWNER SIGNATURE: _____

DATE: _____

VISTA DEL RIO

Tax Credit and Regulatory Requirements Addendum

1. The Owner of the Project, Vista del Rio, is Vista del Rio Housing Partners, LP.
2. The Project is a 41 unit Development located on that certain real property described in Exhibit 1 attached hereto.
3. The Owner has elected the [40/60] set-aside as defined by IRC Sec. 42(g)(1).
4. The number of units to be rent restricted are as follows:

Unit Category	Number of Units	Maximum Income Level
0 bedroom	8	30% AMI
0 bedroom	7	50% AMI
1 bedroom	10	30% AMI
1 bedroom	10	50% AMI
2 bedroom	4	30% AMI
2 bedroom	1	50% AMI
2 bedroom	1	MGR's Unit

The number of units which shall not be rent restricted is [1] 2-bedroom unit.

Some units will receive Section 8 project-based vouchers. Tenant paid rent shall not exceed the stated amount for the term of the Agreement with TCAC or most restrictive regulatory agreement.

5. The Owner has elected to treat the property as a single building for purposes of IRC Sec. 42(g)(3)(C). If the development is to be treated as separate buildings, the Owner will provide a schedule detailing: the placed in service date, the specific number of rent restricted units in each building, and its assigned Building Identification Number.
6. The Development has elected to defer the commencement of the housing credit period to 2013.
7. The Owner anticipates that the property will be available for placement in service by February 1, 2013.
8. The Development must meet the minimum set-aside requirement provided under IRC Sec. 42(g) by 2013.
9. The development must rent 100% of the units set-aside for low-income persons by April 1, 2013. The Development is subject to the following additional restrictions under the terms of its use restrictions, financing or other agreements: 75% or 30 units are set aside for adults with a developmental disability and 25% or 10 units are set aside for adults with a physical disability.
10. The number of apartment units which may be used pursuant to Section 42 is [40].
11. Regulatory Restrictions shall mean managing and operating the Property strictly in accordance with all of the following:

- (a) all Loans;
- (b) all regulatory requirements including, but not limited to the Section 42 Compliance Rules.
- (c) all matters of record which are disclosed in writing to Agent prior to commencement of Agent's obligations under this Agreement.

TO THE EXTENT that any such requirements are inconsistent, Owner shall immediately respond to Agent's request that such inconsistency be resolved by the Owner in its sole discretion.

- 12. The term of this Agreement shall be for one (1) year and three (3) months and shall be automatically renewed for successive one (1) year terms, unless terminated as provided in the Agreement. Agent shall have the option after the initial term to terminate this contract upon ninety (90) days prior written notice to Manager. Manager shall have the right to terminate this Agreement at any time after the first year of the term by giving Agent not less than ninety (90) days prior written notice.
- 13. The terms of the leases or rental agreements shall comply with the Regulatory Restrictions. **Regulatory Agencies: City of Santa Ana (HOME program), Santa Ana Redevelopment Agency, AHP and TCAC.**
- 14. The additional reports required of Agent are as follows:
 - (a) Other reports as required by the Owner to satisfy investors, lenders, local, state, federal agencies and other regulatory bodies.
- 15. Owner shall advise Agent of any correspondence, visits, or other contact from the state housing credit agency or IRS.
- 16. **As applicable**, Owner shall provide Agent with the following documents: (i) Tax Credit Regulatory Agreement; (ii) Land Use Restriction Agreement; (iii) excerpts from Loan documents relating to Property operations, including special set-aside or rent restrictions; (iv) IRS form(s) 8609 for each building; (v) excerpts from Limited Partnership Agreement or Limited Liability Company documents relevant to tax credit compliance issues; (vi) IRS form 8823 if applicable; and (vii) any letter agreements or documents relevant to tax credit compliance issues.
- 17. In Revenue Ruling 94-57 (1/-11/94), IRS established the "rent floor" at either:
 - (a) the date the building initially received its allocation of tax credits or
 - (b) the date the development was placed in service

If Owner chooses to use the "placed in service date", it shall notify the allocating agency of this choice on or before the placed in service date. Owner shall promptly supply a copy of the letter to the agency if the "placed in service" date was chosen.

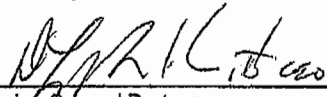
- 18. The Effective Date of the Agreement is **November 30, 2011.**

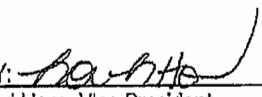
OWNER:

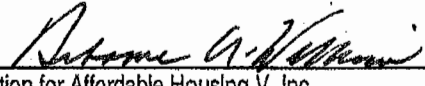
Vista del Rio Housing Partners, L.P.

AGENT:

The John Stewart Company

BY: 
ACOF, Managing General Partner

BY: 
Lori Horn, Vice President

BY: 
Foundation for Affordable Housing V, Inc.,
Administrative General Partner

VISTA DEL RIO
LEASE UP & MARKETING ADDENDUM

This document (the "Marketing Addendum") supplements provisions of the "Management Agreement" dated the November 30th, 2011 between Vista Del Rio Housing Partners, L.P. ("Owner"), and The John Stewart Company, a California corporation ("Agent"), (the "Original Agreement"). All applicable terms and conditions of the management agreement are herein incorporated by reference and are fully applicable during the marketing lease-up phase. This Marketing Addendum shall be effective when it is executed by all parties.

1. **Appointment and Acceptance.** The John Stewart Company is hereby hired to provide pre-lease-up, rent-up and marketing services for the Project.
2. **Marketing Fees and Services.** For a marketing fee of Two Hundred and Fifty (\$250) per unit, or \$10,250 total, exclusive of any direct costs (within the budget established and approved by Owner) for advertising, brochures, furniture, equipment, supplies, salaries and related payroll expenses, The Agent will perform the following services:
 - a. Develop the marketing approach, marketing plan and all materials/advertisements/ brochures;
 - b. Conduct outreach for prospective residents; meet with the appropriate local agencies;
 - c. Maintain all documentation as to advertising/outreach and results, including a weekly report;
 - d. Set up all systems for operations (marketing office, maintenance equipment/ supplies);
 - e. Open separate marketing office (if needed), hire and train staff at least four (4) months prior to the anticipated Certificate of Occupancy;
 - f. Hire other staff as and when appropriate (within budget requirements/ restrictions);
 - g. Interview, screen, and select residents in accordance with the Owner's Tenant Selection Plan/Criteria and regulatory requirements (if any).

Marketing fees will be paid in accordance with the terms and conditions outlined in Section 24 of the Management Agreement.

3. **Commencement of Marketing Activities.** The Agent will commence marketing activities after Agent and Owner have approved a marketing plan, marketing budget, marketing office-start up budget and lease-up time-line.
4. **Leasing.** The Agent will market and lease units to ensure compliance with any lender or regulatory agency requirements. Agent shall use all reasonable efforts to procure tenants for the Project and negotiate and execute on behalf of Owner all leases for units in the Project. Agent is authorized to enter lease agreements with tenants without the prior approval of Owner, provided Agent shall lease all units in accordance with the terms and conditions of the Management Agreement, this Marketing Addendum and on terms and conditions set forth in a standard lease form to be provided by Owner from time to time (without modification thereto unless the prior written approval of owner is given to such modifications).
5. **Marketing.** Agent agrees to promote leasing by full use of available advertising media, such as newspapers, the display of signs on the Project and such other forms of advertising as shall be reasonably

approved by Owner. All charges for advertising or marketing shall be borne by Owner in accordance with the approved marketing budget unless otherwise approved in advance by owner for additional necessary advertising expenses needed to ensure successful lease up of property.

6. **Records and Reports.** Agent agrees to keep accurate and complete books and records of its marketing and promotional activities, including, without limitation, records of all leases entered into and all expenditures incurred in connection therewith. Owner may, at any time, during Agent's normal business hours and either in person or through a representative, inspect all records and supporting and related documentation kept by Agent related to the marketing of the Project. Owner may, at Owner's expense, have an audit made of all books and records connected with the marketing of the Project. On not less than a monthly basis, Agent shall provide a written marketing and financial report to Owner summarizing Agent's marketing efforts and results.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the 30th day of November, 2011.

OWNER:

Vista Del Rio Housing Partners, L.P.
By: A Community of Friends
It's Managing General Partner

AGENT:

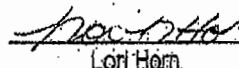
The John Stewart Company

Signature: _____



TITLE: Chief Executive Officer

BY: _____



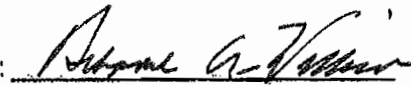
Lori Horn

TITLE: _____

Vice President

By: Foundation for Affordable Housing V, Inc.
It's Administrative General Partner

Signature: _____



TITLE: President

VISTA DEL RIO
MANAGEMENT AGREEMENT

This Agreement is made this 30th day of November, 2011 between Vista del Rio Housing Partners, L.P. ("Owner"), and The John Stewart Company, a California corporation ("Agent"). This Agreement shall be effective when it is executed by all parties.

1. **Appointment and Acceptance.** The Owner appoints the Agent as exclusive agent for the management of the property described in Section 2 of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement. Agent hereby agrees to manage the Project in an efficient and satisfactory manner to the best of its ability.
2. **Description of Project.** The property (the "Project") to be managed by the Agent under this Agreement is a housing development consisting of the land, buildings, and other improvements as follows:

Project Name: Vista del Rio
Tax ID Number: 27-0307335
City: Santa Ana
County: Orange County
State: CA

Number of Dwelling Units (including any units for on-site employees): 41

Other Identifying Numbers:

CTCAC Number: CA-2011-105

3. **Definitions.**

- (1) "Lenders" shall mean those agencies or individuals that have provided financing for the Project.
- (2) "Management Representative" shall mean a John Stewart Company employee, i.e., Regional Manager, Property Manager or maintenance personnel.
- (3) A "Mortgage" is an instrument or agreement between the Owner, as Mortgagor, and the Mortgagee, creating a lien on the Project as security for the payment of debt.
- (4) "Mortgagee" shall mean agencies or individuals to which the Project has been mortgaged.
- (5) "Principal Parties" shall mean the Owner and the Agent.
- (6) "Regulatory Agreements" shall mean those regulatory agreements, use agreements or declarations of restrictive covenants by and between the Owner and Lenders or regulatory agencies which have been provided to the Agent.
- (7) "Code" shall mean Section 42 of the Internal Revenue Code of 1986, as amended.
- (8) "Limited Partner" shall mean the tax credit investor limited partner of the Owner, as provided in the Owner's partnership agreement.

4. **Basic Information.** As soon as possible, the Owner will furnish the Agent with a complete set of plans and specifications, and copies of all guaranties, warranties, regulatory agreements and loan documents applicable to the property, operating instructions and/or handbooks pertinent to construction, fixtures, and equipment at the Project. With the aid of this information and through inspection by competent personnel, the Agent will thoroughly familiarize itself with the character, location, construction, layout, plan and operation of the Project, and especially the electrical, heating, plumbing, air-conditioning and ventilating systems, the elevators, and all other mechanical equipment and systems. The Owner will be required to confirm in writing any and all initial rents and utility charges/allowances prior to the start of the marketing/lease-up (as applicable) or prior to the commencement of the term of this Agreement, whichever comes first.
5. **Rentals.** The Agent will offer for rent and will rent the dwelling units, parking spaces, commercial space and other rental facilities and concessions in the Project. Incident thereto, the following provisions will apply:
 - a. The Agent or Owner's representative will promote, market, and show the premises to prospective applicants in compliance with the Regulatory Agreements.
 - b. The Agent will process, in compliance with the Owner's tenant selection plan and the Regulatory Agreements subject to Owner's approval, applications for tenancy, and will notify applicants of their eligibility status and their right to appeal a determination of ineligibility or denial. If an application is rejected, the Agent will tell the applicant the reason for rejection, and advise rejected applicants of their right to appeal. Rejected applications, with reasons for rejection noted thereon, will be kept on file for three (3) years, or for such longer period as may be required by a Lender, if any. A current list of prospective tenants will be maintained.
 - c. In consultation with the Owner the Agent will prepare all dwelling leases, parking permits, house rules and other relevant lease addenda for approval by the Owner, and will execute the same in its name, identified thereon as agent for the Owner. The terms of all leases will comply with the pertinent provisions of California landlord/tenant law, and the Regulatory Agreements. Dwelling leases will be in a form approved by the Owner, but individual dwelling leases and parking permits need not be submitted for the approval of the Owner.
 - d. The Agent will collect, deposit, and disburse security deposits, if required, in accordance with the terms of each household's lease. Security deposits will be deposited by the Agent in an interest-bearing account, separate from all other accounts and funds, with a bank or other financial institution whose deposits are insured by an agency of the United States Government and the interest thereon will be used as required by local ordinance or Owner direction; in the absence of such local ordinance or Owner direction, said interest will be transferred to the Project operating account on a regular basis. This account will be carried in the Agent's name and designated of record as "Vista del Rio" Security Deposit Account, The John Stewart Company, Trustee."
6. **Collection of Rent and Other Receipts.** The Agent will collect when due all rents, charges and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Subject to the rights of mortgagees under any assignment of rents, such receipts will be deposited in an account, separate from all other accounts and funds, with a bank whose deposits are insured by the Federal Deposit Insurance Corporation. This account will be carried in the Agent's name and designated of record as "Vista del Rio" Operating Account, The John Stewart Company, Trustee."
7. **Enforcement of Governing Documents.**
 - a. The Agent will secure full compliance by each Tenant with the terms of his or her lease and/or other applicable documents including the Regulatory Agreements. Voluntary compliance will be

emphasized, and the Agent, utilizing the services of the service provider for the Project, will counsel tenants and make referrals to community agencies in cases of financial hardship or under the circumstances deemed appropriate by the Agent, to the end that involuntary termination of tenancies may be avoided to the maximum extent possible, consistent with sound management of the Project and the Owner's operating philosophy. Nevertheless, the Agent may lawfully terminate any tenancy when, in the Agent's judgment, sufficient cause (including but not limited to nonpayment of rent) for such termination occurs under the terms of the Tenant's Lease. For this purpose, Owner authorizes Agent to consult with legal counsel to file actions for eviction and assigns to Agent the right to both file unlawful detainer actions in Agent's own name to recover possession of units and to execute notices to vacate and judicial pleadings incident to such actions, provided that Agent keeps Owner informed of such actions and follows instructions that the Owner may provide for the conduct of such actions. Agent may incur legal fees up to \$500 per action or as otherwise agreed to in writing by Owner.

- b. Agent and Owner agree to abide by all regulatory, statutory and administrative requirements of governing agencies pertaining to the Project.

8. **Maintenance and Repair.** The Agent will maintain the Project in good repair and in a condition at all times acceptable to the Owner, including but not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner (including financial limitations) in addition to those contained herein. Incident thereto, the following provisions will apply:

- a. Special attention will be given to preventive maintenance and, to the greatest extent feasible, the services of regular maintenance employees will be used. A preventive maintenance schedule shall be developed by Agent for approval by the Owner. This schedule shall be updated annually.
- b. Subject to the Owner's prior approval, the Agent will contract with qualified independent contractors for the maintenance and repair of air-conditioning systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
- c. The Agent will systematically and promptly receive and investigate all service requests from tenants, take such action thereon as may be justified, and will keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Complaints of a serious nature will be reported to the Owner after investigation.
- d. The Agent is authorized to purchase all materials, equipment, tools, appliances, supplies and services necessary for the proper maintenance and repair of the Project.
- e. Notwithstanding any of the foregoing provisions, the prior approval of the Owner will be required for any expenditure which exceeds \$1,000 (one thousand dollars), in any one instance for labor, materials, or otherwise in connection with the maintenance and repair of the Project, except for recurring expenses within the limits of the operating budget or emergency repairs involving manifest danger to persons or property, or required to avoid suspension of any necessary service to the Project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
- f. **Inspection of Units.** Agent shall have the right to inspect all units in the Project at least annually and shall invite Owner to join in the inspection. Advance notice shall be given to tenants as provided in the Lease Agreements and required by law. Agent will cooperate with Owner's Lenders when inspections are requested.

9. **Employees.** The Owner and Agent will determine the number, qualifications, and duties of the personnel to be regularly employed in the management of the Project. All such on-site personnel will be hired, paid, supervised, and discharged through the Agent, subject to the following conditions:
- a. The Property Manager will have duties of the type usually associated with this position. He/she will be directly responsible to the Agent. The Property Manager will coordinate his/her activities in the interest of good overall management of the Project.
 - b. In accordance with Agent's employment policies, the compensation (including fringe benefits) of the on-site employees will include but not necessarily be limited to those required by local, state and federal law; life, disability, and medical insurances; paid vacation and sick leave and other benefits as may be provided by Agent.
 - c. The Project is responsible for compensation (including fringe benefits) payable to the on-site employees, for all local, state, and Federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance) and for any payroll processing fees and training expenses incident to the employment of such personnel. Such costs will be paid out of the Operating Account and will be treated as Project expenses.
 - d. Compensation payable to the on-site employees, including fringe benefits and assessments incident to the employment of such personnel, will be borne solely by the Project, and will not be paid out of the Agent's fee. The rental value of any dwelling unit furnished rent-free (partially or in full) to any on-site staff will be treated as a cost to the Project.
10. **Financial Accounts.** Agent shall establish the following separate interest bearing deposit accounts for Project funds as may be required by the Owner and/or the Regulatory Agencies and/or the partnership agreement: the "General Operating Account," the "Replacement Reserve Account," the "Operating Reserve Account," and the "Security Deposit Account." Each of these accounts shall be fully insured by the Federal Deposit Insurance Corporation and shall be in the Owner's name. These funds shall not be commingled with Agent's funds or Owner's other funds. In collecting, handling, and disbursing these funds, Agent shall comply with this Agreement and applicable law.
- a. **General Operating Account.** All revenue collected pursuant to Section 6 of this Agreement (other than security deposits) shall be credited to the General Operating Account.
 - b. **Replacement Reserve Account.** Agent shall transfer from the General Operating Account to the Replacement Reserve Account one-twelfth of the annual required amount on or before the 20th day of each month. All interest or other income earned by the Replacement Reserve Account shall be applied solely to the purposes of the Account. Disbursement will be made in accordance with the applicable regulatory restrictions and Lender and Investor requirements.
 - c. **Operating Reserve Account.** The Agent acknowledges that Owner will capitalize the Operating Reserve Account in an amount required by Lenders and Limited Partner at the time the project receives its IRS Form 8609. Thereafter the Agent will deposit an amount required by the Lenders and Limited Partner in the Operating Reserve Account each month, if any. All interest or other income earned by the Operating Reserve Account shall be applied solely to the purposes of the Account. Disbursement will be made in accordance with the applicable regulatory restrictions and loan agreement.

- d. Security Deposit Account. Agent shall deposit all tenant security deposits in the Security Deposit Account. All interest or other income earned by the Security Deposit Account shall be applied solely to the purposes of the Account or as otherwise directed by Owner or local law if no regulatory requirements apply. In the absence of local ordinances, regulatory requirements, state law or instructions from the Owner, interest on the Security Deposit Account shall be transferred to the Operating Account on a regular basis. Disbursements will be made in accordance with applicable laws and regulatory restrictions.

11. Disbursements from Operating Account.

- a. From the funds collected and deposited by the Agent in the Operating Account pursuant to Section 6 above, the Agent will make the following disbursements promptly when payable:
- (1) Compensation, taxes and benefits payable to the employees specified in Section 9 above, and for the taxes and assessments payable to local, state, and federal agencies in connection with the employment of such personnel.
 - (2) The single aggregate payment required to be made monthly by the Owner to the Mortgagee, including the amounts due under the mortgage for principal amortization, interest, mortgage insurance premium, ground rents, taxes and assessments, fire and other hazard insurance premiums, and the amount specified in the Regulatory Agreement for allocation to the Reserve for Replacements (if applicable).
 - (3) All sums otherwise due and payable by the Owner as expenses of the Project authorized to be incurred by the Agent under the terms of this Agreement, including compensation payable to the Agent, pursuant to Section 23 below, for its service hereunder.
- b. Except for the disbursements mentioned in Subsection 11a above, in the event of an emergency, as provided in Section 8e, funds will be disbursed or transferred from the Operating Account only as the Owner may from time to time direct in writing.
- c. In the event the balance in the Operating Account is at any time insufficient to pay disbursements due and payable under Subsection 11a above, in no event will the Agent be required to use its own funds to pay such disbursements. Agent will advise Owner immediately of any such deficiency. Any such operating shortfalls that cannot be covered by the Owner will be considered a material breach of the Agreement and may result in the termination of the Agreement, as discussed in Section 24 below.
- d. If at any time the Agent has, due to the circumstances described above and at its sole and absolute discretion, paid out of its own funds any debts due and payable by the Project/Owner, including but not limited to management fees and payroll expenses of personnel providing on-site services, the Agent has the right to recover the total cost of any debts paid plus interest charges in the amount of 1.5% per month of the unpaid balance.

- 12. Annual Operating Budgets.** Annual operating budgets for the Project will be as approved by the Owner. Except as permitted under Subsection 8e above, annual disbursements for each type of operating expenses itemized in the budget will not exceed the amount authorized by the approved budget. The Agent will prepare a recommended operating budget for each subsequent fiscal year beginning during the term of this Agreement, and will submit the same to the Owner at least ninety (90) days before the beginning of the fiscal year. This recommended operating budget will include (i) repairs and maintenance; (ii) utilities; (iii) cleaning and janitorial services; (iv) expenditures, if any, for repairs, alterations, rebuilding, replacements, additions

and/or improvements in and to the project; (v) security services; (vi) compensation and related fringe benefits and payroll expenses for personnel providing on-site services; and (vii) other costs and expenses to be incurred in operating the Project, including but not limited to customary and conventional site office expenses such as copying and postage, computer hardware and software, telephone and internet access, etc.

