# 220 KALAMAZOO LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP

# FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

**EFFECTIVE AS OF JANUARY 30, 2025**

This instrument was prepared by:

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**FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**

THIS FIRST AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF 220 KALAMAZOO LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP (referred to herein as the "Partnership Agreement") is entered into as of the 30th day of January, 2025 by and between the General Partners identified in the definition of “General Partners” in Exhibit A hereto, on the one hand, and, on the other, the Investor Limited Partner identified in the definition of “Investor Limited Partner” in Exhibit A hereto.

## STATEMENT OF AGREEMENT

The parties to this Partnership Agreement, each in consideration of the acts, capital contributions and promises of the other(s), agree as follows:

## ARTICLE 1. ORGANIZATION

### §1.1 Formation of Partnership

220 Kalamazoo Limited Dividend Housing Association Limited Partnership (the "Partnership") was formed as a limited partnership by 220 Kalamazoo GP, LLC, a Michigan limited liability company, as Original Managing General Partner, CCA-LHC, LLC, a Michigan limited liability company, as Original Minority General Partner, and Lansing Housing Commission, a public body corporate and politic of the City of Lansing, Michigan, as Original Limited Partner under the laws of the State of Michigan pursuant to an Agreement of Limited Partnership *(*“Initial Partnership Agreement”) dated as of March 28, 2023, and a Certificate of Limited Partnership (the "Original Certificate") recorded with the Filing Office on March 24, 2023 (such Initial Partnership Agreement and Original Certificate, being referred to herein as the "Original Agreement").

### §1.2 Purpose of Amendment

The purposes of this amendment and restatement to the Original Agreement are to (i) provide for the withdrawal of Lansing Housing Commission ("Withdrawing Limited Partner"), (ii) admit Cinnaire Fund for Housing Limited Partnership 42, a Michigan limited partnership, and (iii) set forth more fully the rights, obligations and duties of the General Partners and the Investor Limited Partner and to amend and restate the Original Agreement in its entirety.

### §1.3 Character and Purpose of Business

The Partnership has been organized exclusively to provide housing facilities for persons of low and moderate income, or for persons whose income does not exceed limits established in Act No. 346 of Public Acts of 1966 of the State of Michigan, as amended, (the "Housing Act") and §42 of the Code and for social, recreational, commercial, and communal facilities as may be necessary to serve and improve a residential area in which Authority-aided or federally-aided housing is located or is planned to be located, thereby enhancing the viability of the housing. The purpose of the Partnership is to acquire, construct, rehabilitate, develop, improve, maintain, own, operate, lease, dispose of and otherwise deal with the Project in accordance with the Project Documents, any applicable regulations, and the provisions of this Partnership Agreement. The Partnership shall not engage in any other business or activity.

**§1.4 Name of Partnership**

The name of the Partnership is 220 Kalamazoo Limited Dividend Housing Association Limited Partnership.

**§1.5 Principal Office**

The address of the principal office of the Partnership shall be 419 Cherry Street, Lansing Michigan, 48933, or such other address in the State of Michigan as may from time to time be selected by the General Partners, and the General Partners shall give due notice of such change to the Investor Limited Partner.

**§1.6 Agent for Service of Process**

The Partnership's agent for service of process is Douglas Fleming, and the address of such agent shall be the principal office set forth in §1.5 above.

**§1.7 Names and Addresses of General Partners**

The names and addresses of the General Partners are set forth in the definition of “General Partners” in Exhibit A.

**§1.8 Names and Addresses of Investor Limited Partner, Right to Transfer, and Withdrawal of Withdrawing Limited Partner**

The names and addresses of the Investor Limited Partner are set forth in the definition of “Investor Limited Partner” in Exhibit A. Subject to Authority and/or Lender approval, if required, the Fund and/or any member of the Fund reserves the right to transfer a portion or all of its right, title and interest in the Partnership and/or the Fund, respectively, to a partnership or other entity affiliated with the Fund, its manager, or any member in the Fund. As a requirement for admission, the assignee will be required to agree to be bound by the terms of this Partnership Agreement. In the event that the Fund and/or any member of the Fund conveys a portion or all of its interest in the Partnership and/or the Fund, respectively, to one or more of the above designated investors, the General Partners will be indemnified against any damages arising as a result of violations of any security statutes or regulations. The Fund shall immediately notify the General Partners in writing of any such transfer and the receipt of such approval by the Authority and/or Lender, if required.

Withdrawing Limited Partner hereby withdraws from the Partnership and acknowledges that it has received a return of its capital contribution and no longer has any claim or interest in the Partnership as a Limited Partner.

## §1.9 **Governmental Filings**

Promptly after the execution of this Partnership Agreement and the Partnership Certificate, the General Partners shall comply with the Act by filing the Partnership Certificate with the Filing Office. The General Partners shall also make all such other governmental filings as are necessary or appropriate to qualify the Partnership to do business in any jurisdiction or to otherwise carry out the purposes and intent of this Partnership Agreement.

## §1.10 **Term of Partnership**

The term of the Partnership began on March 24, 2023 (the date on which the Partnership's Original Certificate was first filed with the Filing Office), and the Partnership shall continue in existence until December 31, 2077, or such later date as is agreed to by all the Partners, unless it is earlier dissolved and terminated pursuant to the provisions of this Partnership Agreement.

## §1.11 **Definitions**

Except as otherwise defined, all capitalized words and phrases used in this Partnership Agreement (other than governmental subdivisions and agencies) shall have the meanings set forth in Exhibit A.

# ARTICLE 2. CAPITAL CONTRIBUTIONS

## §2.1 **General Partners' Capital Contributions**

The General Partners have made a cash Capital Contribution to the Partnership of $0.01. All further payments made by the General Partners under their General Partners guaranties as set forth in the Partnership Agreement, shall be treated as Capital Contributions.

Also, the General Partners, to the extent not previously transferred, hereby transfers and assigns to the Partnership all of its right, title and interest in, to and under all contracts, agreements, licenses, approvals, permits, Tax Credits, allocations, plans, specifications, governmental approvals including but not limited to planning, zoning and building permits, financing commitments, and any other tangible or intangible personal property which is related to the Partnership Property or which is required to permit the Partnership to pursue its business and carry out its purposes as contemplated in this Partnership Agreement. The General Partners' Capital Account shall not be credited with any amount as a result of their assignment to the Partnership of the various items referred to in the immediately preceding sentence.

## §2.2 **Investor Limited Partner's Capital Contributions**

The Investor Limited Partner agreed to make Capital Contributions to the Partnership in the aggregate amount of $12,414,562 based on the Projected Tax Credits. Subject to the provisions of this Partnership Agreement, the Investor Limited Partner's Capital Contributions shall be made upon the terms and subject to the conditions set forth in Schedule 1 attached hereto and made a part hereof, and with regard to the initial Capital Contribution upon:

(1) The Fund's receipt and acceptance of:

A. A legal opinion in form and substance acceptable to the Fund or Investor Limited Partner, in the Investor Limited Partner's sole discretion, from qualified Michigan counsel;

B. A title report or other satisfactory evidence, that the Partnership is, or will be upon closing of the Investor Limited Partner's investment in the Project, the sole owner of the Project, in fee simple (except for the land underlying the Project in the case of a long term ground lease), subject only to such liens, encumbrances and other title impairments as will not materially adversely affect the value or contemplated use of the Project, and the Partnership has received a commitment for an ALTA owner's title insurance policy in an amount at least equal to the permanent mortgage financing encumbering the Project plus the aggregate amount of the Capital Contribution commitments of all of the Partners, together with non-imputation, survey, zoning, environmental, contiguity, access, subdivision and other applicable endorsements;

C. The executed Loan Documents and Project Documents in form satisfactory to the Fund evidencing the commitment of the Lender to fund the Construction Loan and Permanent Loans upon terms and conditions satisfactory to the Fund.

D. Evidence of 28 units of Project-based vouchers covering 28 Project Based Vouchers issued pursuant to HUD's Rental Assistance Demonstration Program.

(2) The Fund's satisfactory completion of its due diligence review; and

(3) Certification from the General Partners that the representations, warranties and covenants set forth in §5.3 are true and correct as of the date of the certificate, that the General Partners continue to satisfy their material obligations under this Partnership Agreement, and that the Partnership is not in material default under any of the Project Loan Documents.

The obligation of the Investor Limited Partner to pay each installment of its Capital Contributions as described in Schedule 1 shall be expressly conditioned upon their receipt of the General Partners' Payment Certificate (see Exhibit B) not more than thirty (30) days nor less than fifteen (15) days prior to the due date of the installment.

If, as of the date when an installment would otherwise be due, the General Partners cannot certify that each of the conditions specified in the General Partners' Payment Certification is true and correct, the General Partners shall notify the Investor Limited Partner of the reason why such certification cannot be made, and the Investor Limited Partner shall not be required to pay such installment; provided, however, that if (i) any such certification can subsequently be truthfully made and (ii) the Investor Limited Partner shall not have irrevocably lost, in the good faith judgment of the Investor Limited Partner, any material tax or other benefits hereunder, then the

Investor Limited Partner shall pay such installment to the Partnership within thirty (30) days after delivery by the General Partners to the Investor Limited Partner of the certification together with an explanation of the manner in which each such certification has become true.

In the event that the certification cannot be made because a monetary obligation of the Partnership has not been met and the installment of Capital Contribution otherwise payable is sufficient in amount to meet such obligation and any continuance thereof, and if the Partnership undertakes to apply such Capital Contribution, not otherwise required in the sole reasonable opinion of the Fund for other Partnership obligations, to cure such obligation or any continuance thereof, then such Capital Contribution shall be payable to the Partnership.

The terms of this Partnership Agreement notwithstanding, during the period that an installment is being withheld as herein provided, or in the event a General Partner has received a notice of intent to remove as provided for in §9.6, the Fund may, in its sole discretion, apply the withheld installment to Partnership or General Partners obligations, including any unpaid Development Fee, owed to the Developer(s).

**§2.3 Interest on Capital Contributions**

No Partner shall be paid interest on its Capital Contribution.

**§2.4 Withdrawal and Return of Capital Contributions**

No Partner shall have the right:(i) to withdraw any part of its Capital Contribution from the Partnership; (ii) to demand a return of its Capital Contribution; or (iii) to receive property other than cash in return for its Capital Contributions except as otherwise provided for herein.

**§2.5 Capital Accounts**

The Partnership shall maintain for each Partner a separate Capital Account in accordance with §1.704-1(b) of the Regulations. The Capital Account of each Partner shall consist of the amount of its Capital Contribution, increased by (a) the fair market value of any property contributed by it to the Partnership, (b) the amount of any Partnership liability assumed by such Partner or which is secured by any Partnership Property distributed to such Partner, and (c) its allocable share of Profits and any items of income or gain specially allocated to it pursuant to §§3.2 (d) through (l), and shall be decreased by (w) the amount of any cash distributed to it,(x) the fair market value of any Partnership Property distributed to it, (y) the amount of any liability of such Partner assumed by the Partnership or which is secured by any property contributed by such Partner to the Partnership, and (z) its allocable share of Losses and any items of loss or deduction specially allocated to it pursuant to §§3.2 (d) through (l).

If any Partnership Interests are transferred in accordance with the terms of this Partnership Agreement, then the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred Partnership Interests; provided, however, that if any such transfer causes a termination of the Partnership for federal income tax purposes pursuant to §708(b) of the Code, then the Capital Account of the transferee (as well as those of the remaining Partners) shall be adjusted to take into consideration the revaluation of the Partnership Property mandated pursuant to §§1.704-1(b)(2)(iv)(e), (f) and (l) of the Regulations. Upon the occurrence of any of the following events, the Partnership Property shall be revalued and the Partners' Capital Accounts adjusted to reflect the gain (or loss) that would have been allocated to each Partner if all the Partnership Property had been sold at its fair market value immediately prior to the occurrence of such event:

(a) The acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a *de minimis* Capital Contribution;

(b) The distribution by the Partnership to a Partner of more than a *de minimis* amount of property or money in consideration for an interest in the Partnership; or

(c) The "liquidation" of the Partnership within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations.