The Owner will accept or reject the proposed Annual Operating Budget and will inform the Agent of any changes in the budget within thirty (30) days of Agent's submittal of the recommended operating budget. If Owner shall reject any proposed Annual Operating Budget submitted by Agent as provided above, Agent shall submit to Owner for Owner's approval a new proposed Annual Operating Budget satisfying Owner's rejection as aforesaid. If the proposed Annual Operating Budget is not approved before the start of the new fiscal year, the Agent shall operate, to the extent possible, under the previous year's Annual Budget. In the event that a Project Regulatory Agreement requires Lender approval of an Annual Operating Budget, Agent may submit the proposed budget to Owner in advance of the time period set forth herein, in order to allow for submission and approval of the budget by Lender prior to the start of a new fiscal year.

During the fiscal year (or partial fiscal year) covered by each particular Annual Operating Budget, the Agent in the performance of its duties as provided in this Agreement, shall operate within that Annual Budget as approved by Owner, and the Agent will keep the Owner informed of any anticipated deviation from the receipts or disbursements stated in the approved budget.

13. Records and Reports. In addition to any requirements specified in the Management Plan or in other provisions of this Agreement, the Agent will have the following responsibilities with respect to records and reports:

- a. **Records.** The Agent will establish and maintain a comprehensive system of records, books, and accounts in a manner satisfactory to the Owner and in accordance with GAAP guidelines and the Regulatory Agreements. All records, books, and accounts will be subject to examination at reasonable hours by any authorized representative of the Owner.
- b. Agent will furnish to the Owner by the Fifteen (15th) day of each month (or such other date as agreed upon in writing by Owner and Agent) the following:
 - (1) A statement of income and expenses for the previous month, with a schedule of accounts receivable and payable, balance sheet, detailed general ledger, check register, and reconciled bank statements for the Operating Account and Security Deposit Account as of the end of the prior month.
 - (2) An itemized list of all delinquent accounts, including rental accounts, as of the last day of the prior month and a rent roll.
 - (3) A report comparing actual and budgeted figures for income and expenses for the prior month and year-to-date.
 - (4) Mortgage statements, if any.
- c. **Additional Reports.**
 - (1) The Agent will furnish such information (including occupancy reports) as may be requested by the Owner from time to time with respect to the financial, physical, or operational condition of the Project.

Agent acknowledges that the Project is eligible for a property tax exemption and Owner is required to qualify and maintain this welfare tax exemption. Agent shall provide promptly upon request by Owner all supportive documentation and tenant income certifications required by the Assessor for the county in which the Project is located or the State Board of Equalization (or both) for Owner to submit a claim for the welfare tax exemption. Agent shall be in default under this Agreement if it fails to provide this documentation to Owner no later than 15 days before the deadline set for such filing

14. **Fidelity Bond.** The Agent will furnish a fidelity bond in an amount that is no less than \$250,000 to protect the Owner against misappropriation of Project funds by the Agent and on-site and corporate employees. The pro rata cost of this bond for on-site employees shall be paid from the Project Operating Account and the pro rata cost of this bond for Agent's corporate employees shall be borne by Agent. The other terms and conditions of the bond, and the surety thereon, will be subject to the approval of the Owner.
15. **Audits.** Owner must execute an engagement letter and provide a copy to the Agent before Agent will release documents and information to the Auditor. All financial work completed by the Agent will be maintained in detailed, well-organized folders for review and audit purposes. At the end of each fiscal year, the Agent will provide the auditors a year-end trial balance together with a complete report for the last month of the year and a year-to-date general ledger. The Agent will include in the report copies of insurance and property tax bills. The Agent will provide schedules, lists, and account analysis, as needed, and shall prepare mortgage or bank confirmations for the Auditor. The Agent will coordinate with Auditor an acceptable time and office space for auditor's fieldwork at the Agent's office. The Agent will make corporate staff available to answer questions. The Agent will release books and records to site or storage upon receipt of a complete and final audit or review and adjusting journal entries, if any.
16. **Utilities and Service Contracts.** In accordance with the operating budget for the Project, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, computer software and services and/or licensing, internet access, fax and telephone services. The Agent will negotiate concession agreements, maintenance and service contracts, and will execute the same, identified thereon as Agent for the Owner, subject to the Owner's prior approval of all terms and conditions, including, but not limited to length of term and fees for such services. All said contracts shall be in the name of the Project or Owner and shall be the obligation of the Project/Owner and not the Agent. All contracted equipment and services will survive the term of this Agreement and will remain an obligation of the Project/Owner and are not transferable to the Agent.
17. **Bids and Purchase Discounts, Rebates or Commissions.** The Owner and Agent agree to obtain contract materials, supplies and services at the lowest possible cost and on the terms most advantageous to the Project and to secure and credit to the Project all discounts, rebates or commissions obtainable with respect to purchases, service contracts and other transactions on behalf of the Project.

The Agent shall solicit written cost estimates (i.e. bids) from at least three qualified contractors or suppliers for any work item which the Owner estimates will cost \$2,500 (two thousand five hundred dollars) or more and for any contract or ongoing supply or service arrangement which is estimated to exceed \$5,000 (five thousand dollars) per year. The Agent agrees to accept the bid which represents the lowest responsible price taking into account the bidder's reputation for quality of workmanship or materials and timely performance, and the timeframe within which the services or goods are needed. At start-up, the Agent may be asked to bid out the various major contracts, i.e., the exterminator service, landscape, and major vendors. All initial bids will be reviewed by the Owner prior to execution of the contracts. All renewals of contracts will be first reviewed by the Owner. No contract shall exceed one (1) year in length, without prior approval from Owner, and contracts over one (1) year shall be terminable without penalty on thirty (30) days notice. For any contract or ongoing

supply or service arrangement obtainable from more than one source and estimated to cost less than \$5,000 (five thousand dollars), the Agent shall solicit verbal or written cost estimates, as necessary, to assure that the Project is obtaining services, supplies and purchases at the lowest possible estimate obtained. Copies of all required bids and documentation of all other written or verbal cost comparisons made by the Agent shall be made part of the Project's records and shall be retained for three (3) years from the date the work was completed. Owner will be notified in writing before any records or documents are discarded after three (3) year retention period. This documentation shall be subject to inspection by the Owner or his/her designee and the Agent agrees to submit such documentation upon request.

18. **Services Program.** Agent acknowledges the Project is a supportive housing project for developmentally and/or physically disabled adults and agrees to receive, consider and respond to all Tenant concerns and complaints in a professional and businesslike manner. Owner will be responsible for ensuring the provision of on-site supportive services. The provider(s) of any on-site services and/or Owner will coordinate program activities with the property management staff.
19. **On-Site Management Facilities.** Subject to the further agreement of the Owner and Agent as to more specific terms and pursuant to California law, the Agent will maintain a management office within the Project and at least one on-site employee will reside in one of the dwelling units in the Project. The employee may or may not pay rent pursuant to California laws and/or Regulatory Agreements.
20. **Insurance.** The Owner will place property general liability and loss of rent insurance to the Project and its operations (including any non-residential space), and will cause such insurance to be placed. The Owner will be required to complete and submit to the Agent Attachment 1, "Owner Certification of Project Insurance Requirements" no later than sixty (60) days prior to occupancy of the Project. The Agent will be listed as an additional insured to the property's insurance policies. Under no circumstances will the Agent be required to provide liability coverage for the Project/Owner from the Agent's corporate liability policy. The Agent will pay premiums for Project insurance out of the Operating Account, and such premiums will be treated as operating expenses of the Project. All insurance will be placed with such companies, on such conditions, in such amounts, and with such beneficial interests appearing thereon as shall be acceptable to the Owner, and shall be otherwise in conformity with the requirements of the Lenders and the Mortgagee; provided that the same will include public liability coverage, with the Agent named an additional insured. The Agent will investigate and furnish the Owner with full reports as to all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith. The Owner is required to provide a full copy of all policies to the Agent. Any policy exclusions must be disclosed prior to the execution of this Agreement. If the property has commercial tenants, said tenants will be required to name Agent as additional insured on their liability policies and provide evidence thereof. Agent will maintain liability, worker's compensation, fidelity and automobile insurance consistent with the limits required in the attached Addendum to Property Management Agreement. Owner will be named as a certificate holder on these policies.
21. **Compliance with Governmental Orders.** The Agent will take such actions as may be necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by Federal, state, county or municipal authority, subject, however, to the limitation stated in Subsection 8e with respect to repairs.

Nevertheless, the Agent shall take no such action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within twenty-four (24) hours from the time of their receipt.

22. **Nondiscrimination.** In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, familial status, source of

income, age, disability, AIDS or AIDS related condition including Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 78 Stat. 241), all requirements imposed by or pursuant to the Regulations of the Secretary (24 CFR, Subtitle A, Part 1) issued pursuant to that Title; regulations issued pursuant to Executive Order 11063, and Title VIII of the 1968 Civil Rights Act.

23. Agent's Compensation. The Agent will be compensated for its services under this Agreement by monthly fees, to be paid out of the Operating Account and treated as Project expenses. Such fees will be payable by the tenth (10th) day of each month during the term of this Agreement.

- a. Each such monthly fee will be \$55 (fifty five dollars) per unit per month, for management services;
- b. \$0 per unit per month fee for bookkeeping services.

If applicable, initial one-time lease-up fees. A separate Lease Up Agreement will be executed as indicated in Section 29 of this Agreement.

If applicable, other consulting, compliance or marketing fees. A separate Marketing Agreement will be executed as indicated in Section 29 of this Agreement.

24. Term of Agreement. This Agreement shall be in effect for a period of one year (1), beginning at the time the property receives its Certificate of Occupancy. If by the final day of said term, this Agreement is not extended or superseded by an extension agreement or a newly executed agreement, the term of the Agreement is then assumed to be month-to-month. Any increase in fees will be subject to the written approval of Owner and its lenders. The term of this Agreement is subject, however, to the following conditions:

- a. Voluntary Termination: This Agreement may be terminated voluntarily by either party subject to the mutual consent by both parties with 60 days written notice
- b. Involuntary Termination by the Owner:

This Agreement may be terminated by the Owner under the following circumstances:

- (1) For cause in the event of material non-performance and/or breach of contract by Agent subject, however, to the proviso that Agent shall be given notice of such failure and a reasonable opportunity to remedy the stated cause if such breach or nonperformance is capable of being remedied. Unless otherwise provided by Owner, a reasonable cure period shall be defined as thirty (30) days. In the event that Agent has not demonstrated that it can remedy the failure within a reasonable time period, the Agreement shall be terminated for cause with thirty (30) days written notice.
- (2) If any governmental authority institutes criminal, civil or other administrative action against Agent, which, if adjudicated adversely to Agent, in the reasonable opinion of Owner, would materially and adversely affect Agent's condition, operations, or ability to comply with the terms of this Agreement.
- (3) The bankruptcy or insolvency or material adverse change in the assets, liabilities or financial position of Agent.
- (4) If Agent transfers, pledges, hypothecates or encumbers any interest in this Agreement without the prior written approval of Owner.

- (5) If Agent dissolves, discontinues or otherwise terminates its existence, enter into any merger or other reorganization with another entity, or sells or otherwise transfer the majority of its voting stock or beneficial interest, without the prior written approval of Owner.

This Agreement may also be terminated by Owner, at direction of any lender, with or without cause at any time with (30) days written notice.

c. Involuntary Termination by Agent.

- (1) This Agreement may be immediately terminated by the Agent in the event that:
- (a) Operating shortfalls are not covered by the Owner. In no event will the Agent be required to cover such shortfalls, and such shortfalls shall be deemed to constitute a material breach of the Agreement.
 - (b) A petition is filed by or against the Project and/or the Owner, or the Project and/or the Owner seeks relief under any of the chapters of the Federal Bankruptcy Acts, or in the event that the Property and/or the Owner makes an assignment for the benefit of creditors (whether by common law assignment or pursuant to specific provisions of State or Federal law) or states in writing that it cannot pay its debts when due, or takes advantage of any insolvency act.
- (2) This Agreement may also be terminated by the Agent with thirty (30) days written notice to the Owner upon the following:
- (a) Owner's violation or willful disregard of any material provisions of any health and safety codes, applicable Federal, State and local laws, Regulatory Agreement or other binding documents affecting the Project.
 - (b) The Owner pursues any unlawful activity that materially affects the Project or disrupts or interferes with Agent's ability to provide management services to the Project under the terms of this Agreement.

- d. Upon termination, the Agent will submit to the Owner any financial statement required and, after the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and principal amount reasonably satisfactory to the Agent, against any undisputed obligations or liabilities the Agent may properly have incurred on behalf of the Owner hereunder during the term of this Agreement prior to the date of termination.

25. Interpretative Provisions.

- a. At all times, this Agreement will be subject and subordinate to all rights of the Secretary (as applicable), and will inure to the benefit of and constitute a binding obligation upon the Principal Parties and their respective successors and assigns.
- b. This Agreement constitutes the entire agreement between the Owner and the Agent with respect to the management and operation of the Project, and no change will be valid, unless made by supplemental written agreement, executed and approved by the Principal Parties.

- c. This Agreement may be executed in several counterparts, each of which shall constitute a complete original Agreement, which may be introduced in evidence or used for any other purpose without production of any of the counterparts.

26. Indemnification.

- a. Owner to Agent: Owner shall indemnify and defend Agent against and hold Agent harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of any matter related to the Project, the conduct of the business of Owner, any and all pre-existing conditions at the Project (including but not limited to mold and mildew) as of the starting date of this Agreement, or any action taken by Agent within the scope of its duties or authority under this Agreement, excluding only such of the foregoing as result from (i) any material default by Agent, (ii) any gross negligence or willful misconduct of Agent or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein. Agent shall be designated as an additional named insured on all applicable insurance coverage related to the Project.
- b. Agent to Owner: Agent shall indemnify and defend Owner against and hold Owner harmless from any and all claims, actions, losses, costs, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees, arising directly or indirectly out of (i) any material default by Agent under the provisions of this Agreement, (ii) any gross negligence or willful misconduct of Agent, or any of its officers, partners, directors, agents, or employees in connection with this Agreement or Agent's services or work hereunder, whether within or beyond the scope of its duties or authority hereunder, or (iii) any claims for personal injuries to employees incurred during the course of their employ if such claims are covered by the workers' compensation insurance required herein.
- c. The provisions of this Section shall survive the termination of this agreement.

27. Adjudication and Attorney's Fees. The provisions of this Agreement shall be construed in accordance with and governed by the laws of the State of California. In the event that either party incurs legal costs in the enforcement of the Agreement, the non-prevailing party in such controversy shall pay the legal costs (including, but not limited to reasonable attorney's fees) of the prevailing party.

28. Business License. At its own expense, Agent shall qualify to do business and obtain and maintain such licenses as may be required for the performance by Agent of its services under this Agreement.

29. Program Specific Addenda

- a. **YES.** **NO.** This Agreement requires the "Tax Credit and Regulatory Requirements Addendum".
- b. **YES.** **NO.** This Agreement requires a "Lease Up and Marketing Addendum."

30. Notice. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and addressed to the address set forth below and shall be given by any of the following means: (a) personal service; (b) electronic communication, by facsimile (if confirmed in writing sent by registered or certified, first class mail, return receipt requested); or (c) registered or certified, first class mail, return receipt

requested. Such addresses may be changed by notice to the other parties given in the same manner, as provided above. Any notice, demand or request sent pursuant to either subsection (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means, and, if sent pursuant to subsection (c) shall be deemed received on the date of delivery or the date that delivery is refused by the addressee, as shown on the return receipt.

If to Owner:

Vista del Rio Housing Partners, L.P.
c/o A Community of Friends
3701 Wilshire Blvd, Suite 700
Los Angeles, CA 90010
(213) 480-0809
Fax – (213) 480-4189


and, if intended for Agent, shall be addressed to:

The John Stewart Company
624 S. Grand Avenue
Los Angeles, CA 90064
(213) 833-1860
Fax – (213) 833-1864

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers), have executed this Agreement on the date first above written.

OWNER: Vista del Rio Housing Partners, L.P.

BY: A Community of Friends,
Its Managing General Partner

SIGNATURE: 

TITLE: Chief Executive Officer

BY: Foundation for Affordable Housing V, Inc.
Its Administrative General Partner

SIGNATURE: _____

TITLE: _____

AGENT: The John Stewart Company

SIGNATURE: 

BY: Lori Horn
TITLE: Vice President

**ATTACHMENT 1:
OWNER CERTIFICATION OF PROJECT INSURANCE REQUIREMENTS**

Property Name: Vista del Rio

Location: 1600 W. Memory Lane, Santa Ana, CA

1. The Owner must advise the Agent during the term and during any subsequent renewals or extensions of this Agreement the amount of insurance coverage required by Owner and/or any mortgagee, loss payee, additional Insured, partnership agreement or Regulatory Agreement;

2. If the Owner does not advise requirements, the Agent will purchase, at project expense, insurance coverage for General Liability and Property insurance with minimum limits as follows (Insurer will have a Best's Rating greater than A -, VII):

GENERAL LIABILITY: Commercial or Comprehensive General Liability covering bodily injury and property damage utilizing an occurrence policy form, in an amount no less than \$1,000,000 per occurrence and \$2,000,000 aggregate liability limits. Said insurance shall include, but not be limited to: Premises and operations liability and personal injury liability. Where a location exceeds four stories, an additional one million of excess coverage will be added for every two floors above the first three floors. All policies shall include the Agent as a named Insured or additional named insured.

PROPERTY: Building coverage limits shall be sufficient to replace the property in the event of a total loss (based on an inspection ordered by the Agent), and include contents as necessary, and coverage for Loss of Rents (income) for no less than one year's income. Other coverages such as Boiler and Machinery and Building Ordinance shall be included when applicable.

3. Coverages Required and/or Advised by the Owner:

Insurance Type	Required	Amount Required	Responsible to Obtain (Owner to Initial Below for Each)		Where Required (Regulatory Agreement, Loan Agreement, Partnership Agreement, Etc.)
			Mgmt	Owner	
Property	Yes: ___ / No: ___				
General Liability	Yes: ___ / No: ___				
Business Income	Yes: ___ / No: ___				
Separate Auto Liability	Yes: ___ / No: ___				
Umbrella/Excess Liability	Yes: ___ / No: ___				
Boiler & Machinery	Yes: ___ / No: ___				
Directors & Officers	Yes: ___ / No: ___				
Earthquake	Yes: ___ / No: ___				
Flood	Yes: ___ / No: ___				
Fidelity/Crime	Yes: ___ / No: ___				

OWNER: Vista del Rio Housing Partners, L.P.

OWNER SIGNATURE: _____

DATE: _____

VISTA DEL RIO

Tax Credit and Regulatory Requirements Addendum

1. The Owner of the Project, Vista del Rio, is Vista del Rio Housing Partners, LP.
2. The Project is a 41 unit Development located on that certain real property described in Exhibit 1 attached hereto.
3. The Owner has elected the [40/60] set-aside as defined by IRC Sec. 42(g)(1).
4. The number of units to be rent restricted are as follows:

Unit Category	Number of Units	Maximum Income Level
0 bedroom	8	30% AMI
0 bedroom	7	50% AMI
1 bedroom	10	30% AMI
1 bedroom	10	50% AMI
2 bedroom	4	30% AMI
2 bedroom	1	50% AMI
2 bedroom	1	MGR's Unit

The number of units which shall not be rent restricted is [1] 2-bedroom unit.

Some units will receive Section 8 project-based vouchers. Tenant paid rent shall not exceed the stated amount for the term of the Agreement with TCAC or most restrictive regulatory agreement.

5. The Owner has elected to treat the property as a single building for purposes of IRC Sec. 42(g)(3)(C). If the development is to be treated as separate buildings, the Owner will provide a schedule detailing: the placed in service date, the specific number of rent restricted units in each building, and its assigned Building Identification Number.
6. The Development has elected to defer the commencement of the housing credit period to 2013.
7. The Owner anticipates that the property will be available for placement in service by February 1, 2013.
8. The Development must meet the minimum set-aside requirement provided under IRC Sec. 42(g) by 2013.
9. The development must rent 100% of the units set-aside for low-income persons by April 1, 2013. The Development is subject to the following additional restrictions under the terms of its use restrictions, financing or other agreements: 75% or 30 units are set aside for adults with a developmental disability and 25% or 10 units are set aside for adults with a physical disability.
10. The number of apartment units which may be used pursuant to Section 42 is [40].
11. Regulatory Restrictions shall mean managing and operating the Property strictly in accordance with all of the following:

- (a) all Loans;
- (b) all regulatory requirements including, but not limited to the Section 42 Compliance Rules.
- (c) all matters of record which are disclosed in writing to Agent prior to commencement of Agent's obligations under this Agreement.

TO THE EXTENT that any such requirements are inconsistent, Owner shall immediately respond to Agent's request that such inconsistency be resolved by the Owner in its sole discretion.

- 12. The term of this Agreement shall be for one (1) year and three (3) months and shall be automatically renewed for successive one (1) year terms, unless terminated as provided in the Agreement. Agent shall have the option after the initial term to terminate this contract upon ninety (90) days prior written notice to Manager. Manager shall have the right to terminate this Agreement at any time after the first year of the term by giving Agent not less than ninety (90) days prior written notice.
- 13. The terms of the leases or rental agreements shall comply with the Regulatory Restrictions. **Regulatory Agencies: City of Santa Ana (HOME program), Santa Ana Redevelopment Agency, AHP and TCAC.**
- 14. The additional reports required of Agent are as follows:
 - (a) Other reports as required by the Owner to satisfy investors, lenders, local, state, federal agencies and other regulatory bodies.
- 15. Owner shall advise Agent of any correspondence, visits, or other contact from the state housing credit agency or IRS.
- 16. **As applicable**, Owner shall provide Agent with the following documents: (i) Tax Credit Regulatory Agreement; (ii) Land Use Restriction Agreement; (iii) excerpts from Loan documents relating to Property operations, including special set-aside or rent restrictions; (iv) IRS form(s) 8609 for each building; (v) excerpts from Limited Partnership Agreement or Limited Liability Company documents relevant to tax credit compliance issues; (vi) IRS form 8823 if applicable; and (vii) any letter agreements or documents relevant to tax credit compliance issues.
- 17. In Revenue Ruling 94-57 (1/-11/94), IRS established the "rent floor" at either:
 - (a) the date the building initially received its allocation of tax credits or
 - (b) the date the development was placed in service

If Owner chooses to use the "placed in service date", it shall notify the allocating agency of this choice on or before the placed in service date. Owner shall promptly supply a copy of the letter to the agency if the "placed in service" date was chosen.