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

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

**§2.6 Investor Limited Partner Default**

Subject to the credit reduction provisions of §5.8, in the event that an Investor Limited Partner fails to pay any portion of any additional Capital Contribution by the due date of the Capital Contribution (after all conditions precedent to such Capital Contribution have been satisfied) as the same may be extended and any such failure is not cured within sixty (60) days after written notice of such failure from the General Partners, the Investor Limited Partner shall be deemed to be in default of its obligations under this Partnership Agreement and all outstanding capital contributions by such Investor Limited Partner shall become immediately due and payable. Except as provided for herein, the sole remedy of the General Partners shall be a suit at law or equity for payment of the capital contributions of such Investor Limited Partner. The Investor Limited Partner shall have no right to receive profits, losses, Tax Credits and distributions from and after the date of the default to the date of cure unless the General Partners in their absolute discretion determine otherwise. Notwithstanding any provisions of this Partnership Agreement, upon payment of the additional capital then due and owing pursuant to the terms of §2.2 of this Partnership Agreement, and provided such payment is received prior to the acquisition by another of the defaulting Investor Limited Partner's interest, the defaulting Investor Limited Partner shall be fully reinstated to its former interest in the Partnership, including, but not limited to, the Investor Limited Partner's share of profits, losses, Tax Credits and distributions, as though a default under this Partnership Agreement had not occurred.

Subject to the provisions of this §2.6, in the event of such a default that continues beyond the applicable cure period, the Partnership may offer to sell the defaulting Investor Limited Partner's interest to any other Person on commercially reasonable terms and conditions, subject to the Authority's Resale Policy, if applicable. Any amount which the Person acquiring the interest of the defaulting Investor Limited Partner shall pay in consideration of the acquisition of such interest shall be applied in the following order: first, to the payment of all reasonable fees and expenses incurred by the Partnership in connection with such sale; second, to the payment of the outstanding capital contribution payment; third, to the payment, if any, of any future additional capital contributions of the defaulting Investor Limited Partner; and fourth, any balance to the defaulting Investor Limited Partner. In no event may a sale under this §2.6 be made to the General Partners or any Affiliate thereof.

The obligations of a defaulting Investor Limited Partner to the Partnership shall be extinguished upon completion of the transfer of the defaulting Investor Limited Partner's Interest to a purchaser described herein; provided, however, that the obligation of the defaulting Investor 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 Investor Limited Partner's Interest.

In the event of a dispute between the defaulting Investor Limited Partner and the General Partners and/or the Partnership as to the obligation to make, or the amount of, any additional Capital Contribution, the Investor Limited Partner may (but shall not be obligated to) deposit such additional Capital Contribution in an escrow account pending a resolution of such dispute. Funds deposited in such escrow account shall be released to the Partnership only with the written approval of the Investor Limited Partner. In the event that the Investor Limited Partner so deposits such additional Capital Contribution or disputed amount thereof in an escrow account, the Investor Limited Partner shall not be in default and the Partnership and/or the General Partners shall not be entitled to exercise any of the rights or remedies contained in this §2.6. The Investor Limited Partner and General Partners shall in good faith attempt to resolve any such disputes as quickly as possible.

**§2.7 <u>Investor Limited Partner Loans</u>**

Subject to the terms of this §2.7, upon the request of the General Partners, the Investor Limited Partner may make loan(s) or other advances to the Partnership in the event that there is a cash shortfall ("Investor Limited Partner Loans"). Any Investor Limited Partner Loan shall be at the sole discretion of the Investor Limited Partner after a satisfactory due diligence review including, but not limited to, status of the Loan(s), completion of construction, title, tax credit compliance, and Operating Deficits. Repayment shall be from the next Capital Contribution(s), including Development Fees, due from the Investor Limited Partner, if any. In the event any Investor Limited Partner Loan exceeds the next Capital Contribution from the Investor Limited Partner, the remainder shall be paid from the following Capital Contribution(s) from the Investor Limited Partner in numerical order. In the event all Investor Limited Partner Capital Contributions have been made, the remainder shall be paid from Cash Flow and Net Cash from Sales and Refinancings. The above notwithstanding, Guarantors shall guarantee repayment of any outstanding balance of any Investor Limited Partner Loan including unpaid interest, within twelve (12) months of the date of the loan. The Partnership and Guarantors shall execute a loan agreement, note, security agreement and other documents required by the Fund evidencing the Investor Limited Partner Loan and terms of repayment.

## ARTICLE 3. ALLOCATION OF PROFITS, LOSSES AND TAX CREDITS

### §3.1 Profit and Loss Allocations

Except as otherwise provided in §3.2, Profits and Losses for any fiscal year of the Partnership shall be allocated among the Partners in accordance with the Allocation Percentages set forth in Exhibit A.

### §3.2 Special Allocations

Notwithstanding anything to the contrary contained in §3.1, the following special allocations shall in all events apply in determining the allocation of Profits and Losses among the Partners and shall be made prior to the allocations required under §3.1.

(a) Tax Credits. Tax Credits (and any recapture associated therewith) shall be allocated among the Partners in accordance with the same percentages set forth in §3.1 with respect to Profits and Losses.

(b) Limitation on Allocations of Losses. To the extent the allocation of any Losses to the Investor Limited Partner would cause the Investor Limited Partner to have an Adjusted Capital Account Deficit at the end of any fiscal year of the Partnership, then such Losses shall not be allocated to the Investor Limited Partner, but rather shall be specially allocated to the General Partners.

(c) Profit Chargeback. To the extent any Losses have been allocated to the General Partners in accordance with subparagraph (b) of this §3.2, then Profits shall thereafter first be specially allocated to the General Partners in proportion to and in an amount up to but not exceeding the amount of any such allocations of Losses made to the General Partners under such subparagraph (b).

(d) Partnership Minimum Gain Chargeback. Notwithstanding any other provision of this Article 3, if there is a net decrease in Partnership Minimum Gain during any Partnership fiscal year, then each Partner shall be specially allocated items of Partnership income or gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to the portion of such Partner's share of the net decrease in the Partnership Minimum Gain (determined in accordance with §1.704-2(g) of the Regulations). Any allocations made pursuant to this subparagraph (d) shall be made in proportion to the respective amounts required to be allocated to each of the Partners pursuant thereto. The items of Partnership income or gain to be specially allocated under this subparagraph (d) shall be determined in accordance with §1.704-2(f) of the Regulations. This subparagraph (d) is intended to comply with the minimum gain chargeback requirements of §1.704-2(f) of the Regulations and shall be interpreted consistently therewith.

(e) Partner Minimum Gain Chargeback. Notwithstanding any other provision of this Article 3 (except subparagraph (d) of this §3.2), if there is a net decrease in Partner Minimum Gain attributable to a Partner Nonrecourse Debt during any Partnership fiscal year, then each Partner who has a share of the Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with §1.704-2(i)(5) of the Regulations) shall be specially allocated items of Partnership income and gain for such fiscal year (and if necessary, subsequent fiscal years) in an amount equal to the portion of such Partner's share of the net decrease in Partner Minimum Gain attributable to such Partner Nonrecourse Debt (as determined in accordance with §1.704-2(i)(4) of the Regulations). Any allocations made pursuant to this subparagraph (e) shall be made in proportion to the respective amounts required to be allocated to each Partner pursuant thereto. The items of Partnership income or gain to be specially allocated under this subparagraph (e) shall be determined in accordance with §1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(f) Qualified Income Offset. If the Investor Limited Partner unexpectedly receives any adjustments, allocations or distributions described in §1.704-1(b)(2)(ii)(d)(4), (5) or (6) of the Regulations, then items of Partnership income or gain shall be specially allocated to the Investor Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of the Investor Limited Partner as quickly as possible. The special allocations required pursuant to this subparagraph (f) shall be made only if and to the extent that the Investor Limited Partner would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 3 have been tentatively made as if this subparagraph (f) were not in the Partnership Agreement. This subparagraph (f) is intended to comply with the qualified income offset requirements of §1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

(g) Gross Income Allocation.

(1) If an Investor Limited Partner has a deficit balance in its Capital Account at the end of any Partnership fiscal year which exceeds the sum of (i) the amount the Investor Limited Partner is obligated to restore pursuant to any provision of this Partnership Agreement and (ii) the amount the Investor Limited Partner is deemed to be obligated to restore pursuant to the penultimate sentences of §1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations, then the Investor Limited Partner shall be specially allocated items of Partnership income or gain in the amount of such excess as quickly as possible. The special allocations required pursuant to this subparagraph (g) shall be made only if and to the extent that the Investor Limited Partner would have a deficit Capital Account in excess of the aforementioned sum after all of the allocations provided for in this Article 3 have been tentatively made as if subparagraph (f) and this subparagraph (g) were not in the Partnership Agreement.

(2) In the event any of the fees charged by and payable to the General Partners or an affiliate of the General Partners are determined to be a non-deductible

or non-capitalizable distribution from the Partnership to a Partner for federal income tax purposes, then there shall automatically be a special allocation of gross income to the General Partners equal to the amount so recharacterized. If any loan or grant proceeds obtained by the Partnership are determined to be taxable for federal income tax purposes, then any taxable income realized by the Partnership as a result of such determination shall be specially allocated to the General Partners. Notwithstanding such allocation, Losses shall be determined as if such fees are properly characterized as fees, and such loan or grant proceeds are properly characterized as capital items and not income, and the Losses as so determined shall continue to be allocated in accordance with §3.1 hereof.

(h) Nonrecourse Deductions. Nonrecourse Deductions shall be specially allocated among the Partners in accordance with the same percentages set forth in §3.1 with respect to Profits and Losses.

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

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

(k) Curative Allocations. The special allocations set forth in subparagraphs (d) through (i) of this §3.2 are intended to comply with the requirements of §1.704-1(b) of the Regulations. These special allocations may lead to results which are inconsistent with the Partners' intentions concerning their sharing in Partnership distributions. Accordingly, the General Partners are hereby authorized and directed to specially allocate other items of Partnership income, gain, loss and deduction among the Partners so as to prevent the special allocations required under subparagraphs (d) through (i) of this §3.2 from distorting the Partners' understanding of the manner in which Partnership distributions are to be made to the Partners upon the dissolution and termination of the Partnership. In general, it is anticipated that the special allocations, if any, which will be made under this subparagraph (k) will be made by specially allocating other items of Partnership income, gain, loss and deduction among the Partners so that the sum of the special allocations made to each Partner pursuant to subparagraphs (d) through (i) of this §3.2 equals the sum of the special allocations made under this subparagraph (k).

(l) Matching Income Allocations for Sales and Refinancing Proceeds. All or a portion of the remaining items of Partnership income or gain for the year, if any, shall be specially allocated to the Partners in proportion to the cumulative distributions each has received pursuant to §4.2(b) and §10.2(c) hereof from the commencement of the Partnership to a date thirty (30) days after the end of such fiscal year until the aggregate amounts allocated to each Partner pursuant to this §3.2(l) for such fiscal years and all previous fiscal years is equal to the cumulative amount of such distributions to such Partner.

(m) (i) In any year that the actual net operating income for the Partnership for such year (gross income less gross operating expenses) (the "Actual Operating Income") is less than the projected net operating income for the Partnership for such year (the "Projected Operating Income") as set forth in the projections attached to this Agreement as Exhibit D (the "Projections") then the General Partners (1) shall have the right to, with Investor Limited Partner approval, or (2) upon request of the Investor Limited Partner, shall specially allocate to the General Partners gross operating expenses (but not depreciation deductions, which depreciation deductions shall continue to be allocable pro rata based on the Percentage Interest of each Partner) in an amount up to the difference between Projected Operating Income and Actual Operating Income for such year.

(ii) In the event the General Partners specifically allocate losses pursuant to §3.2(m)(i), the General Partners shall have an obligation to restore any deficits of their adjusted capital account resulting from such allocations of losses.

(n) In furtherance of the foregoing §3.2 and notwithstanding any other provisions in this Agreement, twelve (12%) percent of the Partnership's expenses relating to salaries shall be allocated to the General Partner.

**§3.3 Timing of Allocations**

Except as otherwise expressly provided herein, all allocations of Profits, Losses and Tax Credits shall be made as of the last day of each fiscal year of the Partnership.

**§3.4 Other Allocation Rules**

The following rules shall apply for the purpose of interpreting and applying the provisions of this Article 3 relating to the allocation of Profits, Losses and Tax Credits among the Partners. The provisions of this Partnership Agreement notwithstanding, the General Partners shall be allocated no less than a one-hundredth (0.01%) percent of Partnership income, gain, loss, deduction or credit at all times during the existence of the Partnership.

(a) Excess Nonrecourse Liabilities. Solely for purposes of determining a Partner's proportionate share of the "excess nonrecourse liabilities" of the Partnership within the meaning of §1.752-3(a)(3) of the Regulations, the Partners' respective interests in Partnership Profits shall be those percentage interests set forth in §3.1

(determined without regard to §3.2).

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

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

(d) Special Allocation of Operating Deficit Obligations. If the General Partners advance funds to the Partnership pursuant to §5.4(h) or otherwise advance funds to or make loans to the Partnership for purposes of paying Operating Deficits of the Partnership pursuant to §5.4(m), or, if the Partnership incurs losses from extraordinary events which are not recovered from insurance or otherwise (collectively “Operating Deficit Obligations”) in respect of any Partnership taxable year, then the calculation and allocation of Profits and Losses pursuant to this Article 3 shall be adjusted as follows: first, an amount of deduction attributable to the Operating Deficit Obligations consisting of Operating Deficits and not cost recovery deductions shall be allocated to the General Partners, and, second, all remaining deductions and all gross revenues shall be allocated as provided in §3.1.

### §3.5 Tax Effect of Allocations

Except as otherwise required under the second paragraph of this §3.5, the allocation of Profits, Losses and Tax Credits to any Partner under this Article 3 shall be deemed an allocation to that Partner of the same proportionate part of each separate item of Partnership taxable income, gain, loss, deduction or credit which comprise such Profits, Losses and Tax Credits, including, without limitation, any "unrealized receivable" or "substantially appreciated inventory item" under §751 of the Code. The Partners are aware of the income tax consequences of the allocations made pursuant to this Article 3 and hereby agree to be bound by the provisions of this Article 3 in reporting their respective shares of Partnership income, gain, loss, deduction and credit for income tax purposes.

Notwithstanding anything to the contrary contained in this Article 3, income, gain, loss, deduction and credit with respect to any Partnership Property contributed to the capital of the Partnership by any Partner shall, solely for tax purposes, be allocated among the Partners so as to take into account any variation between the adjusted tax basis of such Partnership Property to the Partnership for federal income tax purposes and the value assigned to such Partnership Property for the purposes of the computation of the Partners' Capital Accounts. If any revaluation of the Partnership Property is made by the General Partners with the consent of the Investor Limited Partner, then any subsequent allocations of income, gain, loss, deduction and credit with respect to such Partnership Property shall take into account any variation between the adjusted tax basis of such Partnership Property for federal income tax purposes and the value assigned to such

Partnership Property as a result of such revaluation. All allocations required under this paragraph of §3.5 are solely for purposes of federal, state and local income taxes and shall not affect or in any way be taken into account in computing any Partner's Capital Account or any Partner's share of Profits, Losses, Tax Credits or other items or distributions required or permitted to be made pursuant to any provision of this Partnership Agreement.

## ARTICLE 4. DISTRIBUTIONS

### §4.1 Distribution of Cash Flow

(a) Cash Flow shall, prior to the making of any distributions pursuant to §4.1(b) hereof, be paid out in the following order and priority, subject to the Project Documents and Regulatory Agreement:

(1) First, to the Investor Limited Partner to the extent of any amount which the Investor Limited Partner is entitled to receive from Cash Flow as payment to satisfy any Investor Limited Partner Loans, any Credit Reduction Payment required pursuant to §5.8 hereof which has not been satisfied as of the date of the distribution, and any other payments owed to the Investor Limited Partner pursuant to the terms of this Partnership Agreement, the Guaranty or the Development Agreement;

(2) Second, to Cinnaire an Investor Services Fee pursuant to the Investor Services Agreement between the Partnership and Cinnaire of even date herewith in an amount not to exceed $4,500, increasing 3% annually, which fee shall be paid annually, is cumulative, shall accrue and which will be excluded from the Debt Service Coverage Ratio calculation and the Underwritten Operations calculation;

(3) Third, to the Developers to pay any unpaid and Deferred Development Fee payable pursuant to the Development Agreement;

(4) Fourth, to the General Partners a Partnership Management Fee pursuant to the Partnership Management Services Agreement between the Partnership and the General Partners of even date herewith in an annual amount not to exceed $15,874, increasing 3% annually. The Partnership Management Fee shall be cumulative. The terms of the Partnership Management Services Agreement shall not be amended without approval of the Fund; and

(5) Fifth, to the repayment of the Sponsor Loan until fully repaid.

(b) After making the payments described in §4.1(a) hereof, the remaining Cash Flow, if any, shall be distributed to the Partners in accordance with the following percentages:

| | |
|---|---|
| General Partners *pro rata* | 90.00 % |
| Investor Limited Partner *pro rata* | 10.00% |

(c) In consideration for services provided and to be provided pursuant to the Partnership Management Services Agreement described in §4.1(a)(4) above, the General Partners have received their interests in distributions of the Partnership's Cash Flow. The General Partners shall not assign any of their duties and responsibilities under the Partnership Management Services Agreement to the Developers or any other Person.

**§4.2 <u>Net Cash from Sales and Refinancings</u>**

Except as otherwise provided in Article 10 hereof (pertaining to the liquidation and dissolution of the Partnership) and subject to the terms of the Regulatory Agreement, Net Cash from Sales and Refinancings shall be paid as provided in this §4.2.

(a) Net Cash from Sales and Refinancings shall, prior to making any distributions pursuant to §4.2(b) hereof, be paid out in the following order and priority:

(1) First, to the Investor Limited Partner to the extent of any amount to which the Investor Limited Partner is entitled to receive from Net Cash from Sales and Refinancings as payment to satisfy any Investor Limited Partner Loans, any Credit Reduction Payment required pursuant to §5.8 hereof which remains outstanding, to pay any taxes of the Investor Limited Partner resulting from the sale or refinancing and any related liquidation of the Partnership computed as if the Investor Limited Partner was a tax-paying entity and based on a tax rate equal to the highest rate applicable to corporations at the time of such distributions, and any other payments owed to the Investor Limited Partner pursuant to the terms of this Partnership Agreement, the Guaranty or the Development Agreement;

(2) Second, a disposition fee of three (3%) percent of net sales proceeds payable to the Partnership upon the sale of the Partnership Property or any portion thereof shall be paid one and one-half (1.5%) percent to the General Partners and one and one-half (1.5%) percent to Cinnaire;

(3) Third, to Cinnaire any unpaid accumulated Investor Services Fee;

(4) Fourth, to the Developer to pay any unpaid and Deferred Development Fee payable pursuant to the Development Agreement;

(5) Fifth, to the General Partners reimbursement of Capital Contribution payments as described in §5.8(g) below;

(6) Sixth, to the General Partners to return any amounts treated as loans pursuant to §5.4(m) hereof and not yet paid;

(7) Seventh, to the General Partners to pay any accrued but unpaid Partnership Management Fees; and

(8) Eighth, to the repayment of the Sponsor Loan and interest in full.

(b) After making the payment specified in §4.2(a) hereof, the balance of Net Cash from Sales and Refinancings, if any, shall be distributed ninety percent (90%) percent to the General Partners *pro rata* and ten percent (10%) percent to the Investor Limited Partner *pro rata*.

**§4.3 Limitation on Fees and Distributions**

The provisions of §§4.1 and 4.2 and Article 10 of this Partnership Agreement notwithstanding, the total of all distributions and fees paid, excluding reasonable fees paid pursuant to §4.1(a)(4), at any time to the General Partners or any Affiliate from Cash Flow, Net Cash from Sales and Refinancings, disposition fees, residual value or other sources (not including the Development Fee and Seller Note) shall not exceed ten (10%) percent of all profits, capital or any other distribution that would result in the General Partners being classified as a "related person" to the Partnership under §42(d)(2)(D)(iii) of the Code.

**§4.4 Timing of Distributions**

Distributions of Cash Flow shall be made annually within 90 days after the end of each fiscal year of the Partnership as approved by the Lender, if required. The determination of the amount of Cash Flow distributable annually to the Partners under this Article 4 shall be made based upon the state of the facts existing on the last day of each fiscal year of the Partnership; provided that the General Partners may take into consideration events that have occurred subsequent to the end of the fiscal year.

**§4.5 Treatment of Distributions**

Distributions to a Partner of Cash Flow shall be considered draws against such Partner's allocable shares of the Partnership's Profits and Losses.

## ARTICLE 5. POWERS, RIGHTS AND DUTIES OF GENERAL PARTNERS

**§5.1 Management of Partnership**

The Partnership shall be managed by the General Partners, who shall exercise full and exclusive control over the affairs of the Partnership, subject, however, to the limitations on their authority set forth in this Partnership Agreement (including, without limitation, §§5.2 and 5.3). The General Partners shall be under a fiduciary duty to conduct and manage the affairs of the Partnership in a prudent, businesslike and lawful manner and shall devote such part of their time to the affairs of the Partnership as shall be deemed necessary and appropriate to pursue the business and carry out the purposes of the Partnership as contemplated in this Partnership Agreement. The General Partners shall use their best efforts and exercise good faith in all activities related to the business of the Partnership including purchase of the real property on which the Project is to be constructed, arranging for permanent loan financing, and syndication of interests to the Investor Limited Partner. The General Partners shall be empowered to execute all loan documents and amendments thereto entered into between the Partnership and the Lender. The General Partners shall not be responsible for undertaking the development responsibilities of the Developers provided for in the Development Agreement of even date. In that regard, the Partnership has conducted and will conduct its own business through the General Partners or the Management Agent, as applicable, and that business has been and will be conducted solely in the name of the Partnership. All written communications by the Partnership or the General Partners, including, without limitation, letters, invoices, purchase order and contracts, have been and will be made solely in the name of the Partnership or the General Partners as appropriate. The Partnership will always present itself as a separate legal entity and not as a division or department of the Developers. The Partnership has and will have its own stationery, invoices, checks and other business forms, separate from those of any Developers. Each of the Partnership and the Developers will pay their own expenses and liabilities from their own funds. Invoices and other statements of account from creditors of the Partnership will be addressed and mailed directly to the Partnership. The Partnership has allocated and will allocate all other overhead expenses for items shared with the Developers pursuant to a written agreement with such Developers which shall allocate such shared expenses on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on an equity basis reasonably related to the actual use.

**§5.2 <u>Restrictions on General Partners' Authority</u>**

Notwithstanding anything to the contrary contained in this Partnership Agreement, the General Partners shall not have the authority to take any of those actions specifically set forth below, unless the prior written Consent of the Investor Limited Partner is obtained in all cases except where Fund approval is specifically provided for or where the approval of the Investor Limited Partner is required. Provided, however, that such Consent shall not be unreasonably withheld ("unreasonably withheld" shall mean, for the purposes of this Section, that Consent may be withheld if one or more of the actions below would likely be inconsistent with preserving the Project as a low income housing project):

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

(b) Do any act which would make it impossible to carry on the ordinary business of the Partnership;

(c) Confess a judgment against the Partnership;

(d) Possess Partnership Property or assign its rights in specific Partnership Property for other than a Partnership purpose;

(e) Sell or otherwise transfer any interest in the Partnership Property (including but not limited to a deed in lieu of foreclosure), or mortgage, pledge or encumber any interest in any Partnership Property, except for easements, rights of way or other similar interests which do not have a material adverse effect on the value or use of the Partnership Property, and except for leases of residential units in the ordinary course of the Partnership's business;

(f) Incur a liability on behalf of the Partnership in the ordinary course of the Partnership's business in excess of $25,000 (or enter into any agreement resulting in any such liability being incurred), other than the Construction Loan and Permanent Loan and those liabilities (or agreements relating thereto) which have heretofore been disclosed to and approved in writing by the Fund unless in the case of an emergency endangering life or property or unless directed by the Lender;

(g) Acquire any interest in real property or acquire any item of personal property having a purchase price of more than $10,000, unless included in the approved annual Project budget or unless directed by the Lender, which consent will not be unreasonably withheld;

(h) Refinance or prepay any mortgage or long-term liability of the Partnership unless approved by the Investor Limited Partner;

(i) Except with regard to the Development Agreement, Partnership Management Services Agreement, Management Agreement, and Construction Contract, enter into any contract for payment of fees, purchase of materials or services, or the like, with the General Partners or any Affiliate thereof, providing for payments to the General Partners or any Affiliate thereof;

(j) Compromise any claim or liability in excess of $10,000 owed by or to the Partnership;

(k) Make, amend or revoke any tax election required of or permitted to be made by the Partnership under the Code or the Regulations, including, without limitation, any election under §42 or §754 of the Code unless approved by the Investor Limited Partner;

(l) Change any accounting method or practice of the Partnership unless approved by the Investor Limited Partner;