- 18. The Effective Date of the Agreement is **November 30, 2011.**

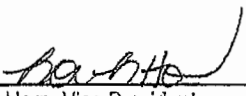
OWNER:

Vista del Rio Housing Partners, L.P.

AGENT:

The John Stewart Company

BY: 
ACOF, Managing General Partner

BY: 
Lori Horn, Vice President

BY: 
Foundation for Affordable Housing V, Inc.,
Administrative General Partner

VISTA DEL RIO
LEASE UP & MARKETING ADDENDUM

This document (the "Marketing Addendum") supplements provisions of the "Management Agreement" dated the November 30th, 2011 between Vista Del Rio Housing Partners, L.P. ("Owner"), and The John Stewart Company, a California corporation ("Agent"), (the "Original Agreement"). All applicable terms and conditions of the management agreement are herein incorporated by reference and are fully applicable during the marketing lease-up phase. This Marketing Addendum shall be effective when it is executed by all parties.

1. **Appointment and Acceptance.** The John Stewart Company is hereby hired to provide pre-lease-up, rent-up and marketing services for the Project.
2. **Marketing Fees and Services.** For a marketing fee of Two Hundred and Fifty (\$250) per unit, or \$10,250 total, exclusive of any direct costs (within the budget established and approved by Owner) for advertising, brochures, furniture, equipment, supplies, salaries and related payroll expenses, The Agent will perform the following services:
 - a. Develop the marketing approach, marketing plan and all materials/advertisements/brochures;
 - b. Conduct outreach for prospective residents; meet with the appropriate local agencies;
 - c. Maintain all documentation as to advertising/outreach and results; including a weekly report;
 - d. Set up all systems for operations (marketing office, maintenance equipment/ supplies);
 - e. Open separate marketing office (if needed), hire and train staff at least four (4) months prior to the anticipated Certificate of Occupancy;
 - f. Hire other staff as and when appropriate (within budget requirements/ restrictions);
 - g. Interview, screen, and select residents in accordance with the Owner's Tenant Selection Plan/Criteria and regulatory requirements (if any).

Marketing fees will be paid in accordance with the terms and conditions outlined in Section 24 of the Management Agreement.

3. **Commencement of Marketing Activities.** The Agent will commence marketing activities after Agent and Owner have approved a marketing plan, marketing budget, marketing office-start up budget and lease-up time-line.
4. **Leasing.** The Agent will market and lease units to ensure compliance with any lender or regulatory agency requirements. Agent shall use all reasonable efforts to procure tenants for the Project and negotiate and execute on behalf of Owner all leases for units in the Project. Agent is authorized to enter lease agreements with tenants without the prior approval of Owner, provided Agent shall lease all units in accordance with the terms and conditions of the Management Agreement, this Marketing Addendum and on terms and conditions set forth in a standard lease form to be provided by Owner from time to time (without modification thereto unless the prior written approval of owner is given to such modifications).
5. **Marketing.** Agent agrees to promote leasing by full use of available advertising media, such as newspapers, the display of signs on the Project and such other forms of advertising as shall be reasonably

approved by Owner. All charges for advertising or marketing shall be borne by Owner in accordance with the approved marketing budget unless otherwise approved in advance by owner for additional necessary advertising expenses needed to ensure successful lease up of property.

6. Records and Reports. Agent agrees to keep accurate and complete books and records of its marketing and promotional activities, including, without limitation, records of all leases entered into and all expenditures incurred in connection therewith. Owner may, at any time, during Agent's normal business hours and either in person or through a representative, inspect all records and supporting and related documentation kept by Agent related to the marketing of the Project. Owner may, at Owner's expense, have an audit made of all books and records connected with the marketing of the Project. On not less than a monthly basis, Agent shall provide a written marketing and financial report to Owner summarizing Agent's marketing efforts and results.

IN WITNESS WHEREOF, the Principal Parties (by their duly authorized officers) have executed this Agreement on the 30th day of November, 2011.

OWNER:

Vista Del Rio Housing Partners, L.P.
By: A Community of Friends
It's Managing General Partner

Signature: _____

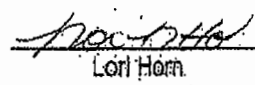


TITLE: Chief Executive Officer

AGENT:

The John Stewart Company

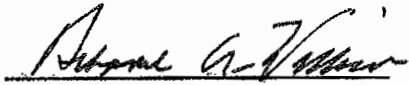
BY: _____



TITLE: Vice President

By: Foundation for Affordable Housing V, Inc.
It's Administrative General Partner

Signature: _____



TITLE: President

Exhibit G

MEMORANDUM OF OPTION

[See Attached]

Recording Requested by
and When Recorded Return to:

Rutan & Tucker, LLP
611 Anton Blvd., Ste. 1400
Costa Mesa, CA 92626
Attention: Ed Sybesma

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

MEMORANDUM OF OPTION AND RIGHT OF FIRST REFUSAL

This Memorandum of Option ("**Memorandum**") is made and entered into as of March 14, 2012, by and between VISTA DEL RIO HOUSING PARTNERS LP, a California limited partnership ("**Optionor**"), and SANTA ANA SPECIAL NEEDS, LLC, a California limited liability company, as a Special Limited Partner ("**Optionee**"). Pursuant to that certain unrecorded First Amended and Restated Agreement of Limited Partnership of Vista Del Rio Housing Partners LP (the "**Agreement**"), by and among A Community of Friends, a California nonprofit public benefit corporation, as the Managing General Partner; Foundation for Affordable Housing V, Inc., a California nonprofit public benefit corporation, as the Administrative General Partner; AMCAL Enterprises, Inc., a California corporation, as a Special Limited Partner; Optionee, as a Special Limited Partner; Foundation for Affordable Housing, Inc., a California nonprofit public benefit corporation, as a Withdrawing Limited Partner; AMCAL Multi-Housing, Inc., a California corporation, as a Withdrawing Special Limited Partner; Goodwill Industries of Orange County, California, a California nonprofit public benefit corporation, as a Withdrawing Special Limited Partner; and Wincopin Circle LLLP, a Maryland limited liability limited partnership, as the substitute Limited Partner, dated of even date herewith, Optionee and Optionor agree as follows:

1. Option.

Pursuant to the Agreement, Optionor has granted to Optionee the Option (the "**Option**") to purchase certain real property (the "**Property**"), located in the City of Santa Ana, Orange County, California, and more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

2. Right of First Refusal.

Pursuant to the Right of First Refusal Agreement dated of even date herewith among Optionor, Optionee, A Community of Friends and the City of Santa Ana (the "**ROFR Agreement**"), Optionee has a right of first refusal to purchase the Property pursuant to the terms and conditions set forth in the ROFR Agreement.

3. Subordination.

The parties hereto acknowledge and agree that the rights to purchase and rights of first refusal set forth in the Agreement and this Memorandum shall be subordinate and inferior to (i) a

Deed of Trust recording concurrently herewith in favor of JP Morgan Chase Bank, N.A. to secure a loan in the amount of \$5,599,180; (ii) an affordability restrictions on the transfer of real property recording concurrently herewith by and between the City and the Optionor; (iii) a notice of affordability on the transfer of real property recording concurrently herewith by and between the City and the Optionor; (iv) a Deed of Trust recording concurrent herewith in favor of the City of Santa Ana to secure a loan in the amount of \$1,500,000; (v) a Deed of Trust recording concurrently herewith in favor of the City of Santa Ana, successor agency to the Community Development Commission of the City of Santa Ana to secure a loan in the amount of \$469,000; (vi) a Deed of Trust recording concurrently herewith in favor of Santa Ana Special Needs, LLC to secure a loan in the amount of \$425,000; and (vii) a Deed of Trust recording concurrently herewith in favor of the City of Santa Ana, successor agency to the Community Redevelopment Agency of the City of Santa Ana to secure a loan in the amount of \$100,000.

4. Counterparts.

This Memorandum may be signed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one agreement with the same effect as if all parties had signed the same signature page. Any signature page of this Memorandum may be detached from any counterpart of this Memorandum and reattached to any other counterpart of this Memorandum identical in form hereto, but having attached to it one or more additional signature pages.

IN WITNESS WHEREOF, Optionee and Optionor have signed this Memorandum of Option and Right of First Refusal as of the date first above written.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

Optionor:

VISTA DEL RIO HOUSING PARTNERS LP
a California limited partnership

By: A Community of Friends,
a California nonprofit public benefit corporation
as the Managing General Partner

By: *Dora Leong Gallo*

Name: Dora Leong Gallo

Title: Cheif Executive Officer

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me, _____
(here insert name and title of the officer),

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

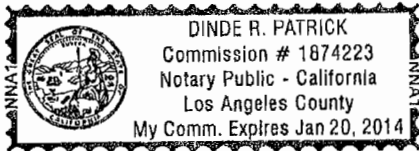
State of California

County of Los Angeles

On 3/15/12 before me, DINDE R. PATRICK, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Dora Leony Gallo
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____ Signer's Name: _____

Corporate Officer -- Title(s): _____ Corporate Officer -- Title(s): _____

Individual **RIGHT THUMBPRINT OF SIGNER** Individual **RIGHT THUMBPRINT OF SIGNER**

Partner -- Limited General Top of thumb here Partner -- Limited General Top of thumb here

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: _____ Other: _____

Signer Is Representing: _____ Signer Is Representing: _____

Optionee:

SANTA ANA SPECIAL NEEDS, LLC,
a California limited liability company

By: Goodwill Industries of Orange County, California,
it's Member

By: [Signature]
Frank Talarico, Jr., President and CEO

STATE OF CALIFORNIA)

COUNTY OF Orange)

On March 19, 2012 before me, Noel C. Crabtree, Notary Public
(here insert name and title of the officer),

personally appeared Frank Talarico, Jr., who proved to me on the basis of satisfactory evidence to be the person(x) whose name(x) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(x) on the instrument the person(x), or the entity upon behalf of which the person(x) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature]

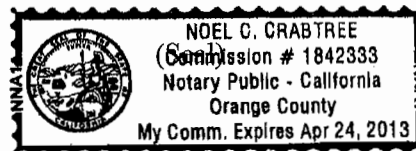


EXHIBIT "A" TO MEMORANDUM OF OPTION

Legal Description

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS PER MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, AS DESCRIBED IN A DEED TO THE NEWBERT PROTECTION DISTRICT, RECORDED OCTOBER 16, 1919 IN BOOK 339 PAGE 382 OF DEEDS IN THE OFFICE OF SAID COUNTY RECORDER MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF LOT 38 OF TRACT NO. 2887 AS SHOWN ON A MAP FILED IN BOOK 117, PAGES 28 THROUGH 30, INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, BEING ALSO THE WESTERLY CORNER OF THAT CERTAIN STRIP OF LAND DEEDED TO THE CITY OF SANTA ANA ON MAY 14, 2002 BY INSTRUMENT NO. 20020400664 OF OFFICIAL RECORDS OF SAID COUNTY, THE SOUTHERLY LINE OF SAID STRIP BEING A TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 867.00 FEET, THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 23' 48", AN ARC LENGTH OF 157.32 FEET TO THE END OF SAID CURVE, THENCE SOUTH 69° 55' 32" EAST A DISTANCE OF 77.35 FEET ALONG THE SOUTHERLY LINE OF SAID STRIP; THENCE DEPARTING SAID SOUTHERLY LINE ON A COURSE BEARING SOUTH 20° 04' 28" WEST A DISTANCE OF 7.00 FEET; THENCE NORTH 69° 55' 32" WEST A DISTANCE OF 28.00 FEET; THENCE SOUTH 62° 04' 28" WEST A DISTANCE OF 13.38 FEET; THENCE SOUTH 14° 04' 28" WEST A DISTANCE OF 36.00 FEET; THENCE SOUTH 40° 01' 11" EAST A DISTANCE OF 27.44 FEET; THENCE SOUTH 25° 35' 43" EAST A DISTANCE OF 29.37 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIAL BEARING OF SOUTH 39° 52' 08" WEST AND A RADIUS OF 42.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 45' 00" AN ARC LENGTH OF 37.20 FEET TO THE END OF SAID CURVE; THENCE ALONG A LINE TANGENT TO SAID CURVE SOUTH 00° 37' 08" WEST A DISTANCE OF 140.00 FEET; THENCE SOUTH 89° 22' 52" EAST A DISTANCE OF 14.00 FEET TO A POINT ON THE NORTHWESTERLY LINE OF "PARCEL 1" OF A DOCUMENT RECORDED IN BOOK 9034, PAGE 417, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 26° 53' 03" WEST A DISTANCE OF 534.66 FEET ALONG THE NORTHWESTERLY LINE OF SAID "PARCEL 1" TO A POINT ON THE EASTERLY LINE OF SAID TRACT 2887; THENCE NORTH 0° 37' 08" EAST ALONG SAID EASTERLY LINE A DISTANCE OF 802.28 FEET TO THE POINT OF BEGINNING.

APN: 101-055-27

Exhibit H
PROJECTIONS

[INSERT PROJECTIONS PRODUCED BY ENTERPRISE]

Summary of Project Information

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Project Location
 Legal Name: Vista Del Rio Housing Partners LP
 Project Name: Vista Del Rio Apartments
 Project Address: 1600 West Memory Lane
 City: Santa Ana
 County: Orange
 State: CA
 HUD Statistical Area: Orange County
 Very Low (50%) Income (Family of Four) \$48,150
 Year: 2012
 Zip: 92675
 Get HUD Income Data

Project Description
 Project Location: LP
 Construction Type: Suburban New Construction
 For Constr type: Moderate/Substantial Rehab
 For Construction type Mixed: Occupied?
 Property Type: Garden Apartments
 Property Type - Specify if Other:
 Property Type - Specify if Other:
 Scattered Site
 Population Served (Check ONLY if applicable):
 Family
 Senior
 Native American

Of New units: _____ # Of Rehab units: _____ No. of Stories: 2

Site/Building Information
 Size of Site (acres or square feet): 2.74 Acres
 Number of Buildings in Project: 1
 Year Built (Existing Buildings Only):

Timing Assumptions
 Partnership Closing Date: _____
 Construction Start Date: _____
 Acquisition Placed in Service Date: _____
 Date First Building Placed in Service: _____
 Construction Completion Date: _____
 Qualified Occupancy (100% of Tax Credit Units): _____
 Permanent Finance Start Date: _____
 Months during Construction: 12
 Months during Lease Up: 3
 Disposition Year: 2028

Special Needs (if Applicable):

Special Needs Type	# Units	% Units
Developmental Disability	30	75%
Physical Disability	10	25%
		0%
		0%

Deal Financing Type (check only if applicable)

Bond Deal
 HOPE VI
 Rural Development
 Federally Financed (Other)
 Project Based Section 8
 ACC

Tax Credit Information

Allocation Year	Check all that apply	Term (Yrs)	Tax Credit Rate	Credit Allocation Year 1 2011	Credit Allocation Year 2	Credit Allocation Year 3
Federal Acquisition Tax Credits (4%)	<input type="checkbox"/>	10	9.00%	526,779		
Federal Constr/Rehab Credits (9% or 4%)	<input type="checkbox"/>	10	20.00%			
Fed Historic Tax Credits	<input type="checkbox"/>	1	30.00%	645,630		
State Low Income Tax Credits (CA)	<input type="checkbox"/>	1				
State Historic Tax Credit	<input type="checkbox"/>					
Other State Credit (Specify)	<input type="checkbox"/>					
Other Fed Credit (Specify)	<input type="checkbox"/>					
Other Fed Credit (Specify)	<input type="checkbox"/>					

Basis Boost rate: Is Project located in a: _____
 If in a DDA/QCT, Basis Boost Rate (100%-130%): _____

Difficult Development Area
 If % of project eligible for Basis boost is less than 100%, please explain here.

Yes	Reservation	Year	% of project eligible
<input type="checkbox"/>	40%/60%	at	100%
<input type="checkbox"/>	54%	at	
<input type="checkbox"/>	44%	at	
<input type="checkbox"/>	0%	at	
<input type="checkbox"/>	0%	at	
<input type="checkbox"/>	0%	at	

Have Tax Credits Been Allocated to the Project?

Federal Tax Credit Status: _____
 Lock-in Date for Tax Credit %: _____

TC Minimum Set Aside Election:
 Additional Income Restrictions: 30% TCAC, AHP, City of Santa Ana (only 20 units)
 Additional Income Restrictions: 50% TCAC, AHP, City of Santa Ana (20 units)
 Additional Income Restrictions: 0%
 Additional Income Restrictions: 0%
 Additional Income Restrictions: 0%

Assumptions Affecting CF Calculations
 Is the property manager an affiliate of the GP? _____
 Percent of LP net cash flow to be distributed: _____

File Author: _____
 SMT Project ID: 183628
 Full Year 236847Final Numbers: Wincopin.fin\2012\Vista del Rio\Vista FINAL_xlsmlnfo

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SMT PROJECT ID#

Rental Income Assumptions and Applicable Fraction

SMT Project ID: 3383
 Vista Del Rio Apartments

Residential Rental Income Assumptions

Unit Information		Rent and Income Targeting				Affordability and Marketability Analysis				Total	
Unit Description	No. of Units	Max. Tenant Income Limit (%AMI)	Max. Income Target (%AMI)	Utility Allowance	Actual Contract Rent	Contract Rent % Below Market	Contract Rent % Below	Maximum Tenant Income	Gross Rent Affordability (%AMI)	Contract Rent % Below Max	Total Actual Rental Income
Studio 30% AMI - Agency/PCD	0	30%	30%	24	482	424	57.60%	13,442	20,223	20.88%	20,882
Studio 30% AMI	0	30%	30%	24	482	424	57.60%	13,442	20,223	20.88%	20,882
Studio 30% AMI	0	30%	30%	24	819	722	27.89%	22,389	44,276	44.27%	66,645
Studio 50% AMI	0	50%	50%	24	819	722	27.89%	22,389	44,276	44.27%	66,645
1 BR 30% AMI - Agency/PCD	1	30%	30%	36	506	444	58.89%	14,400	21,828	26.89%	37,396
1 BR 30% AMI	1	30%	30%	36	506	444	58.89%	14,400	21,828	26.89%	37,396
1 BR 30% AMI - Agency/PCD	1	30%	30%	36	506	444	58.89%	14,400	21,828	26.89%	37,396
1 BR 30% AMI	1	30%	30%	36	506	444	58.89%	14,400	21,828	26.89%	37,396
1 BR 50% AMI	1	50%	50%	36	887	764	29.26%	24,000	44,319	44.31%	73,344
1 BR 50% AMI - Agency/PCD	1	50%	50%	36	887	764	29.26%	24,000	44,319	44.31%	73,344
1 BR 50% AMI	1	50%	50%	36	887	764	29.26%	24,000	44,319	44.31%	73,344
2 BR 30% AMI - Agency/PCD	2	30%	30%	45	605	589	14.73%	48,000	75,419	75.41%	150,838
2 BR 30% AMI	2	30%	30%	45	605	589	14.73%	48,000	75,419	75.41%	150,838
2 BR 30% AMI - Agency/PCD	2	30%	30%	45	605	589	14.73%	48,000	75,419	75.41%	150,838
2 BR 30% AMI	2	30%	30%	45	605	589	14.73%	48,000	75,419	75.41%	150,838
TOTAL RENTAL UNITS	10				793	793		1,088	23%		380,736
TOTAL RESIDENTIAL UNITS	10				793	793		1,088	23%		380,736

from Robert Schwarz

Rent/Expense Escalation & Vacancy Assumptions

Assumption	Residential	Commercial
Projected Annual Rent Increase	2.0%	2.0%
Annual Rent Increase (Year 1 - 2 only)	2.0%	2.0%
Projected Annual Expense Increase	3.0%	3.0%
Annual Expense Increase (Year 1 - 2 only)	3.0%	3.0%
Projected Total Vacancy Loss, Year 1	7.0%	20.0%
Projected Physical Vacancy Loss Years 2-16	6.0%	20.0%
Concessions / Bad Debt Allowance Years 2-16	1.0%	5.0%
Vacancy Years 2-16 (total)	7.0%	25.0%
Interest on Reserve Accounts	2.0%	9
Number of Months of Rent in Year 1	Calculated	9
Number of Months of Expenses in Year 1	Calculated	9

Commercial Rental Income Assumptions

Description	Square Feet	Start Date	Annual Rent	Annual Expense
TOTAL	0		0	0

Other Income

Description	Dollars/Unit/Month	Unit/Month	Monthly Income	Total
Laundry (Dollars/Unit/Month)	\$12.20	500	6,100	6,100
Vending (Dollars/Unit/Month)	0	0	0	0
Other (Specify)	0	0	0	0
Other (Specify)	0	0	0	0
Other (Specify)	0	0	0	0
TOTAL	12.20	500	6,100	6,100

Calculation of Applicable Fraction (Low Income H)

Category	Units	% of Total
Tax Credit Eligible Units	100	100%
Non-Tax Credit Eligible Units	0	0%
Total Residential Units	100	100%
Total Residential Units	100	100%
Calculated Applicable Fraction	100%	100%
By Calculation Method:		
Applicable Fraction (Lesser of Two Methods):		
Commercial Rental Spaces (Square Footage)		
Residential Common Areas (Square Footage)		
Total Project Square Footage		

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Detailed Schedule of Rents and Tax Credits During Lease-Up

SMT Project ID 33626
 Project Name: Vista Del Rio Apartments

Date 1st Bldg Available for Occupancy: 04/01/13 Const Completion Date: 04/01/13
 Projected First Credit Delivery Date 04/01/13
 Qualified Occupancy(100% of Tax Credit Units) : 07/01/13