(m) Hire or retain any accountants other than the Accountants to provide services to the Partnership; provided that the Fund may require the General Partners to remove the Accountant or any replacement thereof for cause;

(n) Take any action which would cause the termination of the Partnership for federal income tax purposes or the dissolution of the Partnership for state law purposes unless approved by the Investor Limited Partner;

(o) Construct any improvements on the Partnership Property other than those contemplated in the Plans and Specifications as the same may be amended by

Lender approved change orders prior to final completion and Investor Limited Partner approved change orders, field changes or changes to shop drawings in the event said change(s) result in a cumulative or aggregate net increase or decrease greater than $10,000;

(p) Use or cause the Partnership Property to be used for any purpose other than as a low income housing development as contemplated under §42 of the Code or as may otherwise be contemplated in this Agreement unless approved by the Investor Limited Partner;

(q) Loan any money on behalf of the Partnership or guarantee on behalf of the Partnership the indebtedness of any other Person unless approved by the Investor Limited Partner;

(r) Enter into any agreement which contemplates or requires the General Partners to take any action on behalf of the Partnership with respect to any matter for which the prior written Consent of the Investor Limited Partner or the Fund is a prerequisite to action under this §5.2 or any other provision hereof;

(s) Materially modify or terminate any agreement evidencing or embodying the Construction Loan or Permanent Loan unless approved by the Investor Limited Partner;

(t) Submit to arbitration any dispute involving the Partnership involving an amount in excess of $5,000 except as provided for in the Loan Documents;

(u) Change the nature of the business or purpose of the Partnership unless approved by the Investor Limited Partner;

(v) Subject to the provisions of Article 12, hire or retain any Person to manage the Partnership Property or the Partnership's business;

(w) Take any action (or fail to take any action) which would cause or result in a breach of any of the representations, warranties or covenants of the General Partners set forth in this Partnership Agreement, including, without limitation, those set forth in §5.3;

(x) Admit any other person or entity as a General Partners;

(y) Except as permitted by §10.1 (pertaining to dissolution of the Partnership), take any action that will cause the dissolution of the Partnership unless approved by the Investor Limited Partner;

(z) Perform any act that would subject the Investor Limited Partner to liability as general partners unless approved by the Investor Limited Partner;

(aa) Subject to the provisions of §5.4(e), deposit any Partnership funds in any bank, savings and loan or other financial institution whose accounts are not insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation;

(bb) Admit additional limited partners unless approved by the Investor Limited Partner;

(cc) Except as otherwise provided for in this Partnership Agreement, apply Capital Contributions for any purpose other than for the payment of costs of construction as provided for in the construction budget or acquisition costs;

The Investor Limited Partner shall be given fifteen (15) days' written notice by the General Partners of the requested action. In the event the Fund or the Investor Limited Partner, as the case may be, fail to respond within such period to such notification and a second fifteen (15) day notice is sent to which no reply is made, approval shall be assumed, but only with regard to (f), (g), (i), (j), (o) and (t) above.

## §5.3 Representations, Warranties and Covenants of the General Partners

As an inducement to the Investor Limited Partner to enter into this Partnership Agreement and in addition to the representations, warranties and covenants set forth elsewhere in this Partnership Agreement, the General Partners hereby make the following representations, warranties and covenants to and with the Investor Limited Partner. All of the representations and warranties set forth herein shall be deemed given as of the date hereof and as of every date thereafter throughout the term of the Partnership's existence and may be relied upon by counsel to the Investor Limited Partner in connection with its issuance of a tax opinion relating to the Investor Limited Partner's investment in the Partnership. The General Partners shall fully comply with and abide by all of the representations, warranties and covenants set forth herein at all times throughout the term of the Partnership's existence.

(a) The Partnership has received a Reservation and Carryover Allocation of tax credits in an annual amount at least equal to $1,497,000;

(b) The Partnership shall meet the Minimum Set-Aside Test and Rent Restriction Test and all other requirements necessary to qualify the Project for Low Income Housing Tax Credits by the end of the first year of the Tax Credit Compliance Period and shall maintain such requirements thereafter throughout the Compliance Period. At least Forty (40%) percent of the units will be both rent restricted and occupied by tenants whose gross income does not exceed Sixty (60%) percent of the area median gross income adjusted for family size.

At all times following the completion of the contemplated improvements to the Partnership Property, the General Partners shall operate the Partnership Property in order to qualify 88.9% of the residential units in the Partnership Property for the Tax Credit as set forth below:

| Area Median Income: | % of Total Units | Number of Units |
|---|---|---|
| | | |
| Sixty (60%) Percent | 88.9% | 56 |
| Market Rate | 11.1% | 7 |
| TOTAL: | 100 | 63 |

The gross rent, including tenant-paid utilities, with respect to any unit meeting the foregoing 60% area median income tests will not exceed 30% of 60%, respectively, of such area median income, as adjusted for family size, except as may be otherwise allowed in the case of rental assistance payments as provided for in §§42(g)(2)(B) and 42(g)(2)(E). With the written approval of the Authority, the unit configuration may be changed so long as (i) all units as above provided continue to qualify for Tax Credits and comply with the Loan Documents, and (ii) there is no reduction in the Projected Tax Credits.

(c) The General Partners have taken and will continue to take all actions reasonably necessary for monitoring the Partnership Property and insuring the satisfaction of the representations and warranties set forth in subparagraph (b), above;

(d) [This subsection intentionally left blank.]

(e) The General Partners, after reasonable investigation, have no knowledge of any actions, suits or proceedings pending or threatened by any person or governmental authority against or affecting the Partnership Property, or to the actual knowledge of the General Partners, the immediately adjacent property, the General Partners or any of their Affiliates that would have a material adverse effect on the Partnership Property, the Partnership, or the Investor Limited Partner's investment in the Project, or on the ability of the General Partners to perform their obligations hereunder. The General Partners shall promptly inform, and provide copies to, the Fund 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 Property, the Partnership or the Investor Limited Partner's investment in the Project; (ii) have a material adverse effect on the ability of the General Partners or any of their Affiliates to perform their respective obligations under this Partnership Agreement; (iii) to the best of their knowledge have an adverse effect on the immediately adjacent property which would have a material adverse effect on the Project, the Partnership or the Investor Limited Partner's investment in the Project; (iv) have a material adverse effect on the financial condition of the General Partners or the Guarantors; or (v) constitute or result, if true, in a material breach of any representation, warranty, covenant, or agreement set forth in this Partnership Agreement;

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

Construction Loan or Permanent Loan;

(g) All residential leases will be for an initial term of twelve (12) months;

(h) The General Partners shall provide the initial Forms 8609 to the Investor Limited Partner at least 14 calendar days (but in all events within 10 days of receipt thereof by the General Partners) prior to the date such Forms are required to be filed with the Service and the Consent of the Investor Limited Partner shall be received before any election is made to defer commencement of the Credit Period pursuant to Code Section 42(f)(1).

(i) The General Partners shall cause the Partnership Property to be operated and maintained in such a manner that will avoid the occurrence of any event causing the recapture of all or any part of the Tax Credits. The General Partners shall strictly comply with the tax credit application filed with and the Reservation issued by the Authority and all scoring items set forth therein and in connection therewith except for any changes approved by the Authority which changes shall not result in the loss of any Tax Credits. The General Partners shall promptly notify the Fund of any proposed change and provide the Fund with a copy of the Authority's approval thereof;

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

(k) No event has occurred that has caused and the General Partners will not act in any manner that will cause (i) the Partnership to be treated for federal income tax purposes as an "association" taxable as a corporation, rather than as a partnership, or (ii) the Investor Limited Partner to be liable for Partnership obligations in excess of their Capital Contributions, plus the limited dollar amount of any deficit restoration obligation agreed to by the Investor Limited Partner pursuant to §10.4;

(l) The Partnership owns the Partnership Property and all personal property used or to be used in connection therewith, in fee simple, free and clear of all liens and encumbrances other than those expressly agreed to in writing by the Investor Limited Partner;

(m) The Partnership Property conforms (or will timely conform) in all respects to all applicable laws, including full compliance with the requirements of all governmental authorities having jurisdiction over the Project including, without limitation, all zoning, building, health, fire and environmental rules and regulations and there are no density restrictions, building or use laws, planning rules, regulations, ordinances or requirements or environmental laws, regulations or procedures applicable to the Partnership Property that would materially inhibit or materially adversely affect the operation of the Partnership Property as a low income housing development;

(n) The General Partners have caused and will cause the Partnership to maintain with financially sound insurers licensed in the State of Michigan with a rating of at least "A-" from Standard & Poors or A. M. Best Co.

(1) Owner's comprehensive general liability insurance in a minimum amount of $1,000,000 for bodily injury and property damage for any single occurrence, and $3,000,000 in the aggregate (which insurance shall cover the Investor Limited Partner as additional insureds);

(2) Upon delivery of units to the Partnership, casualty insurance on the Partnership Property in an amount equal to one hundred (100%) percent of replacement cost of the Partnership Property including furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) without reduction for depreciation, special coverage "all risk" with an agreed amount endorsement and a building laws endorsement in an amount equal to the greater of ten (10%) percent of the replacement cost or $100,000 with a deductible no greater than $10,000 (provided that if the Project includes multiple properties, the policy shall be in the form of blanket coverage with an agreed amount endorsement) or such other form as acceptable to the Fund. Full replacement cost, as used herein, means, with respect to the Partnership Property, the cost of replacing the Partnership Property without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor, and means, with respect to such furniture, furnishings, fixtures, equipment and other items, the cost of replacing the same, in each case, with inflation guard coverage to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions. Each policy shall name the Investor Limited Partner as a loss payee. The deductible on the policy shall not exceed $10,000.

(3) Worker's compensation insurance of not less than the statutory minimum;

(4) During the construction or rehabilitation of the contemplated improvements to the Partnership Property, all-risk builder's insurance, replacement cost coverage, in an amount equal to completed construction value, including soft cost coverage, with an agreed amount endorsement unless the Partnership Property is fully insured as provided for in §5.3(n);

(5) General boiler and machinery insurance coverage is required if steam boilers or other pressure-fired vessels are in operation at the Property. Minimum liability amount per accident must equal the greater of the replacement (insurable) value of the Partnership Property housing such

boiler or pressure-fired machinery or $2,000,000;

(6) If the Partnership Property or any part thereof is identified by HUD as being situated in an area now or subsequently designated as having special flood hazards (including, without limitation, those areas designated as Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insured); or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program as such amount may be adjusted from time-to-time. Notwithstanding anything herein to the contrary, any alterations, revisions or changes to the area now or subsequently delegated as being special flood hazards must be approved in writing by the Investor Limited Partner.

(7) Loss of rents or loss of business income insurance in amounts sufficient to compensate the Partnership for all rents and profits during a period of not less than one year in which the Partnership Property may be damaged or destroyed.

(8) In the event that the Partnership Property constitutes a legal non-conforming use, an ordinance or law coverage endorsement which will contain "Demolition Cost," "Loss Due to Operation of Law" and "Increased Cost of Construction" coverages.

(9) Such other and additional insurance against risks that are of a character usually insured by Persons engaged in a business similar to that being conducted by the Partnership, in such form and amount and covering such risks as is usually carried by such Persons, including, without limitation, the requirement that the insurer give written notice of termination to the Investor Limited Partner at least thirty (30) days prior to the lapse of any such insurance policy.

(10) Such other and additional insurance as is required by the terms of the Loan Documents, or any other loan or agreement to which the Partnership is a party.

(11) The Investor Limited Partner shall be named additional insureds on the general liability policy and loss payees on the casualty and builder’s risk policies, and each policy shall provide that the Investor Limited Partner must receive not less than thirty (30) days' written notice prior to the cancellation or termination of the policy.

(12) In the event of a casualty loss and provided that the proceeds of all insurance payable by reason of such loss are made available to the General Partners

for such purpose, the General Partners agree to cause the damaged building or buildings to be rebuilt within such time period as will prevent the recapture of Tax Credits claimed by the Investor Limited Partner;

(o) None of the Loan Documents, nor any other loan or agreement to which the Partnership is a party, nor the General Partners' performance of their obligations thereunder or hereunder, will violate or constitute a default under any provision of law, order or court, indenture or other instrument affecting the General Partners, the Partnership or the Partnership Property or, except for the Loan Documents, result in the creation or imposition of any lien, charge or encumbrance on the Partnership Property;

(p) The General Partners have sent (or as soon as available will send) to the Fund the Plans and Specifications (including, without limitation, all working drawings) and certifications concerning occupancy, lien notices, project inspection reports, proposed changes and modifications to the Plans and Specifications, all documents pertaining to the Construction Loan and Permanent Loan and any other information which is relevant to the construction and development of the Partnership Property;

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

(r) Neither the Partnership, nor any Partner or Affiliate has or will have direct or indirect personal liability as maker, guarantor, partner or otherwise with respect to the payment of principal or interest or any other sum due under the Construction Loan and Permanent Loan, except as specifically disclosed to the Fund, and the debt on the Project is nonrecourse (for federal income tax purposes) to the Partnership and its Partners to the extent required for basis;

(s) The execution and delivery of all instruments and the performance of all acts heretofore or hereafter made or taken or to be made or taken pertaining to the Partnership by the General Partners have been or will be duly authorized by all necessary corporate or other action and the consummation of any transactions with or on behalf of the Partnership will not constitute a breach or violation of, or a default under, the organizational documents of the General Partners or any agreement by which the General Partners or any of its Affiliates or properties are bound, nor constitute a violation of any law, administrative regulation or court decree;

(t) Neither the Partners nor any Affiliate of a Partner will be a lender to the Partnership unless, based upon the advice of tax counsel or adviser satisfactory to the Investor Limited Partner, such loan will not likely adversely affect or cause a material re-allocation among the Partners of Tax Credits, or Profits and Losses;

(u) The General Partners, after reasonable investigation, have no knowledge of, and have received no notices with respect to any violations of federal or state law or municipal ordinances or orders or requirements of any governmental body or authority in whose jurisdiction the Partnership Property is subject. The General Partners shall promptly inform the Fund (including forwarding copies thereof) upon receiving any notice of or having any knowledge of any violation with respect to the Project of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction (including, but not limited to, the receipt of IRS Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, and all actions taken or proposed to be taken in response thereto), which would have a material adverse effect on the Project (including the Partnership's ability to transfer the Partnership Property in accordance with the terms of this Partnership Agreement) or the construction, rehabilitation, use, occupancy or operation thereof;

(v) There is no default existing, pending or, to the best of the General Partners' knowledge, threatened under any provision of the Loan Documents or any other agreement to which the Partnership is a party and the General Partners will take all requisite action to comply with the provisions of all such loans and agreements; and, if any such default is alleged, the General Partners shall notify the Fund of such alleged default within ten (10) days of the General Partners' receipt of notification hereof;

(w) All appropriate roadway and public utilities, including, without limitation, sanitary and storm sewers, water, telephone, gas and electricity, are or will timely be available to the Partnership Property and all easements required in connection therewith have been obtained and filed of public record and the General Partners will use their best efforts to keep all such utilities operating in a manner sufficient to service the Partnership Property and the residential units contained therein;

(x) All improvements constructed or to be constructed on the Partnership Property have been or will be constructed and equipped in a timely and workmanlike manner and in full compliance with all: (i) applicable requirements of the Loan Documents; (ii) the Plans and Specifications; and (iii) the requirements of all governmental agencies with jurisdiction over the Partnership Property and the development and construction thereof; and the Project will comply with all other state and local zoning laws, building codes, health and safety codes, and all local codes, ordinances and regulations applicable to the Project. There is no order, directive, statute, ordinance, law or regulation which would prohibit or impede commencement of construction on the Project as of the Construction Commencement Date;

(y) All building permits, environmental permits or other clearances, easements and governmental permits, licenses and approvals required in connection with the construction, ownership, operation, use and occupancy of the Partnership Property and all residential units contained therein, have been or will be timely obtained and the General Partners shall take all actions necessary to maintain such approvals in full force and effect;

(z) The General Partners will file the election under §168(h)(6)(F)(ii) of the Code, and no portion of the Partnership Property is or will be treated as "tax-exempt use property" as defined in §168(h) of the Code;

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

(bb) Except as noted below, without first obtaining the prior written consent of the Investor Limited Partner, no limited partner or member of an Investor Limited Partner, nor any Related Person, shall make or guaranty or otherwise bear an “economic risk of loss” within the meaning of Section 1.752-2 of the Regulations with respect to any loan to the Partnership to pay Partnership expenses or to provide lump sum payments to the Partnership; no limited partner or member of an Investor Limited Partner, nor any Related Person shall make or guaranty or otherwise bear an “economic risk of loss” within the meaning of Section 1.752-2 of the Regulations with respect to any loan to the Partnership if such action would adversely affect the tax basis (for partners not subject to the at-risk rules of Code §42(k)) or allocation of tax items or cause a reallocation of tax items or cause a recapture of credits of the Partnership. Any such limited partner, member or Related Person wishing to make such a loan shall provide at its cost an opinion of legal counsel or accountants satisfactory to the Investor Limited Partner that such loan shall not affect the tax basis or result in such a reallocation. This prohibition shall not apply to construction loans or loans made in the Ordinary Course of Business to secure the purchase of personal property such as automobiles which are not secured by the real property of the Partnership. For purposes of this and the following two paragraphs, any such limited partner, member or Related Person is referred to as a "Lender." For purposes of this and the following two paragraphs, “Related Person” means a person having a relationship to a partner that is described in §1.752-4(b) of the Regulations.

A limited partner or member of an Investor Limited Partner or Related Person may make a loan to the Partnership in either of the following cases:

(1) The Lender's percentage of partnership interest in the Partnership in each item of income, gain, loss, deduction and credit of the Partnership, determined by its percentage interest in each successive tier of pass-through

entities, is less than 10% for each year that the Lender is a partner; the loan constitutes qualified nonrecourse financing within the meaning of Code §465(b)(6); the Investor Limited Partner is informed of such loan and the Lender's relationship to an Investor Limited Partner; and the loan made by such partner, member or Related Person will not affect the tax basis of any partner or member in an Investor Limited Partner, and the reallocation of any tax incidents to an Investor Limited Partner or among the partners or members under §752 or §704 of the Code, from that assumed in the projections upon which the limited partner or member relied in investing in the Investor Limited Partner; or

(2) If a Lender's percentage partnership interest in the Partnership, determined as described in paragraph (1) above, is 10% or more or if the loan would not constitute qualified nonrecourse financing within the meaning of Code §465(b)(6), then the partner, member or Related Person may make the loan only if the Consent of the Investor Limited Partner is obtained. As part of any request for such Consent, the General Partners shall furnish to the Investor Limited Partner an analysis from accountants or an opinion of legal counsel to the Investor Limited Partner to the effect that such loan will not affect the tax basis (for partners or members not subject to the at-risk rules of Code §42(k)) or allocation of tax items of the Investor Limited Partner, or of or among the partners or members as described in paragraph (1) above.

Any limited partner or member that is a Lender shall not have any vote in the Partnership upon any issue, question or decision.

Subject to provisions of this Partnership Agreement with respect to related party loans, a limited partner or member (such limited partner or member being referred to herein as a “Mortgagee”) in any entity that is a Partner at any time may make, guarantee, own, acquire, 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 herein as a “Mortgage Loan”). Under no circumstances will a Mortgagee be considered to be acting on behalf or as an agent or the alter ego of such Partner. A Mortgagee may take any actions that the Mortgagee, in its discretion, determines to be advisable in connection with a Mortgage Loan (including in connection with the enforcement of a Mortgage Loan). By acquiring an interest in the Partnership, each Partner acknowledges that no Mortgagee owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee being a limited partner or member in a Partner. Neither the Partnership nor any Partner will make any claim against a Mortgagee, or against the Partner in which the Mortgagee is a partner or member, relating to a 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 Mortgagee’s status as a limited partner or member of a Partner;

(cc) Upon the sale or refinancing of the Project, no net proceeds therefrom shall be reinvested by the General Partners except pending distribution;

(dd) The General Partners have not received notice from the Internal Revenue Service that it has considered the General Partners or any Affiliate of the General Partners to be involved in any abusive tax shelter and is not aware of any facts, which if known to the Internal Revenue Service, would cause such notice to be issued;

(ee) To the best of the General Partners' knowledge, the pro forma financial projections and other information attached hereto as Exhibit D are true and correct in all material respects;

(ff) [This subsection intentionally left blank.]

(gg) No federal appropriated funds have been paid or will be paid, by or on behalf of the General Partners 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;

(hh) 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 Partners and the Partnership and the General Partners have complied with all restrictions, certifications and disclosure requirements contained in the Byrd amendment to the fiscal 1990 appropriations measures for the Interior Department (PL 101-121) and with any guidelines and rules issued by any federal entity in connection therewith ("Byrd Amendment"), if applicable;

(ii) Neither the General Partners nor the Partnership is presently under any commitment to any real estate broker, rental agent, finder, syndicator or other intermediary with respect to the Project or any portion thereof except for the arrangements described in this Partnership Agreement and the arrangements previously disclosed in writing to the Investor Limited Partner;

(jj) [This subsection intentionally left blank.]

(kk) Neither the General Partners nor any of their Affiliates nor the Partnership have 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 interest charges or financing fees relating to the Loans to the Partnership other than those disclosed in this Partnership Agreement; and in no event have they or the Partnership entered into any such agreement or guaranty of any kind whatsoever (such as an escrow arrangement or letter of credit arrangement) which would subject the Partnership or any of its Partners or Affiliates to personal liability or economic risk of loss as to such loans nor have the General Partners 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 Tax Credits to the Investor Limited Partner;

(ll) [This subsection intentionally left blank.]

(mm) The fair market value of the Project, including the value of the Tax Credits, will, at the time of completion of the Project, exceed the amount of the indebtedness secured thereby;

(nn) The nonrecourse debt secured by the Project has a fixed maturity date that is earlier than the projected life of the Project;

(oo) All fees paid to the General Partners or any Affiliate thereof are and will be in exchange for services actually rendered to the Partnership in an amount no greater than would be paid to unrelated parties providing similar services at arms-length;

(pp) There has been no significant transfer, pay-off or recharacterization of nonrecourse debt associated with the Partnership and the General Partners shall notify the Investor Limited Partner in advance of any such occurrence;

(qq) The General Partners have obtained and reviewed those items that would normally be obtained and reviewed in connection with a construction/acquisition financing (e.g., title insurance policy, binder or commitment, evidence of hazard insurance, evidence of general liability, worker's compensation and builder's risk insurance, need for flood insurance, survey, evidence of zoning compliance, environmental audit and hazardous material report, evidence of availability of public utilities, building permits, plans and specifications, evidence of compliance with the Elliott-Larsen Civil Rights Act, MCL Section 37.2101 *et seq.*; Michigan Handicappers' Civil Rights Act, MCL § 37.1101 *et seq.;*; the Civil Rights Act of 1966, 42 U.S.C. §§ 1981 and 1982; Americans With Disabilities Act of 1990, 42 U.S.C. 12101-12213; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794; the Housing for Older Persons Act of 1995, 42 U.S.C. §3601 *et seq.*; the Architectural Barriers Act of 1968, 42 U.S.C. 4151-4156; the Fair Housing Amendments Act of 1988, 42 U.S.C. 3600 *et seq.* including the Fair Housing Accessibility Guidelines published at 24 C.F.R. Ch. I, Subch. A, App. II, and any other local, state, or federal ordinances, regulations, or laws relating to discrimination, as any of the foregoing may be amended from time to time and any corresponding provisions of any successor laws or regulations, and any other documents and materials customarily reviewed by lenders in connection with multifamily residential rental project financing);

(rr) The General Partners shall not employ any person as an employee of the Partnership.

(ss) The General Partners do not now intend to make or anticipate making an election on behalf of the Partnership to exclude the Partnership from the provisions of Subchapter K of the Code;

(tt) The General Partners will at all times act independently of the Investor Limited Partner, and no relationship will exist between the Investor Limited Partner and the General Partners that may influence the General Partners from acting independently, including:

(1) the purchase by the Investor Limited Partner of any security of the General Partners or any Affiliate thereof or the admission of any person to the Partnership as an Investor Limited Partner if the relationship between such person and the General Partners is one of the described relationships specified in Sections 267(b) or 707(b)(l) of the Code, unless the Partnership receives an opinion of counsel or IRS ruling that the admission of such person will not adversely affect the classification of the Partnership as a "partnership" for federal income tax purposes; or

(2) no creditor of the Partnership that has made or may make a loan to the Partnership will have or acquire at any time, as a result of making such loan, any direct or indirect interest in the profits, capital or property of the Partnership, other than as a creditor of the Partnership.

(uu) The Partnership Property shall be taxed as a single parcel.