Month	Total Number of Units	Tax Credit Units Leased	Cumulative Tax Credit Units Leased	Non Tax Credit Units Leased	Cumulative Non-tax Credit Units Leased	Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/rehab Tax Credits 9% or 4%	Acquisition Tax Credits 4%	Total Tax Credits
Year: 2013													
January-13	40	N/A	N/A	N/A	N/A	0	0	0	0	N/A	1,097	0	1,097
February-13	40	N/A	N/A	N/A	N/A	0	0	0	0	N/A	0	0	0
March-13	40	0	N/A	N/A	N/A	0	0	0	0	0	0	0	0
April-13	40	10	10	0	0	10	7,932	0	7,932	10	10,975	0	10,975
May-13	40	15	25	0	0	25	19,830	0	19,830	25	27,436	0	27,436
June-13	40	15	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
July-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
August-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
September-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
October-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
November-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
December-13	40	0	40	0	0	40	31,728	0	31,728	40	43,898	0	43,898
First Year TOTALS						40	249,858	0	249,858	40	345,699	0	345,699

Month	Total Number of Units	Tax Credit Units Leased	Cumulative Tax Credit Units Leased	Non Tax Credit Units Leased	Cumulative Non-tax Credit Units Leased	Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/rehab Tax Credits 9% or 4%	Acquisition Tax Credits 4%	Total Tax Credits
Year: 2014													
January-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
February-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
March-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
April-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
May-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
June-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
July-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
August-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
September-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
October-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
November-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
December-14	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
Second Year TOTALS						40	380,736	0	380,736	40	526,779	0	526,779

Month	Total Number of Units	Tax Credit Units Leased	Cumulative Tax Credit Units Leased	Non Tax Credit Units Leased	Cumulative Non-tax Credit Units Leased	Total Units Leased	Tax Credit Rental Income	Non-tax Credit Rental Income	Total Rental Income	Tax Credit Unit Delivery	NC/rehab Tax Credits 9% or 4%	Acquisition Tax Credits 4%	Total Tax Credits
Year: 2015													
January-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
February-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
March-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
April-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
May-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
June-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
July-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
August-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
September-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
October-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
November-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
December-15	40	0	0	0	0	0	31,728	0	31,728	40	43,898	0	43,898
Third Year TOTALS						40	380,736	0	380,736	40	526,779	0	526,779

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Operating Expense and Fee Assumptions

Project Name: Vista Del Rio Apartments
 SMT Project ID: 33626
 Base Year for Expenses: 2013

Professional Fees	Amount	Per Unit	Inflator
Legal Expenses (Project)	2,050	50	
Audit Expense (Project)	7,000	171	
Bookkeeping Fees/Account Services	1,250	30	
Other Professional Fees	0	-	
Total Professional Fees	\$10,300	251	3%

Administrative Expenses	Amount	Per Unit	Inflator
Advertising & Marketing	4,800	117	
Other Renting Expenses	0	-	
Office Salaries	31,900	778	
Manager or Superintendent Salaries	0	-	
Administrative Free Rent	0	-	
Payroll Taxes and Benefits	12,667	309	
Office Supplies/Expenses	6,991	171	
Office or Model Apartment Rent	0	-	
Management Consultants	0	-	
Telephone and Answering Service	9,676	236	
Miscellaneous Administrative Expenses	16,558	404	
Total Administrative	\$82,591	2,014	3%

Utilities	Amount	Per Unit	Inflator
Fuel Oil / Heating	0	-	
Electricity	21,500	524	
Gas	5,500	134	
Water/Sewer	6,810	166	
Other Utilities	0	-	
Total Utilities	\$33,810	825	3%

Repairs and Maintenance	Amount	Per Unit	Inflator
Cleaning Contracts and Supplies	5,000	122	
Repair Contracts	9,450	230	
Decorating	5,000	122	
Elevator Maintenance	4,500	110	
Exterminating	2,300	56	
Garbage and Trash Removal	10,000	244	
Grounds Maintenance	0	-	
Snow Removal	0	-	
Heating/Cooling Repairs and Maintenance	0	-	
Cleaning, Grounds, Maintenance Payroll	21,900	534	
Operating and Maintenance Free Rent	0	-	
Security Services	1,850	45	
Security Free Rent	0	-	
Repair Material and Supplies	18,610	454	
Vehicle & Maint. Equipment Oper. and Repairs	0	-	
Misc. Operating & Maintenance Expenses	13,858	338	
Total Repairs and Maint.	\$92,468	2,255	3%

Real Estate Taxes and Insurance

	Amount	Per Unit	Inflator
Real Estate Taxes	91,351	2,228	
Less: Abated Taxes	(88,851)	(2,167)	
Net Real Estate Taxes	\$2,500	61	2%
Property and Liability Insurance	17,000	415	
Fire, Bond Insurance	0	-	
Other Taxes and Insurance	0	-	
Miscellaneous Tax Licenses and Permits	1,459	36	
Total Other Taxes and Insurance	\$18,459	450	3%
Total Real Estate Taxes and Insurance	\$20,959	511	

Property Management Fee	Amount	Per Unit	Inflator
Method for calculating Residential PM Fee	% of EGI		
% of EGI	7.19%	25,466	621
Fee PUPM			\$51.76
Annual Fee			
Comptrol Property Management Fee			
Total Property Management Fee	\$25,466	621	3%

Other Miscellaneous Expenses	Amount	Per Unit	Inflator
Ground Rent			
Compliance Monitoring			
Services Expenses	10,000	244	
Other Misc. Expenses			
Total Misc. Expenses	\$10,000	244	3%

Total Operating Expenses	\$275,594	6,722	6,729
Total Net of Real Estate Taxes	273,094	6,661	6,668
Total Net of Real Estate Taxes and Misc Expenses	263,094	6,417	6,424

Annual Contributions To Reserves

	Per Unit Per Annum	Total Per Annum	Inflator
Replacement Reserve	300	12,300	3%
Operating Reserve	0	0	3%
Other Reserve (specify)	0	0	3%
Other Reserve (specify)	0	0	3%

Total Operating Expenses (Including Annual Contributions to Reserves)

Total	287,894	7,022	
--------------	----------------	--------------	--

Cash Flow Contingent Fees, Expenses and Distributions

	Amount	Annual Inflator	Accrue	% Available	Cash Flow
Investor Services Fee	3,000	3.0%	Yes	100%	100%
Partnership Administration Fee	12,500	3.0%	Yes	100%	100%
Tenant Services Fee	3,000	3.0%	Yes	100%	100%
Priority Cash Flow Distribution to GP?					0%
Gross Income Allocation to GP					

Uses of Funds - Project Development Budget

Project Name: Vista Del Rio Apartments Sources-Uses Surplus/(Gap): (0)

SMT Project ID 33626

Cost Item	Residential		Tax Treatment of Assets		Allocation of Depreciable Basis		Historic/Cost Basis	
	Total	Percent of Total	Depreciable	Non-Depreciable	Residential	Commercial	Residential	Commercial
A. ACQUISITION COSTS								
Purchase Price: Land	2,900,000	22.3%	2,900,000	-	-	-	-	-
Purchase Price: Buildings	0	-	-	-	-	-	-	-
Title Insurance, Recording, Closing Costs	20,000	0.2%	20,000	-	-	-	-	-
Acquisition Legal Fees	-	-	-	-	-	-	-	-
Demolition: Razing of Buildings	-	-	-	-	-	-	-	-
Holding Costs	-	-	-	-	-	-	-	-
Other Acq (Specify):	-	-	-	-	-	-	-	-
TOTAL ACQUISITION COSTS	\$2,920,000	22.4%	2,920,000	-	-	-	-	-
B. CONSTRUCTION / REHABILITATION COSTS								
Site Work: Off-Site/Non-Depreciable	105,042	0.8%	105,042	-	802,408	-	802,408	-
Site Work: On-Site Improvements-15 Year Property	802,408	6.2%	-	-	-	-	-	-
Demolition: Interior	3,634,829	27.9%	3,634,829	-	-	-	-	-
New Construction: Residential	-	-	-	-	-	-	-	-
New Construction: Commercial	-	-	-	-	-	-	-	-
Rehabilitation: Residential	-	-	-	-	-	-	-	-
Rehabilitation: Commercial	-	-	-	-	-	-	-	-
General Requirements	272,537	2.1%	272,537	-	272,537	-	272,537	-
Contractor Overhead	192,593	1.5%	192,593	-	192,593	-	192,593	-
Contractor Profit	192,593	1.5%	192,593	-	192,593	-	192,593	-
Payment & Performance Bond	-	-	-	-	-	-	-	-
Applicances	-	-	-	-	-	-	-	-
Furniture, Fixtures and Equipment	302,678	2.3%	302,678	-	302,678	-	302,678	-
Other Const. (specify):	-	-	-	-	-	-	-	-
Other Const. (specify):	-	-	-	-	-	-	-	-
Contractors Contingency	-	-	-	-	-	-	-	-
Construction Contingency	482,387	3.7%	482,387	-	482,387	-	482,387	-
TOTAL CONSTRUCTION COSTS	\$5,985,067	46.0%	5,880,025	105,042	5,880,025	-	5,880,025	-
C. PROFESSIONAL FEES & OTHER SOFT COSTS								
Architect Design	420,000	3.2%	420,000	-	420,000	-	420,000	-
Architect Supervision	-	-	-	-	-	-	-	-
Engineering	289,000	2.1%	289,000	-	289,000	-	289,000	-
Geotechnical/Soils Engineering	62,500	0.5%	62,500	-	62,500	-	62,500	-
Environmental Site Assessment	90,000	0.7%	90,000	-	90,000	-	90,000	-
Survey (Boundary/Topo/As-Built)	-	-	-	-	-	-	-	-
Building Permits	714,420	5.5%	714,420	-	714,420	-	714,420	-
Utility Tap Fees	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-
Hazard & Liability Insurance (Construction Period)	75,535	0.6%	75,535	-	75,535	-	75,535	-
Real Estate Taxes/ Fees	25,000	0.2%	25,000	-	25,000	-	25,000	-
Market Study	6,000	0.0%	6,000	-	6,000	-	6,000	-
Appraisal	10,650	0.1%	10,650	-	10,650	-	10,650	-
Accounting/Audit	14,350	0.1%	14,350	-	14,350	-	14,350	-
Cost Certification	-	-	-	-	-	-	-	-
Legal Fees: Real Estate (Developer)	15,000	0.1%	15,000	-	15,000	-	15,000	-
Development Consultant Fees	-	-	-	-	-	-	-	-
Construction Management Fees	-	-	-	-	-	-	-	-
Developer Fees	26,430	8.3%	26,430	-	1,083,623	-	1,083,623	-
Developer Overhead	-	-	-	-	-	-	-	-
Soft Cost Contingency	97,923	0.8%	97,923	-	97,923	-	97,923	-
Other Soft Cost (specify)	-	-	-	-	-	-	-	-
Other Soft Cost (specify)	-	-	-	-	-	-	-	-
Other Soft Cost (specify)	-	-	-	-	-	-	-	-
Other Soft Cost (specify)	-	-	-	-	-	-	-	-
TOTAL PROFESSIONAL FEES & OTHER SOFT COSTS	\$2,884,001	22.2%	2,884,001	-	2,884,001	-	2,884,001	-

Cost Item	Residential				Tax Treatment of Assets				Allocation of Depreciable Basis				Historic Credit Basis		
	Total	Cost Per Unit	Percent of Total	Non-Depreciable	Depreciable	Amortized	Expensed	Residential Acquisition	Rehab / New Construction	Commercial Acquisition	Rehab / New Construction	Commercial %	Residential Eligible %	Commercial %	Historic Credit Basis
D. FINANCING COSTS															
Construction Loan Only															
Loan Points/Fees															
Loan Inspections															
Loan Title & Recording															
Loan Legal (Bank)															
Loan Interest															
Other Loan Cost:															
Bridge/Interim Loan Costs															
Permanent Only or Construction/Perm															
Loan Points/Fees	66,344	1,618	0.5%		59,235	7,109									
Loan Inspections	3,075	75	0.0%		3,075										
Loan Mortgage Insurance (MIP)															
Loan Title & Recording	55,000	1,341	0.4%		49,106	5,894									
Loan Legal (Bank)	50,000	1,220	0.4%		44,642	5,358									
Loan Interest															
Loan Legal (Developer)															
Cost of Issuance (Bonds)															
FHA Fees															
Ginnie Mae Fees															
Letter of Credit Fees															
Credit Report															
Negative Arbitrage															
Other Loan Cost:															
Other Loan Cost:															
TOTAL FINANCING COSTS	\$403,789	9,849	3.1%		286,462	18,361									
E. TAX CREDIT & SYNDICATION COSTS															
Tax Credit Application and Allocation Fees															
Tax Credit Monitoring Fees															
Legal/Organizational Fees (Developer)	60,952	1,487	0.5%			60,952									
Legal Fees (Investor) % Amortized =	50,000	1,220	0.4%		45,000	5,000									
Tax Credit Consultant															
Other Syndication Costs:															
TOTAL TAX CREDIT & SYNDICATION COSTS	\$110,952	2,706	0.9%		45,000	65,952									
F. START-UP COSTS, RESERVES & ESCROWS															
Leasing/Marketing Expenses															
Tenant Relocation (Basis Eligible)	109,195	2,663	0.8%			109,195									
Tenant Relocation (Non Basis Eligible)															
Escrows & Prepaids															
Rent Up Reserve															
Operating Reserves (Capitalized)	323,520	7,891	2.5%		323,520										
Replacement Reserve (Capitalized)															
Other Reserve:	180,000	4,350	1.4%			180,000									
Debt Service Reserve	100,000	2,439	0.8%		100,000										
TOTAL START UP COSTS, RESERVES & ESCROWS	\$712,715	17,383	5.5%		603,520	109,195									
TOTAL USES OF FUNDS	\$13,016,524	317,476	100.0%		\$1,050,488	\$673,562									

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Calculation of Tax Credits

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3/19/12 8:52 AM

Project Name: Vista Del Rio Apartments
SMT Project ID 33626

LIHTC Rehab/New Construction Credits

Total Development Costs	13,016,524
Less:	
Acquisition Costs	2,920,000
Non Depreciable (non-acquisition)	763,562
Amortized	193,508
Expensed	98,966
Commercial	0
Eligible Rehab/N.C. Basis	9,050,488
Less:	
Historic Tax Credits (Residential)	0
Federal Grants	0
Other Ineligible Costs	0
Net Eligible Rehab/N.C. Basis	9,050,488
Adjusted for:	
DDA/QCT Basis Boost	130.00%
Applicable Fraction	100.00%
Qualified Rehab/NC Basis	11,765,634
Tax Credit Rate	9.00%
Calculated Rehab/ NC Credit	1,058,907
Amount Projected/ Allocated	526,779
Annual Rehab/NC Tax Credit	\$526,779
Number of Years of Annual Credit	10
Total Rehab/NC Credits	\$5,267,790
Unused Tax Credit Basis	5,912,534
Unused Tax Credits	0

LIHTC Acquisition Credits

Total Acquisition Costs	2,920,000
Less:	
Land	2,900,000
Federal Grants	0
Other Non-Eligible Costs	20,000
Eligible Acquisition Basis	0
Applicable Fraction	100.00%
Qualified Acquisition Basis	0
Tax Credit Rate	0.00%
Calculated Acquisition Credit	0
Amount Requested/Allocated	0
Annual Acquisition Tax Credit	\$0
Number of Years of Annual Credit	10
Total Acquisition Credits	\$0
Unused Tax Credit Basis	0
Unused Tax Credits	0

UT, MO, HI or GA State Low Income Credits

State of UT, MO, HI or GA only	0
Annual State Credit Amount	0
Number of Years of Annual Credit	0
Total State Low Income Credits	0

Federal Historic Tax Credits

Total Costs Eligible for HTC	0	Not Eligible
Acquisition	0	
Residential Rehab/ NC	0	
Commercial Rehab/ NC	0	
Federal Historic Tax Credit Basis	0	
HTC Rate	20.0%	
Historic Tax Credit Amt.	\$0	

State Historic Tax Credits

Total Costs Eligible for HTC	0	Not Eligible
Acquisition	0	
Residential Rehab/ NC	0	
Commercial Rehab/ NC	0	
State Historic Tax Credit Basis	0	
HTC Rate	0.0%	
Calc. Historic Tax Credit Amt.	0	
Amount Requested/Allocated	0	
Annual Historic Tax Credit	0	

CA State Low Income Credits only

State of CA only	3,529,690
Calculated State Credit Amount	1,645,630
State Credits Allocated	1,645,630
Total CA Low Income Credits	1,645,630

FINAL

Project Name: Vista Del Rio Apartments
 SMT Project ID: 33625
 State Equity: 1,103,000
 State Equity % of Total Equity: 16.76%

Timing Assumptions

Partnership Closing Date	DATE
Acquisition Placed in Service Date	March 15, 2012
Construction Start Date	April 1, 2012
Date First Building Placed in Service	April 1, 2013
Construction Completion Date	April 1, 2013
Qualified Occupancy (100% of Tax Credit Utilization)	October 1, 2013
Permanent Finance Start Date	12.0
Months during Lease Up	3.0

Timing Assumptions

Partnership Closing Date	DATE
Acquisition Placed in Service Date	March 15, 2012
Construction Start Date	April 1, 2012
Date First Building Placed in Service	April 1, 2013
Construction Completion Date	April 1, 2013
Qualified Occupancy (100% of Tax Credit Utilization)	October 1, 2013
Permanent Finance Start Date	12.0
Months during Lease Up	3.0

Total Credits: 0
 Total Credits: 5,267,750
 Total LIHTC Credits: \$1,040
 Federal Historic Tax Credits: \$0
 State Historic Tax Credits: \$0
 State Low-Income Housing Tax Credits: \$0,870
 Other Credits: \$0
 Total Limited Partner Equity: \$6,581,074

Sources-Uses Surplus/(Gap):

Project: 0

Project	Costs	Developer Fee and Overhead	Legal	Lease Up Reserve	Operating Reserve	Replacement Reserve	Other Reserve	BL P&I	Total	Check
1	5,235,381	742,173	0	0	323,520	0	190,000	100,000	6,581,074	0
2	381,238	246,869	0	0	0	0	0	0	628,107	0
3	472,564	185,343	0	0	323,520	0	0	0	981,427	0
4	4,401,578	183,950	0	0	0	180,000	100,000	0	4,919,048	(0)
5	-	65,811	0	0	0	0	0	0	65,811	0
6	-	0	0	0	0	0	0	0	0	0
7	-	0	0	0	0	0	0	0	0	0
8	-	0	0	0	0	0	0	0	0	0
9	-	0	0	0	0	0	0	0	0	0
10	-	0	0	0	0	0	0	0	0	0
11	-	0	0	0	0	0	0	0	0	0
12	-	0	0	0	0	0	0	0	0	0
13	-	0	0	0	0	0	0	0	0	0
14	-	0	0	0	0	0	0	0	0	0
15	-	0	0	0	0	0	0	0	0	0
TOTAL	5,235,381	742,173	0	0	323,520	0	190,000	100,000	6,581,074	0

Allocation of LP Capital Contributions

Choose *Percentage ("P") or Amount ("A") method

Payment	Project Milestone	Date	Amount	Percent	Cumulative
1	Admission	03/15/12	658,107	10.00%	10.00%
2	During Construction	03/15/12	658,107	10.00%	20.00%
3	Completion	04/01/13	4,919,048	74.75%	94.75%
4	Stabilization/Conversion	08/01/13	345,811	5.26%	100.00%
5	8609's	10/01/13	0	0.00%	100.00%
6			0	0.00%	100.00%
7			0	0.00%	100.00%
8			0	0.00%	100.00%
9			0	0.00%	100.00%
10			0	0.00%	100.00%
11			0	0.00%	100.00%
12			0	0.00%	100.00%
13			0	0.00%	100.00%
14			0	0.00%	100.00%
15			0	0.00%	100.00%
TOTAL			6,581,074		100.00%

Construction Payments Schedule

Payment	Date	Amount	Cumulative	Percent
First	03/15/12	0	0	0.00%
Second	04/01/12	0	0	0.00%
Third	05/01/12	0	0	0.00%
Fourth	06/01/12	0	0	0.00%
Fifth	07/01/12	0	0	0.00%
Sixth	08/01/12	0	0	0.00%
Seventh	09/01/12	0	0	0.00%
Eighth	10/01/12	0	0	0.00%
Ninth	11/01/12	0	0	0.00%
Tenth	12/01/12	0	0	0.00%
Eleventh	01/01/13	0	0	0.00%
Twelfth	02/01/13	0	0	0.00%
Thirteenth	03/01/13	0	0	0.00%
Fourteenth	04/01/13	0	0	0.00%
Fifteenth	05/01/13	0	0	0.00%
Sixteenth	06/01/13	0	0	0.00%
Seventeenth	07/01/13	0	0	0.00%
Eighteenth	08/01/13	0	0	0.00%
Nineteenth	09/01/13	0	0	0.00%
Twentieth	10/01/13	0	0	0.00%
Twenty-first	11/01/13	0	0	0.00%
Twenty-second	12/01/13	0	0	0.00%
Twenty-third	01/01/14	0	0	0.00%
Twenty-fourth	02/01/14	0	0	0.00%
TOTAL		0	0	0.00%

Quarterly Pay-in Schedule

Year	Quarter	Amount
2012	1	0
2012	2	0
2012	3	0
2012	4	0
2013	1	0
2013	2	0
2013	3	0
2013	4	0
2014	1	0
2014	2	0
2014	3	0
2014	4	0
2015	1	0
2015	2	0
2015	3	0
2015	4	0
2016	1	0
2016	2	0
2016	3	0
2016	4	0
2017	1	0
2017	2	0
2017	3	0
2017	4	0
2018	1	0
2018	2	0
2018	3	0
2018	4	0
2019	1	0
2019	2	0
2019	3	0
2019	4	0
2020	1	0
2020	2	0
2020	3	0
2020	4	0
2021	1	0
2021	2	0
2021	3	0
2021	4	0
2022	1	0
2022	2	0
2022	3	0
2022	4	0
2023	1	0
2023	2	0
2023	3	0
2023	4	0
2024	1	0
2024	2	0
2024	3	0
2024	4	0
2025	1	0
2025	2	0
2025	3	0
2025	4	0
2026	1	0
2026	2	0
2026	3	0
2026	4	0
2027	1	0
2027	2	0
2027	3	0
2027	4	0
2028	1	0
2028	2	0
2028	3	0
2028	4	0
2029	1	0
2029	2	0
2029	3	0
2029	4	0
TOTAL		6,581,074