(vv) Neither the General Partners, their principals nor any Affiliate thereof, are on the list of Specially Designated Nationals and Blocked Persons promulgated by the U.S. Department of Treasury;

(ww) The General Partners acknowledge and agree that the Investor Limited Partner may, in its sole discretion and at their sole expense, contract at any time with a third party vendor to prepare a cost segregation study in order to maximize personal property and optimize depreciation deductions.

(xx) [This subsection intentionally left blank.]

(yy) [This subsection intentionally left blank.]

(zz) [This subsection intentionally left blank.]

(aaa) [This subsection intentionally left blank.]

(bbb) [This subsection intentionally left blank.]

(ccc) The debt secured or contemplated to be secured by the Project (i) represents a loan from a federal, state, local government or other public body which is authorized to engage in the development or operation of public housing, or is guaranteed by a federal state or local government, or (ii) is borrowed from a person or entity which is actively and regularly engaged in the business of lending money and which is not (1) a "related person" (as defined in §49(a)(1)(D)(v) of the Code) with respect to the Partnership or any of its present or former Partners, (2) a person or entity from which the Partnership acquired the land or the Project, (3) a person or entity which has received or will receive a fee with respect to the Partnership's investment in the Project, or (4) a "related person" (as defined in §49(a)(1)(D)(v) of the Code) with respect to any person or entity described in the foregoing clause (2) or (3).

(ddd) [This subsection intentionally left blank.]

(eee) [This subsection intentionally left blank.]

(fff) The Partnership has entered into a fixed price construction contract with a general contractor that is bonded or that has provided a performance letter of credit or adequate personal guaranty.

(ggg) [This subsection intentionally left blank.]

(hhh) [This subsection intentionally left blank.]

(iii) The Project will qualify for the 120% adjustment to Eligible Basis set forth in Section 42(d)(5)(B) of the Code by Authority designation pursuant to the Housing and Economic Recovery Act of 2008;

(jjj) To the extent required for Eligible Basis, any non-recourse financing obtained by the Partnership must be qualified non-recourse financing, except if the Project is eligible only for Low Income Tax Credits (and not Historic Rehabilitation Tax Credits), such non-recourse financing is qualified nonprofit financing as provided for in Section 42(k) of the Code and the Partnership is relying upon the de minimis exception provided by Treasury Regulation 1.752-2(d) in regard to the Seller Note and the LHC Loan;

(kkk) The General Partners covenant and agree to advise the Investor Limited Partner of any REAC inspection reports it receives with respect to the Project or the Partnership as well as any notices from HUD indicating any adverse findings with respect to the Project or the Partnership, including, but not limited to, the following: (1) Management review findings; (2) Section 8 HAP contract violations, and (3) HUD Regulatory Agreement violations;

(lll) The General Partners covenant and agree to promptly notify the Investor Limited Partner of any participation by the Partnership in a reportable transaction within the meaning of §1.6011-4 of the Regulations;

(mmm) The General Partners agree that either the Project (i) is covered by a commercial general liability insurance policy which does not contain an exclusion for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms, or (ii) is covered by a property insurance policy which does not contain an exclusion for loss or damage caused by mold, fungus, moisture, microbial contamination or pathogenic organisms in connection with another covered peril (e.g. mold in connection with water damage caused by storm or fire), or (iii) the General Partners have investigated and determined that such insurance without said exclusions is unavailable or cost prohibitive to the Partnership and that the potential risk for loss or damage to the best knowledge of the General Partners is minimal;

(nnn) No Investor Limited Partner shall have priority over any other Investor Limited Partner either as to return of Capital Contributions or as to distributions of cash made by the Partnership.

(ooo) The Partnership and the General Partners have complied, and will continue to comply, with any and all applicable, local, State and Federal tenant relocation requirements (if any), including, but not limited to, the federal Uniform Relocation Act. All notices and comment periods required by the federal Uniform Relocation Act have been provided to tenants.

(ppp) The General Partners will not change management agents or accountants without the approval of the Fund;

(qqq) [This subsection intentionally left blank.]

The General Partners shall indemnify and hold harmless the Investor Limited Partner (and any partner of the Investor Limited Partner) from and against any claims, demands, losses, damages, liabilities, lawsuits and other proceedings, judgments, awards, costs and expenses including, without limitation, reasonable attorneys' fees, arising directly or indirectly, in whole or in part, out of a breach of any or all of the representations, warranties and covenants contained in this §5.3. In addition to the foregoing indemnification, the Investor Limited Partner may pursue any other available legal or equitable remedy against the General Partners with respect to the General Partners’ breach of any of the representations, warranties or covenants contained herein, including, without limitation, the Investor Limited Partner' deferral of the payment of their Capital Contribution pursuant to §2.2. All of the representations, warranties and covenants contained in this Partnership Agreement shall survive the date of this Partnership Agreement and shall continue in effect as though continuously made throughout the term of the Partnership's existence.

## §5.4 Specific Obligations of General Partners

The General Partners shall, on behalf of and in the name of the Partnership and in addition to any obligations placed upon them elsewhere in this Partnership Agreement, have the following specific obligations.

(a) Securities Law Matters. The General Partners shall prepare and file all appropriate reports for the Partnership with the Securities and Exchange Commission and state securities administrators, if required.

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

(c) Partnership Representative

(1) For the purposes of Subchapter C, Chapter 63 of the Code, 220 Kalamazoo GP, LLC shall serve as "Partnership Representative" of the Partnership. The Partnership Representative shall have and perform all of the duties required under the Code with respect to a "partnership representative" (as such term is defined in Section 6223(a) of the Code, as modified by the Bipartisan Budget Act of 2015 (the "Budget Act")), including the obligations under Section 5.03(c) and the following duties:

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

(B) Within five (5) calendar days after the receipt of any correspondence or communication relating to the Partnership or a Partner from the IRS, the Partnership Representative shall forward to each Partner a photocopy of all such correspondence or communication(s). The Partnership Representative 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.

(2) The Partnership Representative shall not without the consent of the Investor Limited Partner:

(A) 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);

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

(C) 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;

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

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

(F) Take any other action not expressly permitted by this §5.4(c) on behalf of the Partners or the Partnership in connection with any administrative or judicial tax proceeding or under Subchapter C of Chapter 63 of the Code (as then in effect).

(3) In the event of any Partnership-level proceeding instituted by the IRS pursuant to Sections 6221 through 6223 of the Code, the Partnership Representative shall consult with the Investor Limited Partner regarding the nature and content of all action and defense to be taken by the Partnership in response to such proceeding. The Partnership Representative shall also consult with the Investor Limited Partner regarding the nature and content of any proceeding pursuant to Sections 6221 through 6233 of the Code instituted by or on behalf of the Partnership (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous IRS proceeding against the Partnership or otherwise).

(4) The Partnership Representative will consult with the Investor 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.

(5) The General Partners, in its role as "partnership representative" of the Partnership, shall be bound by the obligations of and restrictions on the Partnership Representative under this Agreement.

(6) For any taxable year that Subchapter 63C of the Code, as amended by the Budget Act (as so amended, "New Subchapter 63C") applies to the audit of any tax return of the Partnership (an "Affected Tax Return"), and notwithstanding anything herein to the contrary:

(A) Subject to the receipt of the Consent of the Investor Limited Partner, the partnership representative of the Partnership shall have the authority to duly and timely elect under Code Section 6226 to require each Person who was a Partner during the taxable year of the Partnership that was audited to personally bear any tax, interest and penalty resulting from adjustments based on such audit and shall notify each such Person (and the IRS) of its share of such audit adjustments; provided, however, that such election shall not require the Consent of the Investor Limited Partner if the General Partners have paid, or is deemed under this Agreement to have paid, in full any Credit Adjuster Advance relating to such audit adjustments.

(B) If, after taking into account §5.4(c)(6)(A), for any reason the Partnership is liable for any tax, interest or penalty as a result of such audit, each Person who was a Partner during the taxable year of the Partnership that is the subject of such audit shall pay to the Partnership an amount equal to such Person's proportionate share of such liability, based on the amount each such Person should have borne (computed at the tax rate used to compute the Partnership's liability) had the Partnership's tax return for such taxable year reflected the audit adjustment, and the expense for the Partnership's payment of such tax, interest, addition to tax and penalty been specially allocated to such Persons (or their successors) in such proportions; *provided however*, that if and to the extent that the Partnership's liability results from a loss, disallowance or recapture of Credits for which a Credit Adjuster Advance is due to such Person and has not been paid, the amount otherwise payable by such Person to the Partnership under this §5.4(c)(6)(B) shall be reduced by the amount of the unpaid Credit Adjuster advance payable to such Person.

(C) Unless prohibited by applicable Treasury Regulations, notices or other rules or guidance issued by the IRS, the partnership representative shall not, without the Consent of the Investor Limited Partner, take any action described in §5.4(c)(2) above with respect to the Affected Tax Return.

(D) The Partners acknowledge and agree that the provision of this §5.4(c)(6) shall continue to apply even after a Person ceases to be a Partner for any reason.

(7) The General Partners shall cooperate with the other Partners in good faith to amend this Agreement if the Investor Limited Partner determine that an amendment to this Agreement is required after promulgation of Treasury Regulations or other guidance or rules issued by the IRS implementing New Subchapter 63C in order to maintain the intent of the Partners with respect to the obligations and limitations of the Person who is acting as the "partnership representative" of the Partnership and the responsibility for the federal income tax obligations of the Partnership.

(9) Expenses of Partnership Representative. The Partnership shall indemnify and reimburse the Partnership Representative for all expenses, including reasonable legal and accounting fees, claims, liabilities, losses and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liability of the Partners unless caused by the negligence, gross negligence or willful misconduct of the Partnership Representative. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or any discretionary reserves are set aside by the General Partners. The General Partners shall have the obligation to provide funds for such purpose to the extent that the Partnership funds are not otherwise available therefor.

(d) Governmental Filings. The General Partners shall submit to the Secretary of the Treasury, the Authority and any other governmental authority having jurisdiction over the Partnership Property, on a timely basis, any and all annual reports, information returns and other certifications and information required by any such governmental agency. The General Partners shall also cause to be timely filed with the Filing Office all amendments to the Partnership Certificate.

(e) Bank Accounts. The General Partners shall establish in the name and on behalf of the Partnership such operating bank accounts as shall be required to facilitate the operation of the Partnership's business. The Partnership's funds shall not be commingled with any other funds of the General Partners or any of their Affiliates, including without limitation, any other partnership in which any of the General Partners is a general partner. Promptly upon the request of an Investor Limited Partner, the General Partners shall obtain and deliver to the Investor Limited Partner full, complete and accurate statements of the amount and status of all Partnership bank accounts and all withdrawals therefrom and deposits thereto. The operating bank accounts shall be maintained in such banking institutions authorized to do business in the State of Michigan as the General Partners shall determine, and withdrawals shall be made on such signature or signatures as the General Partners shall determine. All operating accounts (including security deposits) shall be deposited, to the extent permitted under the Project Documents, in interest-bearing accounts or invested in obligations of or guaranteed by the United States, any state thereof, or any agency, municipality or other political subdivision of any of the foregoing, commercial paper (investment grade), certificates of deposit and time deposits in commercial banks with capital in excess of $50,000,000 and in mutual (money market) funds investing in any or all of the foregoing; provided, however, that any funds required to be placed in escrow by any lender shall be controlled by such lender and the General Partners shall not be permitted to make any withdrawal from such funds without the express written consent of such lender to the extent required. All other Partnership accounts shall be placed on deposit in a joint signature account with a designee of the Investor Limited Partner.

(f) Withdrawals from Reserves. The General Partners shall notify the Fund in writing within five (5) days of all requests and approvals of withdrawals from the Replacement Reserve and all other reserves or escrows that may be established with regard to the Partnership (but not the tax and insurance reserves or escrows) and for which Fund signoff is not required.

(g) [This subsection intentionally left blank.]

(h) Completion Guaranty. The General Partners and Guarantor hereby absolutely and unconditionally guarantee to the Partnership and the Investor Limited Partner that the Partnership Property will be constructed in accordance with the Plans and Specifications and in accordance with the terms, conditions and provisions of the Construction Loan and Permanent Loan, completed on or before the Construction Completion Date. The General Partners and Guarantor shall also absolutely and unconditionally guarantee to the Partnership and the Investor Limited Partner that construction will be 100% complete, other than punch list items, no later than

November 1, 2026. The obligations of the General Partners under the foregoing sentence shall include, without limitation, providing all funds required of the Partnership to so complete construction of the Partnership Property including completion of all latent defect work (to the extent not then available under the Construction Loan and Permanent Loan and Capital Contributions of the Investor Limited Partner) including, without limitation, cash equity, unanticipated or additional development or construction costs, on and off-site escrows, taxes, insurance premiums, interest, funding of Operating Deficits prior to achievement of three (3) consecutive months of Underwritten Operations, reserves, escrows, legal expenses and accounting expenses. Any letters of credit or other borrowings arranged by the General Partners to fund their obligations under this §5.4(h) shall be the sole obligation of the General Partners. The General Partners shall not receive any reimbursement from the Partnership, except that any funds provided by the General Partners under this §5.4(h) shall be treated as Capital Contributions under §2.1. The General Contractor will be required to provide a completion assurance in the form of a letter of credit or payment and performance bonds in amounts satisfactory to the Fund and the Lender. It is understood that to the extent permitted by the Lender the Partnership may utilize Project income prior to the date of construction cutoff for construction purposes.

(i) [This subsection intentionally left blank.]

(j) [This subsection intentionally left blank.]

(k) Partnership Operating Reserve. $267,500 from the Fifth Capital Contribution, upon receipt by the Partnership will be immediately placed on deposit in a joint signature account to be held by a designee of the Investor Limited Partner. Any payments not made when due shall bear interest at an annual rate of two (2%) percent over the Prime Rate. Net interest earned on the Partnership Operating Reserve shall remain in the Reserve. The Reserve shall be used for operating expenses and other expenses benefiting the Project. The account shall be held by the designee of the Investor Limited Partner in the name of the Partnership held in a joint signature account with a designee of the Investor Limited Partner. The Reserve will remain in place for the Compliance Period and for so long thereafter as the Investor Limited Partner remain a Partner in the Partnership. Upon disposition of the Project or the Investor Limited Partner's interest therein, all unused funds will be released to the Partnership to be used for paying the Investor Limited Partner's exit taxes and then in accordance with §4.2(b).

(l) Additional Syndicator Reserve. $116,074 from the Fifth Capital Contribution will immediately be placed in the Additional Syndicator Reserve, which funds shall be used for operating expenses, or such other expenses as may be approved from time-to-time by the Investor Limited Partner. The Additional Syndicator Reserve shall be held in the Cinnaire Operating Reserve Fund and draws from the Supplemental Reserve shall be by joint signature of the General Partners and a designee of the Investor Limited Partner. Should the Partnership Operating Reserve not be needed to fund deficits prior to the property achieving Underwritten Operations, Cinnaire shall waive the requirements to fund the Supplemental Reserve to fund the development including but not limited to developer fee.

Unless the requirement for the Additional Syndicator Reserve is otherwise waived pursuant to the terms of this §5.4(l), the Additional Syndicator Reserve will remain in place so long as the Investor Limited Partner has any interest in the Partnership. Upon disposition of the Project or the Investor Limited Partner's interest therein, any funds in the Additional Syndicator Reserve will be used first to pay the exit taxes of the Investor Limited Partner and any remaining funds will be disbursed in accordance with §4.2 of this Agreement.

(m) Operating Deficit Guaranty. The provisions of §5.4(k) above notwithstanding, the General Partners further agree that if at any time the Partnership requires funds to pay any Operating Deficits incurred prior to expiration of five (5) years from and after the date the Project achieves Underwritten Operations which Operating Deficits are not paid from the Partnership Operating Reserve, the General Partners shall loan to the Partnership the funds required to pay such Operating Deficits, provided that the General Partners' liability for payments under this Operating Deficit Guaranty shall not exceed the greater of six (6) months final underwritten operating expenses, required replacement reserves and amortized debt service or $348,574. The General Partners shall notify the Fund in writing within five (5) days of any loan advanced hereunder. In the event that the General Partners shall fail to make any such loan as aforesaid, the Partnership shall utilize amounts otherwise payable to the General Partners or Affiliates thereof under §5.5 to meet the obligations of the General Partners pursuant to this §5.4(m) with the proceeds thereof being applied to such obligations, and with the obligation of the Partnership to make such payments to the General Partners or Affiliates thereof being deemed satisfied to the extent thereof.

Notwithstanding the preceding paragraph, the foregoing Operating Deficit Guaranty shall be released five (5) years from the date (a) the Development achieves 95% physical Occupancy; (b) the revenues received from the normal operation of the Development divided by all accumulated operational costs for a preceding period of 12 consecutive months results in a debt coverage ratio of no less than 1.15 and the Development is in accordance with the Loan Documents; and (c) the Development has no unpaid credit adjusters.

(n) Operating Deficit Loans. All payments made pursuant to the Operating Deficit Guaranty described in §5.4(m) to pay Operating Deficits shall be considered loans to the Partnership, which shall not bear interest and shall be evidenced by unsecured, nontransferable promissory notes ("Operating Deficit Loans") of the Partnership. Any Operating Deficit Loans provided for under this Partnership Agreement shall be repaid only as provided in Article 4 and no recourse for the payment thereof may be had against any other Partnership Property or against any Partner.

(o) Rent-Up Reserve. $75,680 from the Second (2nd) Capital Contribution, upon receipt will be immediately placed in an account held by a designee of the Investor Limited Partner in the name of the Partnership. Any payments not made when due shall bear interest at an annual rate of Two (2%) percent over the Prime Rate. The Reserve will remain in place until Ninety-Five (95%) Percent Occupancy is attained. Thereafter, any remaining funds in the Rent-Up Reserve will be used to pay for operations during rent up and then to pay deferred developer fee.

(p) Replacement Reserve. Beginning in 2026, the General Partners will contribute to the Replacement Reserve in the amount of $300 per unit per year to be commenced in 2026 and to be increased by 3% annually or as otherwise provided in the Regulatory Agreement or as required by the Lender. Payments to the Replacement Reserve shall be from gross cash receipts of the Partnership. The General Partners shall establish the Replacement Reserve per the terms of the Regulatory Agreement. This reserve shall be governed by the terms of the Regulatory Agreement except that to the extent there is insufficient cash to make such payments, the same shall be made by the General Partners. Funds in the Replacement Reserve shall be used for capital improvements over the life of the Project not otherwise funded by gross receipts. The Replacement Reserve will be capitalized at the Fourth Capital Contribution in the amount of $63,000.

The above provisions notwithstanding, the Fund may cause a reevaluation of the Replacement Reserve to be made upon the fifth (5$^{th}$) anniversary of completion of construction and each fifth (5$^{th}$) anniversary thereafter. This reevaluation shall entail the engagement of an outside contractor who will evaluate the contributions to the Replacement Reserve, the level of the Replacement Reserve and its anticipated uses for the following ten (10) years. Based upon the recommendations of the contractor, the payments to the Replacement Reserve may be increased. The General Partners specifically acknowledge the obligation to reevaluate and pay for such reevaluation out of Project funds or the Replacement Reserve if so authorized.

(q) [This subsection intentionally left blank.]

(r) [This subsection intentionally left blank.]

(s) [This subsection intentionally left blank.]

(t) Rights of Creditors. The obligation of the General Partners to complete construction and to fund operations under this §5.4 is for the benefit of the Partnership and the Partners and shall not inure to the benefit of any creditor of the Partnership other than a Partner, notwithstanding any pledge or assignment by the Partnership of this Partnership Agreement or any rights hereunder.

(u) Qualified Occupancy. The Partnership Property shall achieve not less than 100% Qualified Occupancy on or before the Qualified Occupancy Date.

(v) Partnership Property Sale. The General Partners shall investigate and report to the Investor Limited Partner with respect to the sale of the Partnership Property at such time as they believe is in the best interests of the Investor Limited Partner to consider any offer to purchase or resyndicate the Partnership Property.

(w) Tax Elections. Subject to the provisions of §3.2, all elections required or permitted to be made by the Partnership under the Code shall be made by the General Partners in such manner as is most advantageous to the Investor Limited Partner.

## §5.5 Fees for Services Rendered

The Partnership shall pay the following described fees to the Persons indicated below:

(a) The Development Fee shall be paid to Developers for performance of the services as provided for in the Development Agreement provided, that in the event there are insufficient funds to pay said fee by a date no later than thirteen (13) years after completion of construction of the Project, or payment has been withheld as provided for in the Development Agreement and has not been paid by said date, the General Partners shall contribute funds to the Partnership necessary to pay such fee.

(b) An Investor Services Fee to Cinnaire as provided for §§4.1 and 4.2.

(c) A Partnership Management Fee to the General Partners as provided for in §4.1 and §4.2.

(d) A disposition fee as provided for in §4.2.

The Development Agreement and any other agreement entered into by the Partnership, on the one hand, and, on the other, the Developers and/or the General Partners or any Affiliates thereof shall specifically provide that such agreement shall be terminable at the election of the Fund if the General Partners are removed pursuant to §9.6; provided, that upon completion of construction of the Project the Development Fee shall be considered as earned as of that date.

None of the payments or reimbursements to any of the Persons indicated above shall be considered a distribution of Cash Flow to any Partner and, except as otherwise specifically provided herein, the General Partners may make any such reimbursement or payment prior to any distribution of any Cash Flow to the Partners.

Payment of the Development Fee described in (a) above shall, at the sole election of the Fund, be withheld to the extent amounts are owed by the General Partners by reason of a default under the terms of this Partnership Agreement. Payment of the fees described in (c) and (d) above shall, at the sole election of the Fund, be withheld if the General Partners are in default of the terms of this Partnership Agreement, the Loan Documents, or in the event of notice of an event of removal as described in §9.6 hereof. Payments shall be resumed and all withheld payments made thirty (30) days after receipt of notice by the Fund evidencing to the Fund's satisfaction of the cure of said default or event causing the issuance of the notice of removal. These terms notwithstanding, in the event fees are withheld as a result of a monetary default, the Fund shall apply so much of the fees provided for in (a), (c) and (d) above to cure the monetary default if the sum payable together with any Capital Contribution then due pursuant to Schedule 1 and applied to the default are sufficient to satisfy such monetary default and any continuation thereof. Application of such payment shall constitute satisfaction of the fee to the extent applied. Any remaining fees not applied to satisfy the monetary default shall be paid pursuant to the provisions of the fee agreements.

**§5.6 Outside Ventures of Partners**

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

**§5.7 Indemnification of Investor Limited Partner**

The General Partners shall defend, indemnify and hold harmless the Partnership and the Investor Limited Partner from any liability, loss, damage, fees, costs and expenses incurred by reason of any demands, claims, suits, actions or proceedings arising out of any breach of the representations, covenants, and warranties or obligations set forth in §§5.3 and 5.4 of this Partnership Agreement or violation of this Partnership Agreement, the Loan Documents or Project Documents, including all reasonable attorney's fees and costs incurred in defending any claim or liability or protecting itself or the Partnership from, or lessening the effect of, any such breach. In the event that the Investor Limited Partner becomes personally liable for Partnership violations with respect to the Partnership Property under any Environmental Laws as defined in the Environmental Representations, Warranties and Covenants executed by the General Partners of even date herewith, the General Partners shall indemnify and hold harmless the Investor Limited Partner for any and all costs, expenses (including reasonable attorney's fees necessarily incurred), damages, or liabilities to the extent that the Investor Limited Partner is required personally to discharge such costs, expenses, damages, or liabilities in whole or in part from any source other than Partnership resources. The foregoing indemnification shall be a recourse obligation of the General Partners and shall survive the dissolution of the Partnership with respect to violations which occurred prior to any Voluntary or Involuntary Withdrawal with respect to the General Partners against whom the indemnification provided in this paragraph is sought to be enforced.

**§5.8 Tax Credit Adjusters**

(a) Adjustments. The following calculations shall apply for purposes of determining adjustments to Capital Contributions:

(1) "Deferral of First Low Income Housing Tax Credit Year" The financial projections assume that 2026 will be the first year of the Low Income Housing Tax Credit period for the Development and that $1,004,196 will be allocated to the Investor. If it appears occupancy is delayed such that 100% of the Low Income Housing units will be not initially occupied by

qualified tenants prior to year-end and cause those never occupied Low Income Housing Tax Credit units to be subject to the two-thirds reduction of Low Income Housing Tax Credits pursuant to §42(f)(3)(A) of the Code, the Investor Limited Partner may, in its sole discretion, require the Partnership to defer the first year of Low Income Housing Tax Credits to the following year in order to avoid the two-thirds reduction. If the deferral is required by the Investor Limited Partner, the General Partners or Guarantors cannot request a waiver.