Quarterly Pay-in Schedule

Year	Quarter	Amount
2012	1	0
2012	2	0
2012	3	0
2012	4	0
2013	1	0
2013	2	0
2013	3	0
2013	4	0
2014	1	0
2014	2	0
2014	3	0
2014	4	0
2015	1	0
2015	2	0
2015	3	0
2015	4	0
2016	1	0
2016	2	0
2016	3	0
2016	4	0
2017	1	0
2017	2	0
2017	3	0
2017	4	0
2018	1	0
2018	2	0
2018	3	0
2018	4	0
2019	1	0
2019	2	0
2019	3	0
2019	4	0
2020	1	0
2020	2	0
2020	3	0
2020	4	0
2021	1	0
2021	2	0
2021	3	0
2021	4	0
2022	1	0
2022	2	0
2022	3	0
2022	4	0
2023	1	0
2023	2	0
2023	3	0
2023	4	0
2024	1	0
2024	2	0
2024	3	0
2024	4	0
2025	1	0
2025	2	0
2025	3	0
2025	4	0
2026	1	0
2026	2	0
2026	3	0
2026	4	0
2027	1	0
2027	2	0
2027	3	0
2027	4	0
2028	1	0
2028	2	0
2028	3	0
2028	4	0
2029	1	0
2029	2	0
2029	3	0
2029	4	0
TOTAL		6,581,074

Quarterly Pay-in Schedule

Year	Quarter	Amount
2012	1	0
2012	2	0
2012	3	0
2012	4	0
2013	1	0
2013	2	0
2013	3	0
2013	4	0
2014	1	0
2014	2	0
2014	3	0
2014	4	0
2015	1	0
2015	2	0
2015	3	0
2015	4	0
2016	1	0
2016	2	0
2016	3	0
2016	4	0
2017	1	0
2017	2	0
2017	3	0
2017	4	0
2018	1	0
2018	2	0
2018	3	0
2018	4	0
2019	1	0
2019	2	0
2019	3	0
2019	4	0
2020	1	0
2020	2	0
2020	3	0
2020	4	0
2021	1	0
2021	2	0
2021	3	0
2021	4	0
2022	1	0
2022	2	0
2022	3	0
2022	4	0
2023	1	0
2023	2	0
2023	3	0
2023	4	0
2024	1	0
2024	2	0
2024	3	0
2024	4	0
2025	1	0
2025	2	0
2025	3	0
2025	4	0
2026	1	0
2026	2	0
2026	3	0
2026	4	0
2027	1	0
2027	2	0
2027	3	0
2027	4	0
2028	1	0
2028	2	0
2028	3	0
2028	4	0
2029	1	0
2029	2	0
2029	3	0
2029	4	0
TOTAL		6,581,074

Sources and Uses Summary

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Project Name: Vista Del Rio Apartments
SMT Project ID: 33626

Permanent Loan Sources

Lender Name	Int. rate	Term	Amortization	Amount	Amount/Unit	% of Total Dev Cost
Chase	6.16%	15	15	600,000	14,634	5%
City of Santa Ana	1.79%	55	55	1,500,000	36,585	12%
Santa Ana RDA	1.79%	55	55	469,000	11,439	4%
Goodwill	6.00%	55	55	125,000	3,049	1%
City of Santa Ana	0.00%	55	55	100,000	2,439	1%
FFAH	0.00%	55	55	400,000	9,756	3%
Deferred Fee	1.00%	15	15	341,450	8,328	3%
					0	

LIMITED PARTNER EQUITY

	6,581,074	160,514	51%
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Other Sources	Financing Source	Amount
	>	0
Capital Contribution - land	Other	70,732
	>	0
	>	0
	>	0
	>	0
	>	0
	>	0
	>	0

TOTAL SOURCES OF FUNDS: 13,016,524 317,476

TOTAL USES OF FUNDS: 13,016,524 317,476

FUNDING SURPLUS/<GAP> (0) (0)

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Project Cash Flow

Project Name: Vista Del Rio Apartments
SMT Project ID: 33626

Year:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RENTAL INCOME																
Gross Potential Rental Income - Tax Credit Units	249,858	0	0	0	412,121	420,363	428,771	437,346	446,093	455,015	464,115	473,397	482,865	492,523	502,373	512,421
Gross Potential Rental Income - Non-Tax Credit Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Gross Potential Rental Income	249,858	0	0	0	412,121	420,363	428,771	437,346	446,093	455,015	464,115	473,397	482,865	492,523	502,373	512,421
Other Income - Residential	4,302	0	0	0	6,487	6,627	6,760	6,895	7,033	7,173	7,317	7,463	7,612	7,765	7,920	8,078
Less Econ. Vac. Loss (Yrs 2-16)	17,805	0	0	0	29,303	29,889	30,487	31,097	31,719	32,353	33,000	33,660	34,333	35,020	35,721	36,435
Gross Potential Rental Income - Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Econ. Vac. Loss (Yrs 2-16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	236,655	0	0	0	389,315	397,101	405,043	413,144	421,407	429,635	438,432	447,200	456,144	465,267	474,573	484,064
EXPENSES																
Professional Fees	7,725	0	0	0	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,257	14,685	15,126	15,580	16,047
Administrative Expenses	61,943	0	0	0	92,958	95,747	98,619	101,578	104,625	107,764	110,997	114,327	117,757	121,290	124,929	128,677
Total Utilities	25,358	0	0	0	38,053	39,195	40,371	41,582	42,829	44,114	45,437	46,800	48,204	49,650	51,140	52,674
Total Repairs and Maint.	69,351	0	0	0	104,073	107,195	110,411	113,723	117,135	120,649	124,268	127,996	131,836	135,791	139,865	144,061
Total Real Estate Taxes	1,875	0	0	0	2,706	2,780	2,858	2,941	3,028	3,117	3,207	3,300	3,395	3,493	3,594	3,698
Total Other Taxes and Insurance	13,644	0	0	0	20,775	21,388	22,040	22,701	23,382	24,083	24,805	25,549	26,315	27,104	27,917	28,765
Total Property Management Fee	17,013	0	0	0	28,000	28,560	29,131	29,713	30,308	30,914	31,532	32,163	32,806	33,462	34,131	34,814
Other Miscellaneous Expenses	7,500	0	0	0	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,257	14,685	15,126	15,580
Total Expenses	204,609	0	0	0	309,413	318,389	327,627	337,186	346,923	356,998	367,367	378,042	389,030	400,341	411,985	423,972
NET OPERATING INCOME	31,946	0	0	0	79,902	78,713	77,416	76,009	74,484	72,837	71,065	69,159	67,114	64,926	62,586	60,092
Scheduled Additions to Residential Replacement Reserve	6,150	0	0	0	13,844	14,269	14,687	15,127	15,581	16,049	16,530	17,026	17,537	18,063	18,605	19,163
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI Adjusted For Reserves	25,796	0	0	0	66,058	64,454	62,730	60,881	59,903	58,789	57,555	56,133	54,578	52,853	51,000	49,029
ECR	1.12	1.24	1.22	1.22	1.20	1.19	1.18	1.17	1.16	1.15	1.14	1.13	1.12	1.11	1.10	1.09
DCR requirement	1.10	1.10	1.08	1.08	1.07	1.06	1.05	1.04	1.03	1.02	1.01	1.00	1.00	1.00	1.00	1.00
ECR requirement	1.05	1.05	1.06	1.06	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05	1.05
DCR test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ECR test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required reserve (greater of DCR test or ECR test)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE AND CASH FLOW FEES																
Loan 1 - Chase	15,345	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Debt Service Coverage Ratio	1.68	1.14	1.12	1.10	1.08	1.05	1.02	0.99	0.96	0.93	0.89	0.85	0.81	0.76	0.72	0.69
Investor Services Fee	2,250	3,090	3,183	3,278	3,377	3,072	1,348	0	0	0	0	0	0	0	0	0
Loan 7 - Deferred Fee	8,200	5,728	4,362	2,888	1,300	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	1.00	1.00	1.00	1.00	1.00	0	0	0	0	0	0	0	0	0	0	0
Partnership Administration Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 2 - City of Santa Ana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 3 - Santa Ana RDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 4 - Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 5 - Santa Ana RDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 6 - FFAH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FINAL

Project Cash Flow

Project Name: Vista Del Rio Apartments
 SMT Project ID: 33626

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
GP Fees as % Effective Gross Income	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Self Manage (Y/N)?	No															
DISPOSITION OF POSITIVE NET CASH FLOW																
To Limited Partner: % Distributed:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
To General Partner	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PAYMENT AND DISTRIBUTION OF RESERVES																
LEASE-UP RESERVE																
Contribution of Capitalized Lease-Up Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lease-Up Period Deficit	0	0	0	0	0	0	0	(501)	(2,479)	(4,583)	(6,847)	(9,249)	(11,804)	(14,519)	(17,400)	(5,107)
Guarantor Contribution	0	0	0	0	0	0	0	7,287	7,422	7,521	7,580	7,585	7,581	7,477	7,336	7,134
Lease-Up Reserve Balance	0	6,470	6,600	6,732	6,866	7,004	7,144	7,287	7,422	7,521	7,580	7,585	7,581	7,477	7,336	7,134
OPERATING RESERVE																
Capitalized Contributions from Equity	323,520	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow to/from Operating Reserve	0	0	0	0	0	0	0	(501)	(2,479)	(4,583)	(6,847)	(9,249)	(11,804)	(14,519)	(17,400)	(5,107)
Interest on Operating Reserve	0	6,470	6,600	6,732	6,866	7,004	7,144	7,287	7,422	7,521	7,580	7,585	7,581	7,477	7,336	7,134
Operating Reserve Balance	323,520	329,990	336,590	343,322	350,188	357,192	364,336	371,122	376,066	378,984	379,726	378,072	373,829	366,787	356,722	358,750
REPLACEMENT RESERVE																
Capitalized Contributions from Equity	6,150	12,669	13,049	13,441	13,844	14,259	14,687	15,127	15,581	16,049	16,530	17,026	17,537	18,053	18,605	19,163
Scheduled Additions to Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures from Replacement Reserve	0	0	0	0	0	0	(61,372)	0	0	0	0	0	0	(110,597)	0	0
Interest on Replacement Reserve	0	123	379	647	929	1,225	1,534	631	946	1,277	1,624	1,987	2,367	2,765	3,170	3,581
Replacement Reserve Balance	6,150	18,942	32,370	46,458	61,231	76,714	93,564	111,722	130,208	149,185	168,730	188,343	208,026	227,771	247,572	267,433
OTHER RESERVE																
Capitalized Contributions from Equity	180,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	0	3,600	3,672	3,745	3,820	3,897	3,975	4,054	4,135	4,218	4,302	4,388	4,476	4,566	4,657	4,750
Reserve Balance	180,000	183,600	187,272	191,017	194,838	198,735	202,709	206,763	210,899	215,117	219,419	223,807	228,284	232,849	237,506	242,256
OTHER RESERVE																
Capitalized Contributions from Equity	100,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenditures from Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	0	2,000	2,040	2,081	2,122	2,165	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587	2,639
Reserve Balance	100,000	102,000	104,040	106,121	108,243	110,408	112,616	114,869	117,166	119,509	121,899	124,337	126,824	129,361	131,948	134,587

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Depreciation, Amortization and Tax Credits

FOR BUILDING BY BUILDING DEPRECIATION SEE BELOW

Table with columns for Year (2016-2028), Amount, and Description. Includes sections for DEPRECIATION SCHEDULE and CUMULATIVE DEPRECIATION.

Table with columns for Year (2016-2028), Amount, and Description. Includes sections for AMORTIZATION SCHEDULE and CUMULATIVE DEPRECIATION.

Table with columns for Year (2016-2028), Amount, and Description. Includes sections for TAX CREDIT SCHEDULE and CUMULATIVE DEPRECIATION.

FINAL

Taxable Income, Capital Account and Tax Benefits

SMT Project ID: 33826

Project Name: Vista Del Rio Apartments

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
TAXABLE INCOME															
NET OPERATING INCOME	31,946	82,868	81,978	80,323	79,902	77,416	74,164	72,857	71,065	69,159	67,114	64,926			
Other Taxable Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Operating Reserve	0	6,470	6,600	6,732	6,866	7,004	7,144	7,287	7,422	7,521	7,580	7,595	7,581	7,477	7,333
Interest on Replacement Reserve	0	123	379	547	829	1,223	1,554	2,031	2,631	3,347	4,162	4,967	5,731	6,446	7,091
Interest on Other Reserve	0	3,600	3,672	3,744	3,820	3,897	3,975	4,054	4,135	4,218	4,302	4,388	4,476	4,566	4,657
Interest on Other Reserve	0	2,000	2,040	2,081	2,122	2,163	2,208	2,252	2,297	2,343	2,390	2,438	2,487	2,536	2,587
Total Net Inc (including Interest on Reserves)	31,946	95,092	94,687	93,263	93,841	92,277	89,233	86,233	83,233	80,233	77,233	74,233	71,233	68,233	65,233
Deductions															
Interest Paid	10,062	39,211	37,579	35,422	32,756	29,782	26,636	23,427	20,158	16,841	13,476	10,062	6,600	3,123	0
Mortgage Insurance	10,696	42,903	43,837	44,600	45,310	46,000	46,673	47,330	47,972	48,600	49,215	49,817	50,406	50,982	51,546
Depreciation (from Schedule)	305,330	461,981	418,615	365,548	319,770	268,319	218,511	169,875	123,521	79,821	38,921	0	0	0	0
Amortization and Expense (from Schedule)	121,506	22,910	5,267	0	0	0	0	0	0	0	0	0	0	0	0
Investor Services Fee	2,250	3,080	3,176	3,278	3,377	3,476	3,572	3,667	3,761	3,854	3,946	4,037	4,127	4,216	4,304
Partnership Administration Fee	9,375	12,875	13,659	14,582	15,542	16,537	17,567	18,632	19,733	20,870	22,041	23,246	24,486	25,761	27,071
Tenant Services Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	459,210	922,860	899,669	849,760	799,128	748,124	697,858	648,392	599,711	551,862	504,866	458,742	413,506	369,209	325,854
Total Taxable Income	(427,264)	(487,807)	(427,717)	(397,575)	(391,286)	(390,121)	(388,624)	(387,155)	(385,713)	(384,292)	(382,892)	(381,515)	(380,161)	(378,830)	(377,521)
Effect of Gross Income Allocation to GP															
Gross Income Allocation to GP (GIA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Allocable Income/Loss (adjusted for GIA)	(427,264)	(487,807)	(427,717)	(397,575)	(391,286)	(390,121)	(388,624)	(387,155)	(385,713)	(384,292)	(382,892)	(381,515)	(380,161)	(378,830)	(377,521)
Allocation of Income/Loss to GP															
GP Share of GIA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Share Allocable Income/Loss	(43)	(49)	(43)	(40)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)
Reallocated Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Total Income/Loss	(43)	(49)	(43)	(40)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)	(39)
Allocation of Income/Loss to LP															
LP Share Allocable Income/Loss	(427,221)	(487,859)	(427,717)	(397,535)	(391,247)	(390,159)	(388,685)	(387,184)	(385,742)	(384,331)	(382,931)	(381,554)	(380,200)	(378,869)	(377,560)
Reallocated to GP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Allocation of Income/Loss to LP	(427,221)	(487,859)	(427,717)	(397,535)	(391,247)	(390,159)	(388,685)	(387,184)	(385,742)	(384,331)	(382,931)	(381,554)	(380,200)	(378,869)	(377,560)
Check	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LP Capital Account Analysis															
LP Investment	658,107	5,922,966	0	0	0	0	0	0	0	0	0	0	0	0	0
-Less- Historic Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-Less- Cash Distributed to LP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-Less- Syndication Costs	(45,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
-Less- Net Allocation to Income/Loss to LP	(5,758,786)	(427,221)	(487,859)	(427,717)	(397,535)	(391,247)	(390,159)	(388,685)	(387,184)	(385,742)	(384,331)	(382,931)	(381,554)	(380,200)	(378,869)
Capital Account Balance	6,108,853	5,920,884	5,193,277	4,795,742	4,404,456	4,013,207	3,622,051	3,230,866	2,839,651	2,448,394	2,057,097	1,665,760	1,274,383	882,966	491,497
L.P. SHARE OF TAX BENEFITS															
Tax Benefits @ 35.00%	149,527	170,751	146,701	139,137	136,933	128,629	126,054	123,014	120,254	117,445	114,646	111,847	109,048	106,249	103,450
From Tax Losses	2,015,572	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Credits															
Federal Acquisition Tax Credits (4%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Construction Credits (6% or 4%)	345,664	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726
Fed Historic Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Low Income Tax Credits	688,221	381,332	0	0	0	0	0	0	0	0	0	0	0	0	0
State Historic Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tax Credits	1,033,885	908,058	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726	526,726
Total Tax Benefits from Credits and Losses	1,183,412	1,078,809	676,427	665,863	655,555	652,780	652,780	652,780	652,780	652,780	652,780	652,780	652,780	652,780	652,780
Project Investment	0	658,107	5,922,966	0	0	0	0	0	0	0	0	0	0	0	0
NET BENEFIT	0	(658,107)	(4,730,554)	1,078,809	676,427	665,863	655,555	652,780	652,780	652,780	652,780	652,780	652,780	652,780	652,780
Project IRR:															

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Investment Results After Disposition

Project Name: Vista Del Rio Apartments
 SMT Project ID: 33626

	Disposition at \$1 over Mortgage Balance
Sales Price (computed below)	3,609,179
<less> Outstanding Debt (detail below)	3,609,178
Net Sale Proceeds	\$ 1.00
Commission on Sale	
<less> Return of Investor Capital	3.00%
<less> Priority to Investor to Pay Taxes	
Priority Return to Other Partners	
Net Amount Available for Distribution	
Balance to Investors	99.99%
Total to Investors	0

CALCULATION OF INVESTOR'S SHARE OF TAX CONSEQUENCES

Original Investment <less syndication>	6,536,074
Cumulative Tax Losses (Income)	(5,758,786)
Cash Distributed to Investor	0
Historic Tax Credit	0
Capital Acct. Balance	777,288
<less> Investor Share of Distribution on Sale	(777,289)
Investor Gain on Sale	(272,051)
Investor Tax Upon Sale	35.00%

Outstanding Debt	Original Principal	Accrued Interest (Principal Pmts)	Ending Balance
Chase	600,000	(600,000)	0
City of Santa Ana	1,500,000	466,107	1,966,107
Santa Ana RDA	469,000	145,736	614,736
Goodwill	125,000	114,375	239,375
City of Santa Ana	100,000	0	100,000
FFAH	400,000	0	400,000
Deferred Fee	341,450	(341,450)	0
Investor Services Fee	59,721	(19,597)	40,124
Partnership Administration Fee	248,836	0	248,836
Total Debt	3,844,007	(234,829)	3,609,178
Total Debt/Unit			90,229

Sale at \$1.00 over Mortgage Amount
 Total Debt 3,609,178
 Plus \$1.00 1.00
 Sale Price 3,609,179

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Residual Analysis
Term of Income Restrictions
Income Restriction Termination Date

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
RENTAL INCOME	249,658	382,158	433,522	441,377	454,611	468,257	482,305	495,753	508,599	520,745	532,193	542,942	552,991	562,340	571,089	579,238	586,787	593,736	600,085	605,834	611,083	615,832	620,081	623,830	627,079	630,028	632,677	635,026	637,075	638,824	640,273	641,422	642,271	642,820	643,069	642,918	642,467	641,716	640,665	639,314	637,663	635,712	633,461	630,910	628,059	624,908	621,457	617,706	613,655	609,304	604,653	599,702	594,451	588,900	583,049	576,898	570,447	563,696	556,645	549,294	541,643	533,692	525,441	516,890	508,039	498,888	489,437	479,686	469,635	459,284	448,633	437,682	426,431	414,880	403,029	390,878	378,427	365,676	352,625	339,274	325,623	311,672	297,421	282,870	268,019	252,868	237,417	221,666	205,615	189,264	172,613	155,662	138,411	120,860	103,009	84,858	66,407	47,656	28,505	9,354	-9,797	-29,946	-49,995	-69,944	-89,693	-109,242	-128,591	-147,740	-166,689	-185,438	-203,987	-222,336	-240,485	-258,434	-276,183	-293,732	-311,081	-328,230	-345,179	-361,928	-378,477	-394,826	-410,975	-426,924	-442,673	-458,222	-473,571	-488,720	-503,669	-518,418	-532,967	-547,316	-561,465	-575,414	-589,163	-602,712	-616,061	-629,210	-642,159	-654,908	-667,457	-679,806	-691,955	-703,904	-715,653	-727,202	-738,551	-749,700	-760,649	-771,398	-781,947	-792,296	-802,445	-812,394	-822,143	-831,692	-841,041	-850,190	-859,139	-867,888	-876,437	-884,786	-892,935	-900,884	-908,633	-916,182	-923,631	-930,880	-937,929	-944,778	-951,427	-957,876	-964,125	-970,174	-976,023	-981,672	-987,121	-992,370	-997,419	-1,002,268	-1,006,917	-1,011,366	-1,015,615	-1,019,664	-1,023,513	-1,027,162	-1,030,611	-1,033,860	-1,036,909	-1,039,758	-1,042,407	-1,044,856	-1,047,105	-1,049,154	-1,051,003	-1,052,652	-1,054,101	-1,055,450	-1,056,699	-1,057,848	-1,058,797	-1,059,546	-1,060,095	-1,060,444	-1,060,593	-1,060,542	-1,060,291	-1,059,840	-1,059,189	-1,058,338	-1,057,287	-1,056,036	-1,054,585	-1,052,934	-1,051,083	-1,049,032	-1,046,781	-1,044,330	-1,041,679	-1,038,828	-1,035,777	-1,032,526	-1,029,075	-1,025,424	-1,021,573	-1,017,522	-1,013,271	-1,008,820	-1,004,169	-999,318	-994,267	-989,016	-983,565	-977,914	-972,063	-966,012	-959,761	-953,310	-946,659	-939,808	-932,757	-925,506	-918,055	-910,404	-902,553	-894,402	-886,051	-877,500	-868,749	-859,798	-850,647	-841,296	-831,745	-821,994	-812,043	-801,892	-791,541	-780,990	-770,239	-759,288	-748,137	-736,786	-725,235	-713,484	-701,533	-689,382	-677,031	-664,480	-651,729	-638,778	-625,627	-612,276	-598,725	-584,974	-571,023	-556,872	-542,521	-527,970	-513,219	-498,268	-483,117	-467,766	-452,215	-436,464	-420,513	-404,362	-388,011	-371,460	-354,709	-337,758	-320,607	-303,256	-285,705	-267,954	-250,003	-231,852	-213,501	-194,950	-176,200	-157,249	-138,098	-118,747	-99,196	-79,445	-59,494	-39,343	-18,992	1,359	21,710	42,859	63,708	84,257	104,506	124,455	144,104	163,453	182,502	201,251	219,700	237,849	255,698	273,247	290,496	307,445	324,094	340,443	356,492	372,241	387,690	402,839	417,688	432,237	446,486	460,435	474,084	487,433	500,482	513,231	525,680	537,829	549,578	560,927	571,876	582,425	592,574	602,323	611,672	620,621	629,170	637,319	645,068	652,417	659,366	665,915	672,064	677,813	683,162	688,111	692,660	696,809	700,558	703,907	706,856	709,405	711,554	713,303	714,652	715,601	716,150	716,399	716,248	715,697	714,746	713,395	711,644	709,493	706,942	703,991	700,740	697,189	693,338	689,087	684,536	679,685	674,534	669,083	663,332	657,281	650,930	644,279	637,328	630,077	622,526	614,675	606,424	597,773	588,822	579,571	570,020	560,169	550,018	539,667	529,116	518,365	507,414	496,163	484,612	472,761	460,610	448,259	435,708	422,957	410,006	396,855	383,504	369,953	356,202	342,251	328,100	313,749	299,198	284,447	269,496	254,345	238,994	223,443	207,692	191,741	175,590	159,239	142,688	125,937	108,986	91,835	74,484	56,933	39,182	21,231	3,080	-15,171	-32,220	-48,969	-65,418	-81,567	-97,416	-112,965	-128,214	-143,163	-157,812	-172,161	-186,210	-200,059	-213,708	-227,157	-240,406	-253,455	-266,204	-278,653	-290,802	-302,651	-314,200	-325,449	-336,298	-346,747	-356,796	-366,445	-375,694	-384,543	-392,992	-401,041	-408,690	-415,939	-422,788	-429,237	-435,286	-440,935	-446,184	-451,033	-455,482	-459,531	-463,180	-466,429	-469,278	-471,727	-473,776	-475,425	-476,674	-477,523	-477,972	-478,021	-477,670	-476,919	-475,768	-474,217	-472,266	-470,015	-467,464	-464,613	-461,462	-458,011	-454,260	-450,209	-445,858	-441,207	-436,256	-431,005	-425,554	-420,003	-414,252	-408,301	-402,150	-395,800	-389,249	-382,498	-375,547	-368,396	-361,045	-353,494	-345,743	-337,792	-329,641	-321,290	-312,739	-303,988	-295,037	-285,886	-276,535	-266,984	-257,233	-247,282	-237,131	-226,780	-216,229	-205,478	-194,527	-183,376	-172,025	-160,474	-148,723	-136,772	-124,621	-112,270	-99,719	-87,068	-74,317	-61,466	-48,515	-35,464	-22,313	-9,162	4,089	21,238	38,187	54,936	71,485	87,834	103,983	119,932	135,681	151,230	166,579	181,728	196,677	211,426	225,975	240,324	254,473	268,322	281,871	295,120	308,069	320,718	333,067	345,116	356,865	368,314	379,463	390,212	400,561	410,510	420,059	429,208	437,957	446,306	454,255	461,804	468,953	475,702	482,051	487,900	493,349	498,398	503,047	507,296	511,145	514,594	517,543	520,092	522,241	523,990	525,339	526,288	526,837	526,986	526,735	526,084	525,033	523,582	521,731	519,480	516,829	513,778	510,327	506,476	502,225	497,574	492,523	487,072	481,221	474,970	468,319	461,268	453,817	445,966	437,715	429,064	419,913	410,362	400,411	390,060	379,309	368,158	356,607	344,656	332,305	319,554	306,403	292,852	278,901	264,550	249,800	234,649	219,098	203,147	186,796	170,045	152,894	135,343	117,392	99,041	80,390	61,439	42,188	22,737	3,086	-16,565	-35,814	-54,763	-73,412	-91,761	-109,810	-127,559	-144,908	-161,857	-178,406	-194,555	-210,304	-225,653	-240,602	-255,151	-269,300	-283,049	-296,398	-309,347	-321,896	-334,045	-345,794	-357,143	-368,092	-378,641	-388,790	-398,539	-407,888	-416,837	-425,386	-433,535	-441,284	-448,633	-455,582	-462,131	-468,280	-474,029	-479,378	-484,327	-488,876	-493,025	-496,774	-500,123	-503,072	-505,621	-507,770	-509,519	-510,868	-511,817	-512,366	-512,515	-512,264	-511,613	-510,562	-509,111	-507,260	-505,009	-502,358	-499,307	-495,856	-492,005	-487,754	-483,103	-478,052	-472,601	-466,750	-460,500	-453,849	-446,798	-439,347	-431,496	-423,245	-414,594	-405,543	-396,092	-386,341	-376,290	-365,939	-355,288	-344,337	-333,086	-321,535	-309,684	-297,533	-285,082	-272,331	-259,280	-245,929	-232,278	-218,327	-204,076	-189,525	-174,674	-159,523	-144,072	-128,321	-112,270	-95,919	-79,268	-62,317	-45,066	-27,515	-9,764	9,087	28,336	47,285	65,934	84,283	102,332	120,081	137,530	154,679	171,528	188,077	204,326	220,275	235,924	251,273	266,322	281,071	295,520	309,669	323,518	337,067	350,316	363,265	375,914	388,263	400,312	412,061	423,510	434,659	445,408	455,757	465,706	475,255	484,404	493,153	501,502	509,451	516,900	523,949	530,598	536,847	542,696	548,145	553,194	557,843	562,092	565,941	569,390	572,439	575,088	577,337	579,186	580,635	581,684	582,333	582,582	582,431	581,880	580,929	579,578	577,827	575,676	573,125	570,174	566,823	563,072	558,921	554,370	549,419	544,068	538,317	532,166	525,615	518,664	511,313	503,562	495,411	486,860	477,909	468,558	458,807	448,656	438,105	427,154	415,803	404,052	391,901	379,350	366,400	353,049	339,298	325,147	310,596	295,645	280,294	264,543	248,392	231,841	214,890	197,

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33574
SMT Project ID
Vista D4

Residual Analysis
Term of Income Restrictions
Income Restriction Termination Date

	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49
RENTAL INCOME	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Potential Rental Income - Tax Credit Unit	751,415	773,550	797,177	821,592	846,725	871,066	896,229	921,416	947,627	973,861	1,000,120	1,026,404	1,052,713	1,079,047	1,105,406	1,131,790	1,158,199	1,184,633	1,211,092	1,237,576	1,264,085	1,290,619	1,317,178	1,343,762	1,370,371	1,397,005
Gross Potential Rental Income - Non-Tax Credit Unit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Potential Rental Income - Market P/B	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Gross Potential Rental Income	751,415	773,550	797,177	821,592	846,725	871,066	921,416	947,627	973,861	1,000,120	1,026,404	1,052,713	1,079,047	1,105,406	1,131,790	1,158,199	1,184,633	1,211,092	1,237,576	1,264,085	1,290,619	1,317,178	1,343,762	1,370,371	1,397,005	
Other Income - Residential	11,648	12,223	12,668	12,846	13,033	13,733	14,146	14,569	15,006	15,457	15,920	16,396	16,884	17,384	17,896	18,420	18,956	19,504	20,064	20,636	21,220	21,816	22,424	23,044	23,676	24,320
Less: From Vacancy Loss (Years 2-16)	38,163	39,308	40,467	41,737	43,026	44,241	45,489	46,769	48,081	49,425	50,801	52,208	53,646	55,115	56,615	58,146	59,708	61,301	62,925	64,580	66,266	67,983	69,731	71,510	73,320	75,161
Less: From Vacancy Loss (Years 2-16)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	723,252	734,242	756,710	780,101	803,700	827,825	852,647	877,273	901,806	926,246	950,594	974,850	999,014	1,023,087	1,047,068	1,070,957	1,094,754	1,118,459	1,142,074	1,165,599	1,189,034	1,212,378	1,235,632	1,258,796	1,281,870	1,304,854
EXPENDITURES	20,328	21,088	21,928	22,848	23,848	24,928	26,088	27,328	28,648	30,048	31,528	33,088	34,728	36,448	38,248	40,128	42,088	44,128	46,248	48,448	50,728	53,088	55,528	58,048	60,648	63,328
Total Administrative	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Total Utilities and Maint.	182,461	187,666	193,656	199,413	206,386	213,577	221,004	228,684	236,625	244,836	253,316	262,064	271,089	280,391	289,970	299,813	309,920	320,291	330,926	341,825	352,988	364,415	376,106	388,061	400,280	412,763
Total Real Estate Taxes	4,493	5,003	5,226	5,524	5,721	5,993	6,240	6,463	6,663	6,840	7,004	7,156	7,296	7,424	7,540	7,644	7,736	7,816	7,884	7,940	7,984	8,016	8,036	8,044	8,040	8,024
Total Other Income and Expense	52,149	53,714	55,326	56,984	58,688	60,438	62,234	64,076	65,964	67,891	69,856	71,860	73,904	75,987	78,109	80,270	82,470	84,708	86,984	89,298	91,650	94,040	96,468	98,934	101,438	103,979
Total Mktg./Expenses	18,728	20,329	20,938	21,523	22,094	22,651	23,194	23,723	24,238	24,739	25,226	25,699	26,157	26,600	27,028	27,441	27,839	28,222	28,590	28,943	29,281	29,604	29,912	30,205	30,483	30,746
Total Expenditures	545,706	562,170	579,035	596,320	614,052	632,228	650,852	669,925	689,447	709,418	729,837	750,704	772,019	793,783	816,096	838,958	862,369	886,329	910,848	935,926	961,564	987,761	1,014,517	1,041,832	1,069,706	1,107,147
NET OPERATING INCOME	178,546	172,072	177,675	183,753	190,652	198,977	207,729	216,904	226,516	236,560	247,030	257,926	269,245	280,978	293,120	305,670	318,620	331,970	345,720	359,870	374,420	389,370	404,720	420,470	436,620	453,170
Scheduled Additions to Residential Reserve	24,275	25,003	25,753	26,524	27,316	28,129	28,964	29,820	30,697	31,595	32,514	33,454	34,414	35,394	36,394	37,414	38,454	39,514	40,594	41,694	42,814	43,954	45,114	46,294	47,494	48,714
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mktg. Adjusted For Reserves	1,155,029	1,159,079	1,163,079	1,167,029	1,170,929	1,174,779	1,178,579	1,182,329	1,186,029	1,189,679	1,193,279	1,196,829	1,200,329	1,203,779	1,207,179	1,210,529	1,213,829	1,217,079	1,220,279	1,223,429	1,226,529	1,229,579	1,232,579	1,235,529	1,238,429	1,241,279
Value Based on Calculated NOI	2,593,306	2,601,210	2,609,114	2,617,018	2,624,922	2,632,826	2,640,730	2,648,634	2,656,538	2,664,442	2,672,346	2,680,250	2,688,154	2,696,058	2,703,962	2,711,866	2,719,770	2,727,674	2,735,578	2,743,482	2,751,386	2,759,290	2,767,194	2,775,098	2,782,902	2,790,706
(Plus) Reserves - Includes Replacement Reser	3,029,801	3,040,571	3,051,341	3,062,111	3,072,881	3,083,651	3,094,421	3,105,191	3,115,961	3,126,731	3,137,501	3,148,271	3,159,041	3,169,811	3,180,581	3,191,351	3,202,121	3,212,891	3,223,661	3,234,431	3,245,201	3,255,971	3,266,741	3,277,511	3,288,281	3,299,051
Total Market Value	5,623,107	5,641,781	5,660,455	5,679,129	5,697,803	5,716,477	5,735,151	5,753,825	5,772,499	5,791,173	5,809,847	5,828,521	5,847,195	5,865,869	5,884,543	5,903,217	5,921,891	5,940,565	5,959,239	5,977,913	5,996,587	6,015,261	6,033,935	6,052,609	6,071,283	6,089,957
Total Outstanding Debt (GDS, SF, PAF & TSP)	791,047	802,401	813,755	825,109	836,463	847,817	859,171	870,525	881,879	893,233	904,587	915,941	927,295	938,649	949,999	961,349	972,699	984,049	995,399	1,006,749	1,018,099	1,029,449	1,040,799	1,052,149	1,063,499	1,074,849
Market value less debt	4,832,060	4,839,380	4,846,700	4,854,020	4,861,340	4,868,660	4,875,980	4,883,300	4,890,620	4,897,940	4,905,260	4,912,580	4,919,900	4,927,220	4,934,540	4,941,860	4,949,180	4,956,500	4,963,820	4,971,140	4,978,460	4,985,780	4,993,100	5,000,420	5,007,740	5,015,060

	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49
OPERATING RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized Contribution from Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Operating Reserve	21,854	22,500	23,146	23,792	24,438	25,084	25,730	26,376	27,022	27,668	28,314	28,960	29,606	30,252	30,898	31,544	32,190	32,836	33,482	34,128	34,774	35,420	36,066	36,712	37,358	38,004
Less: From Other Reserve	12,850	13,300	13,750	14,200	14,650	15,100	15,550	16,000	16,450	16,900	17,350	17,800	18,250	18,700	19,150	19,600	20,050	20,500	20,950	21,400	21,850	22,300	22,750	23,200	23,650	24,100
Operating Reserve Balance	8,994	9,200	9,396	9,592	9,788	9,984	10,180	10,376	10,572	10,768	10,964	11,160	11,356	11,552	11,748	11,944	12,140	12,336	12,532	12,728	12,924	13,120	13,316	13,512	13,708	13,904
OTHER RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized Contribution from Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve	4,508	4,677	4,846	5,015	5,184	5,353	5,522	5,691	5,860	6,029	6,198	6,367	6,536	6,705	6,874	7,043	7,212	7,381	7,550	7,719	7,888	8,057	8,226	8,395	8,564	8,733
Expenditures from Reserve	263,942	268,516	273,090	277,664	282,238	286,812	291,386	295,960	300,534	305,108	309,682	314,256	318,830	323,404	327,978	332,552	337,126	341,700	346,274	350,848	355,422	360,000	364,574	369,148	373,722	378,296
Reserve Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capitalized Contribution from Equity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Reserve	3,892	3,154	3,217	3,281	3,345	3,409	3,473	3,53																		

FINAL

Project Name: Vista Del Rio Apartments
SMT Project ID: 33626

ASSETS

Land & Non-Depr. Land Items	3,025,042
Depreciable Assets	9,050,488
Assets	12,075,530
L.P. Percentage	99.99%

LOAN BALANCES (lien priority)

Year	Chase	City of Santa Ana	Santa Ana RDA	Goodwill	City of Santa Ana	FFAH	Deferred Fee	None	Total Non-Recourse Liabilities
2013	593,863	1,506,713	471,099	0	100,000	400,000	0	0	3,071,674
2014	568,351	1,533,683	479,531	0	100,000	400,000	0	0	3,081,565
2015	541,222	1,561,136	488,115	0	100,000	400,000	0	0	3,090,473
2016	512,374	1,589,080	496,852	0	100,000	400,000	0	0	3,098,306
2017	481,698	1,617,524	505,746	0	100,000	400,000	0	0	3,104,968
2018	449,078	1,646,478	514,799	0	100,000	400,000	0	0	3,110,355
2019	414,391	1,675,950	524,014	0	100,000	400,000	0	0	3,116,849
2020	377,506	1,705,960	533,394	0	100,000	400,000	0	0	3,117,711
2021	338,283	1,736,485	542,941	0	100,000	400,000	0	0	3,118,804
2022	296,575	1,767,569	552,660	0	100,000	400,000	0	0	3,109,099
2023	252,224	1,799,209	562,563	0	100,000	400,000	0	0	3,101,981
2024	205,063	1,831,415	572,622	0	100,000	400,000	0	0	3,092,456
2025	154,912	1,864,197	582,872	0	100,000	400,000	0	0	3,080,335
2026	101,584	1,897,566	593,306	0	100,000	400,000	0	0	3,060,843
2027	44,877	1,931,532	603,926	0	100,000	400,000	0	0	
2028	0	1,966,107	614,736	0	100,000	400,000	0	0	

MINIMUM GAIN CALCULATION

Year	Original Net Assets	Cumulative Additional Assets	Includes OR?		Replacement Reserve Balance	Lender Reserve Balance	Accum. Depreciation	Current Reductions Hist. Credit	Net Assets	Minimum Gain	Change in Min. Gain
			Yes	No							
2013	12,075,530	0	6,150	18,942	603,520	603,520	(905,330)	0	12,379,870	0	0
2014	12,075,530	0	18,942	627,802	615,590	615,590	(767,311)	0	11,942,752	0	0
2015	12,075,530	0	32,370	46,458	627,802	627,802	(1,182,926)	0	11,552,876	0	0
2016	12,075,530	0	46,458	61,231	640,460	640,460	(1,668,475)	0	11,193,973	0	0
2017	12,075,530	0	61,231	76,714	653,269	653,269	(2,304,164)	0	10,842,185	0	0
2018	12,075,530	0	76,714	31,564	666,335	666,335	(2,662,676)	0	10,514,415	0	0
2019	12,075,530	61,372	31,564	47,323	679,662	679,662	(3,008,552)	0	9,868,427	0	0
2020	12,075,530	61,372	47,323	63,650	692,754	692,754	(3,366,652)	0	9,548,230	0	0
2021	12,075,530	61,372	63,650	81,176	704,130	704,130	(3,689,959)	0	9,231,738	0	0
2022	12,075,530	61,372	81,176	99,330	713,620	713,620	(4,043,347)	0	8,913,950	0	0
2023	12,075,530	61,372	99,330	118,343	721,045	721,045	(4,398,119)	0	8,598,342	0	0
2024	12,075,530	61,372	118,343	138,246	726,217	726,217	(4,719,436)	0	8,284,648	0	0
2025	12,075,530	61,372	138,246	148,477	728,937	728,937	(5,077,793)	0	7,947,180	0	0
2026	12,075,530	171,969	148,477	68,052	728,997	728,997	(5,449,501)	0	7,592,226	0	0
2027	12,075,530	171,969	68,052	88,576	726,178	726,178	(5,783,302)	0	7,288,365	0	0
2028	12,075,530	171,969	88,576		735,593	735,593		0		0	0

REALLOCATION - 704B POTENTIAL LOSS REALLOCATION DUE TO 704(b)

Year	L.P. Capital Contribution	Historic Credit	Syndication Costs	Cash Distributions	Capital Account End of Yr.	Initial Allocation to L.P.	Re-Allocation due to Related NR	Potential L.P. Losses	CarryOver Capital or Minimum Gain	Change in Minimum Gain (True N.R.)	Maximum Loss Allocation	Losses Allocated to L.P.	Potential Reallocation to G.P.	Deficit Restoration or Equivalent	Actual Reallocation to G.P.
2013	6,581,074	0	(45,000)	0	6,108,853	(427,221)	0	(427,221)	3,307,644	0	6,536,074	(427,221)	0	0	0
2014	0	0	0	0	5,620,994	(487,859)	0	(487,859)	2,946,919	6,108,853	6,108,853	(487,859)	0	0	0
2015	0	0	0	0	5,193,277	(427,717)	0	(427,717)	2,591,078	5,620,994	5,620,994	(427,717)	0	0	0
2016	0	0	0	0	4,795,742	(397,535)	0	(397,535)	2,235,226	5,193,277	5,193,277	(397,535)	0	0	0
2017	0	0	0	0	4,404,495	(391,247)	0	(391,247)	1,883,037	4,795,742	4,795,742	(391,247)	0	0	0
2018	0	0	0	0	4,036,411	(368,084)	0	(368,084)	1,534,330	4,404,495	4,404,495	(368,084)	0	0	0
2019	0	0	0	0	3,676,256	(360,155)	0	(360,155)	1,163,595	4,036,411	4,036,411	(360,155)	0	0	0
2020	0	0	0	0	3,307,644	(368,612)	0	(368,612)	838,707	3,676,256	3,676,256	(368,612)	0	0	0
2021	0	0	0	0	2,946,919	(360,725)	0	(360,725)	533,306	3,307,644	3,307,644	(360,725)	0	0	0
2022	0	0	0	0	2,591,078	(355,841)	0	(355,841)	303,926	2,946,919	2,946,919	(355,841)	0	0	0
2023	0	0	0	0	2,235,226	(352,189)	0	(352,189)	183,037	2,591,078	2,591,078	(352,189)	0	0	0
2024	0	0	0	0	1,883,037	(348,707)	0	(348,707)	101,584	2,235,226	2,235,226	(348,707)	0	0	0
2025	0	0	0	0	1,534,330	(370,735)	0	(370,735)	59,306	1,883,037	1,883,037	(370,735)	0	0	0
2026	0	0	0	0	1,163,595	(386,307)	0	(386,307)	0	1,534,330	1,534,330	(386,307)	0	0	0
2027	0	0	0	0	777,288	0	0	0	0	1,163,595	1,163,595	0	0	0	0
2028	0	0	0	0	777,288	0	0	0	0	777,288	777,288	0	0	0	0

FINAL

ALLOCATION OF NET ASSETS

Loan Name	Year	Chase		City of Santa Ana		Santa Ana RDA		Retained		Unrelated	
		Net Assets	Loan Balance	Net Assets	Loan Balance	Net Assets	Loan Balance	Net Assets	Loan Balance	Minimum Gain	Minimum Gain
Total		12,379,870	593,863	1,506,713	1,506,713	471,099	471,099	471,099	471,099	0	0
2013		11,942,752	568,351	1,533,683	1,533,683	479,531	479,531	479,531	479,531	0	0
2014		11,552,876	541,222	1,561,136	1,561,136	486,115	486,115	486,115	486,115	0	0
2015		11,193,973	512,374	1,589,080	1,589,080	496,852	496,852	496,852	496,852	0	0
2016		10,842,185	481,698	1,617,524	1,617,524	505,746	505,746	505,746	505,746	0	0
2017		10,514,415	449,078	1,646,478	1,646,478	514,799	514,799	514,799	514,799	0	0
2018		10,195,451	414,391	1,675,950	1,675,950	524,014	524,014	524,014	524,014	0	0
2019		9,868,427	377,506	1,705,950	1,705,950	533,394	533,394	533,394	533,394	0	0
2020		9,548,230	338,283	1,736,486	1,736,486	542,941	542,941	542,941	542,941	0	0
2021		9,231,738	296,575	1,767,569	1,767,569	552,660	552,660	552,660	552,660	0	0
2022		8,913,930	252,224	1,799,209	1,799,209	562,553	562,553	562,553	562,553	0	0
2023		8,596,342	205,063	1,831,415	1,831,415	572,622	572,622	572,622	572,622	0	0
2024		8,284,648	154,912	1,864,197	1,864,197	582,872	582,872	582,872	582,872	0	0
2025		7,947,180	101,584	1,897,566	1,897,566	593,306	593,306	593,306	593,306	0	0
2026		7,592,226	44,877	1,931,532	1,931,532	603,926	603,926	603,926	603,926	0	0
2027		7,288,365	0	1,966,107	1,966,107	614,736	614,736	614,736	614,736	0	0
2028											

ALLOCATION OF NET ASSETS

Loan Name	Year	Goodwill		City of Santa Ana		FFAH		Unrelated		Unrelated	
		Remaining Net Assets	Loan Balance	Net Assets	Loan Balance	Net Assets	Loan Balance	Minimum Gain	Minimum Gain	Minimum Gain	Minimum Gain
Total		9,808,196	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2013		9,361,187	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2014		8,962,404	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2015		8,595,667	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2016		8,237,217	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2017		7,894,060	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2018		7,581,097	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2019		7,251,578	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2020		6,930,519	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2021		6,614,934	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2022		6,299,944	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2023		5,989,243	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2024		5,682,667	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2025		5,354,724	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2026		5,011,891	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2027		4,707,522	0	100,000	100,000	400,000	400,000	400,000	400,000	0	0
2028											

ALLOCATION OF NET ASSETS

Loan Name	Year	Deferred Fee		None		Unrelated		Unrelated		Unrelated	
		Remaining Net Assets	Loan Balance	Net Assets	Loan Balance	Minimum Gain	Minimum Gain	Minimum Gain	Minimum Gain	Minimum Gain	Minimum Gain
Total		9,308,196	0	0	0	0	0	0	0	0	0
2013		8,851,187	0	0	0	0	0	0	0	0	0
2014		8,462,404	0	0	0	0	0	0	0	0	0
2015		8,095,667	0	0	0	0	0	0	0	0	0
2016		7,737,217	0	0	0	0	0	0	0	0	0
2017		7,404,060	0	0	0	0	0	0	0	0	0
2018		7,081,097	0	0	0	0	0	0	0	0	0
2019		6,751,578	0	0	0	0	0	0	0	0	0
2020		6,430,519	0	0	0	0	0	0	0	0	0
2021		6,114,934	0	0	0	0	0	0	0	0	0
2022		5,799,944	0	0	0	0	0	0	0	0	0
2023		5,489,243	0	0	0	0	0	0	0	0	0
2024		5,182,667	0	0	0	0	0	0	0	0	0
2025		4,854,724	0	0	0	0	0	0	0	0	0
2026		4,511,891	0	0	0	0	0	0	0	0	0
2027		4,207,522	0	0	0	0	0	0	0	0	0
2028											

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FINAL

Taxable Income, Capital Account and Tax Benefits

SMT Project ID: Vista Del Rio Apartments
Project Name: Vista Del Rio Apartments

TAXABLE INCOME	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
NET OPERATING INCOME	70,074	62,712	54,559	46,730	38,181	29,632	21,083	12,534	4,985	(2,564)	(10,113)	(17,242)	(24,371)
Other Taxable Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Net Inc (including Interest on Reserves)	70,074	62,712	54,559	46,730	38,181	29,632	21,083	12,534	4,985	(2,564)	(10,113)	(17,242)	(24,371)

Deductions	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Interest Paid	10,062	9,573	9,084	8,595	8,106	7,617	7,128	6,639	6,150	5,661	5,172	4,683	4,194
Interest Accrued	10,886	10,397	9,908	9,419	8,930	8,441	7,952	7,463	6,974	6,485	5,996	5,507	5,018
Mortgage Insurance Premium	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation (from schedule)	305,330	285,819	266,308	246,797	227,286	207,775	188,264	168,753	149,242	129,731	110,220	90,709	71,198
Amortization and Expense (from Schedule)	121,506	115,519	109,532	103,545	97,558	91,571	85,584	79,597	73,610	67,623	61,636	55,649	49,662
Investor Services Fee	2,250	2,185	2,120	2,055	1,990	1,925	1,860	1,795	1,730	1,665	1,600	1,535	1,470
Partnership Administration Fee	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375	9,375
Tenant Services Fee	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	459,210	438,777	418,344	397,911	377,478	357,045	336,612	316,179	295,746	275,313	254,880	234,447	214,014
Total Taxable Income	(427,264)	(406,065)	(383,785)	(351,181)	(318,597)	(285,965)	(253,333)	(220,701)	(188,069)	(155,437)	(122,805)	(90,173)	(57,541)

Effect of Gross Income Allocation to GP	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Gross Income Allocat on to GP (GIA)	0	0	0	0	0	0	0	0	0	0	0	0	0
Allocable Income/loss (adjusted for GIA)	(427,264)	(406,065)	(383,785)	(351,181)	(318,597)	(285,965)	(253,333)	(220,701)	(188,069)	(155,437)	(122,805)	(90,173)	(57,541)

Allocation of Income/Loss to GP	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
GP Share of GIA	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Share Allocable Income/Loss	(43)	(42)	(41)	(40)	(39)	(38)	(37)	(36)	(35)	(34)	(33)	(32)	(31)
Reallocated Losses	(53)	(52)	(51)	(50)	(49)	(48)	(47)	(46)	(45)	(44)	(43)	(42)	(41)
GP Total Income/Loss	(97)	(94)	(92)	(90)	(88)	(86)	(84)	(82)	(80)	(78)	(76)	(74)	(72)

Allocation of Income/Loss to LP	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
LP Share Allocable Income/Loss	(427,221)	(405,823)	(382,744)	(350,181)	(317,607)	(284,965)	(252,333)	(219,701)	(187,069)	(154,437)	(121,805)	(89,173)	(56,541)
Reallocated to GP	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Allocation of Income/Loss to LP	(427,221)	(405,823)	(382,744)	(350,181)	(317,607)	(284,965)	(252,333)	(219,701)	(187,069)	(154,437)	(121,805)	(89,173)	(56,541)

L.P. SHARE OF TAX BENEFITS	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Tax Benefits @ 35.00%	149,527	142,839	136,151	129,463	122,775	116,087	109,399	102,711	96,023	89,335	82,647	75,959	69,271
From Tax Losses	0	0	0	0	0	0	0	0	0	0	0	0	0
Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Acquisition Tax Credits (4%)	0	0	0	0	0	0	0	0	0	0	0	0	0
Federal Conduit/Lease Credits (6% or 4%)	0	0	0	0	0	0	0	0	0	0	0	0	0
Fed Historic Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
State Low Income Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
State Historic Tax Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Other State Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Fed Credit	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tax Credits	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Tax Benefits from Credits and Losses	149,527	142,839	136,151	129,463	122,775	116,087	109,399	102,711	96,023	89,335	82,647	75,959	69,271

Project Investment	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
NET BENEFIT	0	0	0	0	0	0	0	0	0	0	0	0	0
Project IRR:	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

FINAL

3/3/5

Project Cash Flow

Project Name: Vista Del Rio Apartments
SMT Project ID: 33628

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
RENTAL INCOME															
Gross Potential Rental Income - Tax Credit Units	249,858	362,158	403,923	416,041	428,622	441,377	454,619	468,257	482,305	496,774	511,577	527,028	542,838	559,104	575,832
Gross Potential Rental Income - Non-Tax Credit Units	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gross Potential Rental Income - Other (Specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Gross Potential Rental Income	249,858	362,158	403,923	416,041	428,622	441,377	454,619	468,257	482,305	496,774	511,577	527,028	542,838	559,104	575,832
Other Income - Residential	4,502	6,182	6,368	6,558	6,756	6,958	7,167	7,382	7,604	7,832	8,067	8,308	8,558	8,815	9,079
Less Econ. Vac. Loss (Yrs 2-16)	12,718	23,950	24,617	25,356	26,117	26,900	27,707	28,538	29,395	30,275	31,180	32,120	33,084	34,076	35,099
Gross Potential Rental Income - Commercial	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less Econ. Vac. Loss (Yrs 2-16)	241,642	374,440	395,673	397,244	402,161	421,436	434,079	447,101	460,514	474,330	488,559	503,216	518,313	533,882	549,933
Effective Gross Income	7,725	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,257	14,685	15,126	15,580
EXPENSES															
Professional Fees	61,943	85,069	87,821	90,250	92,958	96,747	98,619	101,578	104,625	107,764	110,997	114,327	117,757	121,290	124,929
Administrative Expenses	25,358	34,824	35,869	36,945	38,195	39,195	40,371	41,582	42,829	44,114	45,437	46,800	48,204	49,650	51,140
Total Utilities	69,951	95,242	98,099	101,042	104,073	107,195	110,411	113,723	117,135	120,649	124,268	127,995	131,836	135,781	139,865
Total Repairs and Maint.	1,875	2,560	2,601	2,653	2,706	2,760	2,815	2,871	2,928	2,987	3,047	3,108	3,170	3,233	3,298
Total Real Estate Taxes	13,844	19,013	19,563	20,170	20,775	21,398	22,040	22,701	23,382	24,085	24,815	25,569	26,345	27,144	27,967
Total Other Taxes and Insurance	17,379	26,930	27,738	28,570	29,427	30,310	31,219	32,156	33,120	34,114	35,137	36,191	37,277	38,395	39,547
Total Property Management Fee	7,500	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,257	14,685	15,126
Other Miscellaneous Expenses	204,975	284,537	293,047	301,812	310,840	320,139	329,715	339,578	349,735	360,188	370,972	382,070	393,501	405,274	417,402
Total Expenses	36,867	89,903	92,627	95,452	98,321	101,297	104,364	107,524	110,779	114,130	117,587	121,146	124,812	128,588	132,476
NET OPERATING INCOME	6,150	12,669	13,049	13,441	13,844	14,259	14,687	15,127	15,581	16,049	16,530	17,026	17,537	18,063	18,605
Scheduled Additions to Residential Replacement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Additions to Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NOI Adjusted For Reserves	30,517	77,224	79,578	81,991	84,477	87,038	89,677	92,396	95,198	98,083	101,037	104,120	107,275	110,508	113,871
ECR	1,14	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26	1,26
DCR requirement	1,10	1,10	1,09	1,08	1,07	1,06	1,05	1,04	1,03	1,02	1,01	1,00	1,00	1,00	1,00
ECR requirement	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05	1,05
DCR test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ECR test	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required reserve (greater of DCR test or ECR test)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEBT SERVICE AND CASH FLOW FEES															
Loan 1 - Chase	15,345	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382	61,382
Debt Service Coverage Ratio	1,99	1,26	1,30	1,34	1,38	1,42	1,46	1,51	1,55	1,60	1,65	1,70	1,75	1,80	1,85
Investor Services Fee	2,250	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032	4,153	4,277	4,406	4,538
Loan 7 - Deferred Fee	12,922	12,763	15,013	17,331	19,719	22,178	24,713	27,325	30,016	32,787	35,643	38,585	41,616	44,733	47,931
Debt Service Coverage Ratio	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Partnership Administration Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 2 - City of Santa Ana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 3 - Santa Ana RDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 4 - Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 5 - Santa Ana RDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan 6 - FFAH	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt Service Coverage Ratio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GP Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Exhibit I

INVESTOR SERVICES AGREEMENT

THIS INVESTOR SERVICES AGREEMENT (this "**Agreement**"), dated and effective as of the 20th day of March, 2012, is made by and between VISTA DEL RIO HOUSING PARTNERS LP, a limited partnership formed under the laws of the State of California (the "**Partnership**") and WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership (the "**Servicer**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a forty-one (41) unit residential project in one (1) building(s) located in Santa Ana, California (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership desires that the Servicer provide certain services with respect to the operation of the Partnership.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Appointment and Term.** The Partnership hereby retains the Servicer to provide services to the Partnership as herein contemplated. The term of this Agreement shall begin on the date hereof and shall end on the earlier of the termination of the Partnership or the date on which neither the Servicer nor any of its Affiliates continues to be the general partner of any Limited Partner of the Partnership.

2. **Authority and Obligations.** Subject to the provisions of the Partnership Agreement, the Servicer shall have the authority and obligation to:

(a) Review and comment each year on the content and format of reports to be provided by the Partnership to the Limited Partner in order to assist the Partnership in providing useful, timely and appropriate information to the Limited Partner; and

(b) Take such other actions as it deems appropriate and as authorized or contemplated by the Partnership Agreement in order to promote efficient communications and favorable relationships between the Partnership and the Limited Partner.

3. **Investor Services Fee.** For services performed under this Agreement, beginning January 1, 2012, the Partnership shall pay the Servicer, over the term of this Agreement, an annual Investor Services Fee of \$3,000. For each year after 2012, the fee shall increase at the rate of three percent (3%) per year. The Investor Services Fee shall be paid from Cash Flow available for payment of such fee pursuant to Exhibit A-4 or Capital Proceeds under Section 8.02 of the Partnership Agreement. If Cash Flow is not sufficient to pay the fee provided above, then

any unpaid fees shall accrue without interest and shall be payable out of the next available Cash Flow or Capital Proceeds.

4. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

5. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the other party; provided, however, that the Servicer may assign this Agreement to a successor Limited Partner or an Affiliate of Enterprise.

6. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

7. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

8. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

9. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

10. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

11. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

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

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Investor Services Agreement as of the date first written above.

WITNESS/ATTEST:

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

Mara Blythe

By:

Dora Leong Gallo
Name: Dora Leong Gallo
Title: Chief Executive Officer

WINCOPIN CIRCLE LLLP,
Servicer

By: Enterprise Community Investment, Inc.,
General Partner

By:

Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Investor Services Agreement as of the date first written above.

WITNESS/ATTEST:

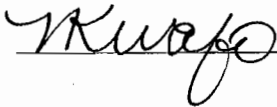
VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____
Name: _____
Title: _____

WINCOPIN CIRCLE LLLP,
Servicer

By: Enterprise Community Investment, Inc.,
General Partner

 _____

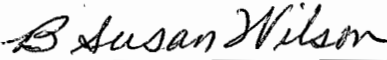
By:  _____
Name: B. Susan Wilson
Title: Vice President

Exhibit J

RIGHT OF FIRST REFUSAL AGREEMENT

THIS RIGHT OF FIRST REFUSAL AGREEMENT (this "**Agreement**"), dated and effective as of the 20th day of March, 2012, is made by and between VISTA DEL RIO HOUSING PARTNERS LP, a limited partnership formed under the laws of the State of California (the "**Partnership**"), SANTA ANA SPECIAL NEEDS, LLC, a California limited liability company ("**SASN**"), A COMMUNITY OF FRIENDS, a California nonprofit public benefit corporation ("**ACOF**"), and the CITY OF SANTA ANA, a charter city and municipal corporation (the "**City**").

RECITALS

The Partnership was formed for the purpose of acquiring, owning, developing, constructing and/or rehabilitating, leasing, managing, operating, and, if appropriate or desirable, selling or otherwise disposing of a forty-one (41) unit residential project in one (1) building(s) located in the City of Santa Ana, County of Orange, State of California, more particularly described on Exhibit A attached hereto (the "**Project**"). The Partnership is operating by a First Amended and Restated Agreement of Limited Partnership to which this Agreement is attached as an Exhibit and made a part thereof (the "**Partnership Agreement**").

The Partnership desires to give, grant, bargain, sell, and convey to Purchaser certain rights to purchase the Property on the terms and subject to the conditions set forth herein.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Right of First Refusal.** After the end of the Compliance Period, provided that the Managing General Partner does not have any outstanding financial obligations to the Limited Partner or the Partnership, the Partnership will not sell the Project or any portion thereof to any Person without first offering the Project (the "**Buyout**") by Notice to SASN (if it then qualifies as an organization described in Section 42(h)(5)(C) of the Code) or, if SASN does not elect to exercise its right of first refusal within the time specified in Section 12 below, for a period of forty-five (45) days to the City or, if the City does not elect to exercise its right of first refusal and there is no Event of Default with respect to the General Partner, for an additional period of forty-five (45) days to ACOF (if it then qualifies as an organization described in Section 42(h)(5)(C) of the Code) (such of SASN, the City or ACOF as exercises the right of first refusal hereinafter referred to as the "**Purchaser**"), at a price (the "**Buyout Price**") equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Project and any accrued interest on any of such debts, and (ii) all federal, State, and local taxes attributable to such sale, including those incurred or to be incurred by the partners of the Limited Partner; *provided, however,* that such right of first refusal shall be conditioned upon the receipt of a bona fide offer. At the end of the Compliance Period, if the Managing General Partner has any outstanding financial obligations to the Limited Partner or the Partnership the Managing General Partner shall discharge all such financial obligations forthwith, Prior to the end of the Compliance Period and the discharge of all outstanding financial obligations of the Managing General Partner to the Limited Partner or the Partnership, the Partnership will not sell the Project or any portion

thereof to any Person without the prior written consent of SASN, which consent may be withheld by SASN in its sole and absolute discretion. All third-party fees and costs of the Buyout, including any filing fees, shall be paid by Purchaser. Purchaser may, at its option, assume all assumable Mortgages, crediting the Buyout Price with the balance of principal, interest, and other fees and charges due thereunder as of the date of closing. At Purchaser's option, the Partnership shall provide, at Purchaser's expense, title insurance insuring Purchaser's title to the Partnership Property, subject only to such encumbrances of record as may exist at the Admission Date, but excluding any Mortgages other than those expressly assumed by Purchaser at closing, in such form and with such endorsements as may be reasonably requested by Purchaser. In the event that either SASN or ACOF, or both, fails to exercise its option to purchase the Partnership Property on the terms set forth above, then such party shall, forthwith upon demand, deliver to the Partnership a written relinquishment of all rights hereunder in recordable form. In that event, and if the City also does not purchase the Partnership Property on the terms set forth above, then the right of first refusal granted herein shall lapse. The right of first refusal granted hereunder is intended to satisfy the requirements of Section 42(i)(7) of the Code and shall be interpreted consistently therewith. Absent the express written consent of SASN and while the rights of SASN hereunder remain outstanding, (i) no offer at an amount less than the Buyout Price shall be deemed a bona fide offer, and (ii) no sale of the Project shall be made at a price less than the Buyout Price.

2. **Partnership Agreement.** Except as expressly provided herein, this Agreement shall be subject to the applicable terms and conditions of the Partnership Agreement.

3. **Burden and Benefit.** The covenants and agreements contained herein shall be binding upon and inure to the benefit of the successors and assigns of the respective parties hereto. No party may assign this Agreement without the consent of the Partnership.

4. **Severability of Provisions.** Each provision of this Agreement shall be considered severable, and if for any reason any provision that is not essential to the effectuation of the basic purposes of the Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement that are valid.

5. **No Continuing Waiver.** None of the parties hereto shall be deemed to have waived any rights hereunder unless such waiver shall be in writing and signed by such party. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

6. **Defined Terms.** Except as expressly provided herein, terms used in this Agreement with initial capital letters shall have the meanings set forth in the Partnership Agreement.

7. **Governing Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California, without regard to principles of conflicts of laws.

8. **Binding Agreement.** This Agreement shall be binding on the parties hereto, and their heirs, executors, personal representatives, successors and assigns.

9. **Headings.** All headings in this Agreement are for convenience of reference only and are not intended to qualify the meaning of any provision of this Agreement.

10. **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders, the singular shall include the plural, and vice versa as the context may require.

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

12. **Notice to SASN; Exercise.** The Notice required pursuant to Section 1 above shall include a calculation by the Accountants setting forth in detail the Buyout Price, together with each of the elements which together aggregate the Buyout Price. SASN shall give written Notice to the Partnership and ACOF of its election to exercise its right of first refusal hereunder and purchase the Project, or its election not to do so, within ninety (90) days of receipt by SASN of the Notice required pursuant to Section 1 above including all such calculations as required by this Section 12. Failure of SASN to provide its responsive Notice within such ninety (90)-day period shall be deemed an election by SASN not to exercise its right of first refusal hereunder.

13. **Expiration.** This Agreement will expire, if not sooner terminated by the sale of the Project to the Purchaser pursuant to this Agreement or by the sale of the Project to a third party if the Purchaser does not election to exercise its option to purchase the Project pursuant to this Agreement, on December 31, 2100.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Right of First Refusal Agreement as of the date first above written.

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: *[Signature]*
Name: Dora Leong Gallo
Title: Chief Executive Officer

State of California)
County of Los Angeles)

On 3/17/12, before me, DINDE R. PATRICK, Notary Public,
(here insert name and title of the officer)

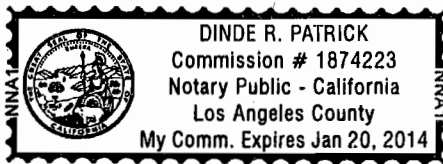
personally appeared Dora Leong Gallo,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

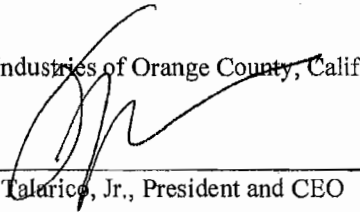
Signature *Dinde R. Patrick*

(seal)



SANTA ANA SPECIAL NEEDS, LLC,
Purchaser

By Goodwill Industries of Orange County, California, its
Member

By: 
Frank Talarico, Jr., President and CEO

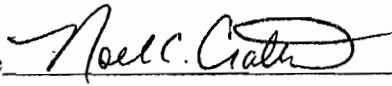
State of California)
County of Orange)

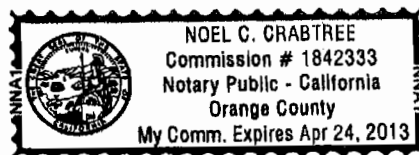
On March 19, 2012, before me, Noel C. Crabtree, Notary Public,
(here insert name and title of the officer)

personally appeared Frank Talarico, Jr.,
who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed
to the within instrument, and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~
authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity
upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature 



(seal)

A COMMUNITY OF FRIENDS,
Purchaser

By: *[Signature]*
Name: Dora Leong Gallo
Title: Chief Executive Officer

State of California)
County of Los Angeles)

On 3/14/12, before me, DINDE R. PATRICK, Notary Public,
(here insert name and title of the officer)

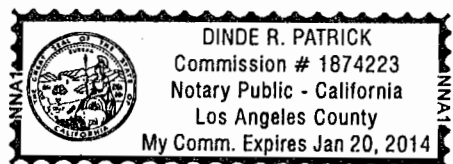
personally appeared DORA LEONG GALLO,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed
to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature *[Signature]*

(seal)



CITY OF SANTA ANA, a municipal corporation,
Purchaser

By: Francisco Gutierrez
Name: Francisco Gutierrez
Title: Executive Director of Finance and
Management Services

State of California)
County of _____)

On _____, before me, _____, Notary Public,
(here insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed
to the within instrument, and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(seal)

Exhibit A

LEGAL DESCRIPTION

Exhibit A

LEGAL DESCRIPTION

Real property in the City of Santa Ana, County of Orange, State of California, described as follows:

IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, BEING A PORTION OF THE NORTHEAST QUARTER OF SECTION 2, TOWNSHIP 5 SOUTH, RANGE 10 WEST, IN THE RANCHO LAS BOLSAS, AS PER MAP RECORDED IN BOOK 51, PAGE 12 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, AS DESCRIBED IN A DEED TO THE NEWBERT PROTECTION DISTRICT, RECORDED OCTOBER 16, 1919 IN BOOK 339 PAGE 382 OF DEEDS IN THE OFFICE OF SAID COUNTY RECORDER MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF LOT 38 OF TRACT NO. 2887 AS SHOWN ON A MAP FILED IN BOOK 117, PAGES 28 THROUGH 30, INCLUSIVE, OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY, BEING ALSO THE WESTERLY CORNER OF THAT CERTAIN STRIP OF LAND DEEDED TO THE CITY OF SANTA ANA ON MAY 14, 2002 BY INSTRUMENT NO. 20020400664 OF OFFICIAL RECORDS OF SAID COUNTY, THE SOUTHERLY LINE OF SAID STRIP BEING A TANGENT CURVE, CONCAVE SOUTHERLY AND HAVING A RADIUS OF 867.00 FEET, THENCE SOUTHEASTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10° 23' 48", AN ARC LENGTH OF 157.32 FEET TO THE END OF SAID CURVE, THENCE SOUTH 69° 55' 32" EAST A DISTANCE OF 77.35 FEET ALONG THE SOUTHERLY LINE OF SAID STRIP; THENCE DEPARTING SAID SOUTHERLY LINE ON A COURSE BEARING SOUTH 20° 04' 28" WEST A DISTANCE OF 7.00 FEET; THENCE NORTH 69° 55' 32" WEST A DISTANCE OF 28.00 FEET; THENCE SOUTH 62° 04' 28" WEST A DISTANCE OF 13.38 FEET; THENCE SOUTH 14° 04' 28" WEST A DISTANCE OF 36.00 FEET; THENCE SOUTH 40° 01' 11" EAST A DISTANCE OF 27.44 FEET; THENCE SOUTH 25° 35' 43" EAST A DISTANCE OF 29.37 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIAL BEARING OF SOUTH 39° 52' 08" WEST AND A RADIUS OF 42.00 FEET; THENCE SOUTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 50° 45' 00" AN ARC LENGTH OF 37.20 FEET TO THE END OF SAID CURVE; THENCE ALONG A LINE TANGENT TO SAID CURVE SOUTH 00° 37' 08" WEST A DISTANCE OF 140.00 FEET; THENCE SOUTH 89° 22' 52" EAST A DISTANCE OF 14.00 FEET TO A POINT ON THE NORTHWESTERLY LINE OF "PARCEL 1" OF A DOCUMENT RECORDED IN BOOK 9034, PAGE 417, OFFICIAL RECORDS OF SAID COUNTY; THENCE SOUTH 26° 53' 03" WEST A DISTANCE OF 534.66 FEET ALONG THE NORTHWESTERLY LINE OF SAID "PARCEL 1" TO A POINT ON THE EASTERLY LINE OF SAID TRACT 2887; THENCE NORTH 0° 37' 08" EAST ALONG SAID EASTERLY LINE A DISTANCE OF 802.28 FEET TO THE POINT OF BEGINNING.

APN: 101-055-27

Exhibit K

MONTHLY CONSTRUCTION AND LEASE-UP STATUS REPORT

VISTA DEL RIO HOUSING PARTNERS LP

This report is to be completed during the first week of each month and sent to: eConstruction@enterprisecommunity.com, with a copy to your assigned Asset Manager, regardless of whether draws require equity installments.

ATTACH CURRENT DRAW SCHEDULE (showing Sources & Uses to date) AND THE APPROVED AIA FORM G702/3 FOR EACH DRAW.

MONTH	PROJECTED PERCENT COMPLETE	ACTUAL PERCENT COMPLETE	TOTAL CONSTRUCTION FUNDS EXPENDED TO DATE	CONTINGENCY EXPENDED TO DATE	NUMBER OF UNITS OCCUPIED TO DATE
	(Start Date _____ Complete Date _____)	(_____ Buildings)	(Construction Contract Budget: _____)	(Initial Contingency: _____)	(Total Units: _____)

The General Partner hereby certifies that the following representations and warranties are true, correct and not misleading as of the date set forth below:

1. All improvements constructed or to be constructed in full compliance with the requirements of the Project and/or Loan Documents will be completed by the Completion Date.
2. The Partnership will have sufficient funds available from all sources to complete construction and convert all Loans to permanent status.
3. The Construction Contract is not in default.
4. All change orders have been approved by the Limited Partner as required in Section 5.13 of the Agreement.
5. No material changes have been made to the Project Documents.
6. The Project is free and clear of mechanic's liens.
7. All reporting items required by Section 13.03 of the Agreement have been submitted.

COMPLETED BY: _____
 Title: _____
 Date: _____

Phone: _____
 email: _____

Exhibit L

INSURANCE REQUIREMENTS CHECKLIST

A. Construction Phase

- 1. *Owner's Commercial General Liability (Bodily Injury and Property Damage) Insurance* of the real estate development class in amounts not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and \$3,000,000 umbrella for structures with 1-3 stories or \$5,000,000 umbrella for structures 4 or more stories. Maximum deductible is \$10,000.
- 2. *General Contractor's Commercial General Liability and Property Damage Insurance* of the construction exposure class in the same amounts set forth above. Automobile liability, and workers' compensation in the statutory amount. Maximum deductible is \$10,000.
- 3. *All-Risk Builder's Risk Insurance* ("All-Risk or "Special" form, NOT "NAMED PERIL" POLICY) providing replacement cost coverage in an amount equal to completed construction value, including soft cost coverage, with an agreed amount endorsement per the attached worksheet. For rehabilitation projects, the building acquisition cost is to be included in the Builder's Risk policy. Maximum deductible is \$10,000, but may be higher on a case-by-case basis.
- 4. *Architect's Errors and Omissions Insurance* for the greater of \$250,000 or 10% of the construction contract, in a form satisfactory to the Limited Partner.

B. Permanent Insurance (after construction)

- 1. *Owner's Commercial General Liability (Bodily Injury and Property Damage) Insurance* in amounts not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and \$3,000,000 umbrella for structures with 1-3 stories or \$5,000,000 umbrella for structures 4 or more stories. Maximum deductible is \$10,000.
- 2. *Owner's Special Form* ("All-Risk or "Special" form, NOT "NAMED PERIL" POLICY) *Property Insurance* on buildings and personal property in an amount not less than the full insurable replacement value of such buildings and personal property. Maximum deductible is \$10,000, but may be higher on a case-by-case basis.
- 3. *Rental Interruption Insurance* in amounts required by all lenders, but not less than the equivalent of twelve (12) months' gross rental income.
- 4. *Boiler and Machinery Coverage*, in form and amount deemed necessary by all lenders and acceptable to the Limited Partner (such amount to equal at least full replacement cost of the building that houses the equipment), is required for projects (i) which have any centralized HVAC equipment is in operation at the project and (ii) which contain boilers or other pressure-fired vessels that are required to be regulated by the state in which the property is located.

C. Catastrophic Risk and Additional Insurance Coverage

- ___ 1. *Sinkhole/Mine Subsidence Insurance* in an amount equal to 100% replacement cost if the project is located in an area that is prone to sinkhole/mine subsidence.
- ___ 2. *Windstorm Coverage* if "all-risk" property damage insurance excludes wind-related events in an amount equal to 100% of replacement cost or actual cash value. Maximum deductible is 5% of the total insured value.
- ___ 3. *Flood Insurance* in an amount equal to 100% of the full replacement cost if the project is located in a Special Flood Hazard Area. Maximum deductible is 2% of the total insured value per building.
- ___ 4. *Earthquake coverage* – Seismic reports are required for all projects located in Zones 3 or 4. If the Probable Maximum Loss (PML) is 20% or greater, earthquake insurance in an amount equal to 100% of the full replacement value is required, with a maximum deductible of 5% of the total insured value. If the PML is below 20%, insurance is not required. However, if the PML is slightly under 20%, the sponsor must provide information on what will be done to mitigate any seismic risk (i.e. construction includes HVAC clips, reinforced masonry, etc.).
- ___ 5. *Ordinance and Law Coverage* if the apartment complex represents a non-conforming use under current building, zoning, or land use laws or ordinances, where not otherwise covered by Owner's Property Insurance policy

D. Evidence of Insurance

Insurance coverage must be evidenced by Certificates of Insurance and properly endorsed policies certified as true and correct by the insurance agent, but may not be evidenced solely by Certificates. All evidence of insurance must satisfy the following requirements:

- 1. Vista Del Rio Housing Partners LP should be the named insured.
- 2. Wincopin Circle LLLP and its successors, assigns and transferees, Enterprise Neighborhood Partners IV LLLP and FNBC Leasing Corporation should be named as an additional insured(s) and should appear in the certificate holder box with the following address:

c/o Enterprise Community Investment, Inc.
10227 Wincopin Circle, Suite 800
Columbia, MD 21044
Attention: Asset Management
- 3. Policies must be written with an A.M. Best rated company of "A-V" or better.
- 4. All binders and policies should contain a cancellation clause stating that the policy will not be canceled without at least thirty (30) days prior written notice to the Limited

Partner. The Clause should not state that the insurer will "endeavor" to send such notice or that no liability attaches to the insurer for failure to send such notice.

5. Certificates must document the amount of all deductibles.
6. All binders and policies must be accompanied by evidence of premium payment.

**Builder's Risk Insurance
Replacement Cost Worksheet**

A. Completed Construction Value

Permanently installed furnishings and fixtures	\$ _____
Construction Costs	\$ _____
Contingency	\$ _____
<i>Subtotal</i>	\$ _____

B. Plus Building Acquisition

Rehab Projects only, not less than \$50/sq/ft building area

Subtotal \$ _____

C. Plus Soft Cost Coverage

Architect Supervision	\$ _____
Construction Monitoring	\$ _____
Construction Security	\$ _____
Real Estate Taxes	\$ _____
Insurance	\$ _____
Legal	\$ _____
Marketing	\$ _____
Accounting	\$ _____
Lease-Up	\$ _____
Construction Period Interest	\$ _____
Permits and Fees (i.e. bldg, tap fees, etc.)	\$ _____
Credit Fees	\$ _____
Other _____	\$ _____
Other _____	\$ _____

Subtotal \$ _____

Total Replacement Cost \$ _____

Exhibit M

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT (the "**Agreement**") dated as of the date set forth below (the "**Effective Date**"), by and among WINCOPIN CIRCLE LLLP, a Maryland limited liability limited partnership ("**Assignor**"), VISTA DEL RIO HOUSING PARTNERS LP, a limited partnership formed under the laws of the State of California (the "**Partnership**"), A COMMUNITY OF FRIENDS, a California nonprofit public benefit corporation, in its capacity as the managing general partner of the Partnership (the "**Managing General Partner**"), FOUNDATION FOR AFFORDABLE HOUSING V, INC., a California nonprofit public benefit corporation, in its capacity as the Administrative General partner of the Partnership (the "**Administrative General Partner**" and together with the Managing General Partner, the "**General Partner**"), SANTA ANA SPECIAL NEEDS, LLC, a California limited liability company, in its capacity as a special limited partner of the Partnership (the "**SASN Special Limited Partner**"), AMCAL ENTERPRISES, INC., a California corporation, in its capacity as a special limited partner of the Partnership (the "**AMCAL Special Limited Partner**," and together with the SASN Special Limited Partner, the "**Special Limited Partner**"), and [NAME OF ASSIGNEE], a [State] [type of entity] (the "**Assignee**").

RECITALS

WHEREAS, Assignor serves as Limited Partner in the Partnership pursuant to the First Amended and Restated Agreement of Limited Partnership of the Partnership dated as of March 20, 2012 (the "**Partnership Agreement**");

WHEREAS, Assignor wishes to assign its Limited Partner interest (the "**LP Interest**") to the Assignee;

WHEREAS, Article X of the Partnership Agreement specifically contemplates the transfer by Assignor of the LP Interest to Assignee and acknowledges the consent of all Partners thereto;

WHEREAS, Article X of the Partnership Agreement acknowledges that the Assignee, as transferee of the LP Interest pursuant to this Transfer Agreement, shall be automatically substituted as the Limited Partner of the Partnership on the Effective Date;

WHEREAS, Assignor wishes to assign the LP Interest to the Assignee, as of the Effective Date, and the Assignee wishes to accept such assignment of the LP Interest for the consideration and upon the terms and conditions hereinafter set forth above;

WHEREAS, the Assignee is willing to undertake all of the obligations of Assignor under the Partnership Agreement and exhibits thereto, including its rights and obligations under the Investor Services Agreement attached as Exhibit I to the Partnership Agreement, relating to the LP Interest (the "**LP Obligations**"); and

WHEREAS, the Partnership and the General Partner desire to acknowledge such undertaking of the LP Obligations by the Assignee and to release the Assignor from the LP Obligations.

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration hereinafter described, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

Capitalized terms used but not defined herein shall have the respective meanings attributed thereto in the Partnership Agreement.

Assignor hereby assigns to Assignee and Assignee hereby accepts from Assignor, all of Assignor's right, title and interest in and to the LP Interest, consisting of Assignor's right to allocations of profits, gain, income and losses and Credits and all items entering into the computation thereof, and to distributions of cash, however denominated, under the Partnership Agreement with respect to the LP Interest.

In consideration of the assignment effected hereby, Assignee hereby assumes and agrees to discharge all of the LP Obligations. In addition, Assignee shall promptly reimburse Assignor for all Capital Contributions heretofore made by Assignor to the Partnership in its capacity as Limited Partner and for such other expenditures heretofore incurred by Assignor relating to its acquisition of the LP Interest as Assignor and Assignee shall mutually determine.

The Partnership and the General Partner hereby (i) acknowledge the assignment of the LP Interest and assumption by the Assignee of the LP Obligations pursuant to this Agreement and (ii) agree to release Assignor from the LP Obligations. The General Partner and the Special Limited Partner hereby acknowledge and confirm the admission of the Assignee for all purposes as a Substitute Limited Partner under Article X of the Partnership Agreement.

By its execution hereof, the Assignee hereby agrees to become a Substitute Limited Partner of the Partnership and, subject to the foregoing provisions of this Agreement, agrees to be bound (to the same extent as Assignor was bound) by the Project Documents and by the provisions of the Partnership Agreement and exhibits thereto as they relate to the LP Interest.

The parties hereto hereby confirm the continuing validity and enforceability of the Partnership Agreement and each of the exhibits thereto, acknowledging that the Assignee shall succeed to all rights and obligations of Assignor thereunder with respect to the LP Interest as of the Effective Date. This provision shall be construed to amend the Partnership Agreement and each of the exhibits thereto to the extent necessary to give effect to the provisions of this Agreement. Without limitation of the foregoing, Exhibit A to the Partnership Agreement is hereby amended by the Revised Exhibit A attached hereto.

The parties agree that the assignment of the LP Interest and the other transactions effected hereby shall be effective for all purposes as of the Effective Date. The General Partner hereby confirms that any and all third-party approvals to the effectiveness of the transactions described in this Agreement have been obtained.

In accordance with Article X of the Partnership Agreement, the parties hereto agree to cooperate in good faith to effect any further amendments to the Partnership Agreement, exhibits thereto or Project Documents and to take such other steps as may be necessary or appropriate in order to more fully reflect and further evidence the assignment of the LP Interest and the other transactions effected hereby. In this regard, the Investor Services Agreement, attached as Exhibit I to the Partnership Agreement, is hereby amended to replace the Assignor as the Servicer with the Assignee.

This instrument may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all parties hereto, notwithstanding that all parties have not signed the original or the same counterpart.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date set forth at the foot of Revised Exhibit A attached to this Agreement.

WITNESS/ATTEST:

ASSIGNOR:

WINCOPIN CIRCLE LLLP

By: Enterprise Community Investment, Inc.,
General Partner

Kwaja

By: *B Susan Wilson*
Name: B. Susan Wilson
Title: Vice President

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____
Name: _____
Title: _____

A COMMUNITY OF FRIENDS,
Managing General Partner

By: _____
Name: _____
Title: _____

FOUNDATION FOR AFFORDABLE HOUSING
V, INC.
Administrative General Partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date set forth at the foot of Revised Exhibit A attached to this Agreement.

WITNESS/ATTEST:

ASSIGNOR:

WINCOPIN CIRCLE LLLP

By: Enterprise Community Investment, Inc.,
General Partner

By: _____
Name: _____
Title: _____

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

Mara Bligh

By: Dora Leong Gallo
Name: Dora Leong Gallo
Title: Chief Executive Officer

A COMMUNITY OF FRIENDS,
Managing General Partner

Mara Bligh

By: Dora Leong Gallo
Name: Dora Leong Gallo
Title: Chief Executive Officer

FOUNDATION FOR AFFORDABLE HOUSING
V, INC.
Administrative General Partner

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the Effective Date set forth at the foot of Revised Exhibit A attached to this Agreement.

WITNESS/ATTEST:

ASSIGNOR:

WINCOPIN CIRCLE LLLP

By: Enterprise Community Investment, Inc.,
General Partner

By: _____
Name: _____
Title: _____

VISTA DEL RIO HOUSING PARTNERS LP

By: A Community of Friends,
Managing General Partner

By: _____
Name: _____
Title: _____

A COMMUNITY OF FRIENDS,
Managing General Partner

By: _____
Name: _____
Title: _____

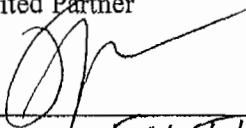
FOUNDATION FOR AFFORDABLE HOUSING
V, INC.
Administrative General Partner

By: Deborah A. Willard
Name: Deborah A. Willard
Title: President

Lorraine Bentley

SANTA ANA SPECIAL NEEDS, LLC,
Special Limited Partner

By: _____


Name: Frank Talma
Title: President / CEO

AMCAL ENTERPRISES, INC.,
Special Limited Partner

By: _____

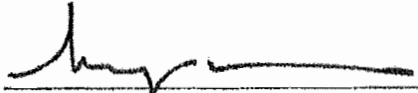
Name: Arjun Nagarkatti
Title: President

SANTA ANA SPECIAL NEEDS, LLC,
Special Limited Partner

By: _____
Name: _____
Title: _____

AMCAL ENTERPRISES, INC.,
Special Limited Partner

Lewis M. Davis

By: 
Name: Arjun Nagarkatti
Title: President

ASSIGNEE:

[NAME OF ASSIGNEE],

By: Enterprise Community Investment, Inc.,
its general partner

By: _____
Name: _____
Title: _____

**Revised Exhibit A
to Exhibit M**

**Partners; Percentage Interests;
Capital Contribution Commitments**

	<u>Percentage Interests</u>	<u>Capital Contributions*</u>
<u>General Partner</u>		
A Community of Friends	0.0025%	\$25
Foundation for Affordable Housing V, Inc.	0.0025%	\$25
<u>Special Limited Partner</u>		
Santa Ana Special Needs, LLC	0.0025%	\$25
AMCAL Enterprises, Inc.	0.0025%	\$25
<u>Limited Partner</u>		
[Name of Assignee] EIN: [__-____]	99.99%	\$6,581,074
TOTALS	100%	\$6,581,174

*The Capital Contribution of the Limited Partner will be paid in Installments as described on the following page. Each Additional Capital Contribution is due on the later of the scheduled due date or twenty (20) days (ten (10) days for Additional Capital Contributions made prior to the Completion Date) after receipt and approval by the Limited Partner of an Additional Capital Contribution Notice given by the General Partner, including the Notice Certifications in the exact form attached as Exhibit A-7, in accordance with Section 3.02(c). In addition, the Capital Contributions are subject to reduction as provided in this Agreement.

The EFFECTIVE DATE of this Transfer Agreement is _____, 201__.