(2) **"**Downward Low Income Housing Capital Adjustment**"** shall equal the product of:

(A) Projected Tax Credits minus the Actual Tax Credits; and
(B) $0.8294

Any Tax Credit recapture shall result in an adjuster equal to, on an after-tax basis, the amount recaptured plus applicable interest and penalties.

(3) "Late Low Income Housing Delivery Adjustment" shall equal for calendar year 2026:

(A) the amount, if any, by which $1,004,196 exceeds the Actual Tax Credits for 2026;
(B) multiplied by 0.47.

(4) [This subsection intentionally left blank.]

(5) "Early Low Income Housing Delivery Adjustment" shall equal for calendar year 2026 the product of:

(A) the amount, if any, by which Actual Tax Credits for 2026 exceed $1,004,196; and
(B) $0.47

Such amount shall not exceed One Hundred Thousand Dollars ($100,000.00).

(b) Downward Low Income Housing Capital Adjustment Calculation. Except as may be provided in 5.8(a), following determination of the Actual Tax Credits, the Accountants shall calculate the Downward Low Income Housing Capital Adjustment.

(c) Late/Early Low Income Housing Delivery Adjustment Calculation. Following the initial lease-up of the Project, the Accountants shall calculate the Late Low Income Housing Delivery Adjustment or Early Low Income Housing Delivery Adjustment, if any. When calculating the Late Low Income Housing Delivery Adjustment, if there is also a Downward Low Income Housing Capital Adjustment, then $1,004,196 shall be adjusted by the same percentage by which the Actual Tax Credits vary from the Projected Tax Credits.

If the Project does not achieve Qualified Occupancy by the first year of the Credit Period and therefore the Low Income Housing Tax Credits are allocated over 15 years, then the Late Low Income Housing Delivery Adjustment shall be the sum of (1) the amount determined under Section 5.8(a)(1) above, and (2) the amount, if any, that the Projected Tax Credits for years 2026 through 2036 exceed the Low Income Housing Tax Credits projected to be available in years 2026 through 2036, as calculated by the Investor Limited Partner at the end of the first year of the Credit Period.

(d) Effect on Capital Contributions; General Partners Payment. If there is a Downward Low Income Housing Capital Adjustment and/or a Late Low Income Housing Delivery Adjustment (a “Negative Adjustment”), then the next Capital Contributions of the Investor Limited Partner shall be immediately reduced by such amounts. A Negative Adjustment shall first reduce the next Capital Contribution, and then to the extent necessary, each succeeding Capital Contribution (to the extent not previously funded).

If the Negative Adjustment exceeds the total of all unfunded Capital Contributions, then the General Partners shall make a payment to the Partnership equal to the amount of such excess, and the Partnership shall immediately distribute such amount to the Investor Limited Partner as a return of its Capital Contributions. Such payment by the General Partners shall constitute a non-reimbursable funding by it of excess development costs and shall not give rise to any right as a loan or Capital Contribution or result in any increase in the Capital Account of the General Partners. Such payment shall be made within 10 days following a demand therefor from the Investor Limited Partner, failing which interest shall accrue at the Default Rate.

If there is an Early Low Income Housing Delivery Adjustment (a “Positive Adjustment”), then the Capital Contribution of the Investor Limited Partner shall be increased by the Positive Adjustment, but in no event shall the aggregate additional Capital Contribution by the Investor Limited Partner be greater than $100,000. The additional Investor Limited Partner’s Capital Contribution shall increase the Final Capital Contribution. The Partnership shall use the increase in the Final Capital Contribution (i) first to prepay the Development Fee, and (ii) then disbursed as Net Cash Flow, provided, however, that at General Partners’ request and subject to the Investor Limited Partner’s consent, not to be unreasonably withheld, any remainder of the increase in the Final Capital Contribution available after payment of the amounts set forth in Section 4.1 may be used to fund additional reserves.

(e) Provisional Adjustment. If sufficient information is not available at the time any

Capital Contribution is due that would permit the Accountants to compare the Actual Tax Credits with the Projected Tax Credits as described above, then the Accountants shall, based upon all available information at that time, estimate the Actual Tax Credits to be received.

(i) In the event the Accountant's estimated Actual Credits are less than the Projected Tax Credits, the Investor Limited Partner shall receive a credit against their Capital Contributions as provided herein; provided, however that the General Partners shall not be required to contribute to the Partnership funds until such time as sufficient information is available to the Accountants who shall promptly compare the Actual Tax Credits with the Projected Tax Credits.

(ii) In the event that the Actual Tax Credits exceed the previous estimate, the Investor Limited Partner shall make an immediate Capital Contribution to the Partnership in an amount equal to ten percent (10%) percent of the difference between the Projected Tax Credits to be allocated to the Investor Limited Partner and the Actual Tax Credits allocated to the Investor Limited Partner. An additional amount of Capital Contribution may be made pursuant to §2.2.

(iii) In the event the Actual Tax Credits allocated to the Investor Limited Partner is less than the previous estimate then the Investor Limited Partner shall receive a further, additional credit against the next and any future installments of Capital Contributions until credited in full. In the event such further reduction amount exceeds the sum of all future installments of Capital Contributions, then the General Partners (or an Affiliate) shall contribute to the Partnership an amount equal to such excess and the Partnership shall make a special distribution to the Investor Limited Partner of the remaining reduction amount within thirty (30) days of the Accountant's determination.

(f) The financial projections in Exhibit D assume the so-called bonus depreciation in 2026 in the amount $1,004,582 arising out of the Project's site improvements and personal property, as made available under Section 168(k) of the Code. The site improvements and personal property on which bonus depreciation is projected to be taken are each property that (i) was or will be acquired after September 27, 2017 and a written binding contract for the acquisition of such property was not entered into on or before September 27, 2017, (ii) is new property the original use of which commences with the Partnership, (iii) will be placed in service by the end of the calendar year 2026 and (iv) will be not disposed of during the year the Project is placed in service. Unless directed by the Investor Limited Partner, the General Partners will not elect out of the bonus depreciation for the Project's personal property and site improvements.

(g) Any amount due and owing to the Investor Limited Partner pursuant to this §5.8, which is not offset against their Capital Contribution installments and not promptly contributed to the Partnership by the General Partners, may, upon written consent of the Investor Limited Partner, be paid from an assignment by the General Partners and Developers to the Investor Limited Partner of any future payments under the Development Agreement, and Partnership Management Services Agreement and of any rights of the General Partners thereunder.

(h) Any payment made by the General Partners (or an Affiliate) pursuant to this §5.8, shall increase the General Partners' Capital Account and be regarded as a Capital Contribution. Except as otherwise provided, if any payment due from the General Partners under this §5.8 is not made when due, the unpaid balance shall bear interest at an annual rate equal to the Default Rate. The rights and remedies granted pursuant to the foregoing provisions of this §5.8 shall not be exclusive of, but shall be in addition to, any rights and remedies granted by the Investor Limited Partner under this Partnership Agreement or by applicable law.

(i) Upon any reduction in Capital Contributions under this §5.8, the General Partners shall execute and deliver to the Fund an amendment to this Partnership Agreement and file and record, as applicable, an amendment to the Partnership Certificate to reflect such reduction, which amendment shall be in form and content satisfactory to the Fund. Notwithstanding any failure or delay in such execution and delivery, however, the Partnership Agreement shall be deemed to have been amended in accordance with the provisions of this §5.8.

**§5.9 Indemnification of General Partners**

No General Partner shall have any liability to the Partnership or to any Partner for any loss suffered by the Partnership which arises out of any action or inaction of such General Partner if such General Partner, in good faith, determined that such course of conduct was in the best interest of the Partnership and such determination and course of conduct did not constitute negligence, fraud, misconduct or breach of fiduciary duty by the General Partner. To the full extent permitted by law, each General Partner shall be indemnified by the Partnership against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with the Partnership, provided that the same were not the result of negligence, fraud, misconduct or breach of fiduciary duty on the part of such General Partner and were the result of a course of conduct which such General Partner, in good faith, determined was in the best interest of the Partnership. Any indemnity under this §5.9 shall be provided out of and to the extent of Partnership assets only, and the Investor Limited Partner shall not have any personal liability on account thereof. The Partnership shall not incur the costs of that portion of any insurance, other than public liability insurance, which insures any party against any liability as to which such party is herein prohibited from being indemnified. Nothing in this §5.9, however, shall restrict the right of the Partnership to (i) indemnify unaffiliated parties who will be performing services on behalf of the Partnership, including but not limited to consultants, engineers and experts, pursuant to any contract entered into by a General Partner on behalf of the Partnership in order to carry out the objectives of the Partnership, or (ii) apply Partnership funds, including, without limitation, proceeds of public liability insurance in favor of the Partnership, to cover damage to property or personal injuries to unaffiliated parties.

## §5.10 **<u>Right to Require Repurchase</u>**

An Investor Limited Partner shall have the right but not the obligation to require the General Partners to purchase its Limited Partner interest upon the occurrence of any one of the following events:

(a) The Partnership fails to achieve 100% construction completion and place in service on or before November 1, 2026.

(b) Any interim or permanent loan commitment or grant is reduced or is withdrawn so as to materially adversely affect the Partnership or Project and not replaced with comparable financing within sixty (60) days, or disbursement of construction loan proceeds is withheld for more than thirty (30) days.

(c) Construction work on the Project ceases for a period of forty-five (45) days or more which cessation is not the result of a strike or other cause beyond the control of the Partnership.

(d) Valid fully completed Form(s) 8609 (Parts I and II) for each residential building in the Project in an aggregate amount of not less than ninety-five (95%) percent of the Projected Tax Credits have not been issued to the Partnership on or before January 1, 2028 or at such later date as may be acceptable to the Investor Limited Partner.

(e) The LIHTC Regulatory Agreement between the Partnership and the Authority has not been executed and recorded on or before December 31, 2026.

(f) The Partnership fails to meet the Minimum Set-Aside Test or the rents charged to tenants in dwelling units designated to meet the Minimum-Set-Aside Test fail to meet the Rent Restriction Test or the Partnership fails to meet any other requirements necessary for the Project to qualify for Tax Credits by the end of the first year of the Tax Credit Compliance Period or the Partnership fails to maintain such requirements thereafter through the Compliance Period.

(g) If at any time it shall be determined by the IRS or by the Accountants that twelve (12) months from the date of the Carryover Allocation, the Partnership had not incurred capitalizable costs with respect to the Project of at least ten (10%) percent of the Partnership's reasonably expected basis in the Project as of December 31, 2026.

(h) The Partnership fails to initially achieve three (3) consecutive months of Underwritten Operations on or before July 1, 2027; and Permanent Mortgage Commencement shall not have occurred prior to July 1, 2027 (or any later date fixed by the General Partners with the consent of the Fund).

(i) If by April 1, 2027 (or any later date fixed by the General Partners with the consent of the Fund) Qualified Occupancy shall not have been achieved.

(j) (1) Foreclosure proceedings shall have commenced under any mortgage and such proceedings shall not have been dismissed within thirty (30) days of commencement, or any lender shall have irrevocably refused to make any further advances under its loan and such decision shall not have been reversed or the loan replaced within thirty (30) days of each refusal; (2) any action is commenced to foreclose any construction or any other lien (other than the lien of any mortgage) against the Partnership Property and such action has not within ninety (90) days been either bonded against in such a manner as to preclude the holder of such lien from having any recourse to the Partnership Property or to the Partnership for payment of any debt secured thereby, or affirmatively insured against by the title insurance policy or an endorsement thereto issued to the Partnership by a reputable title insurance company (which insurance company will not have indemnity from or recourse against Partnership assets by reason of any loss it may suffer by reason of such insurance) in an amount satisfactory to the Investor Limited Partner; (3) construction or operation of the Project shall have been enjoined by a final order (from which no further appeals are possible) of a court having jurisdiction; (4) a casualty occurs resulting in destruction of more than 50% of the Project, or there is destruction of less than 50% of the Project and any insurance proceeds and/or proceeds of any additional financing obtained by the Partnership in compliance with this Partnership Agreement are insufficient to restore the Project or the Project is not so restored by July 1, 2027 following such casualty; or (5) the Project shall become ineligible for 50% or more of the Tax Credits anticipated to be generated by the Project, as set forth in the Exhibit D.

The purchase price of an Investor Limited Partner's interest shall be the sum of one hundred (100%) percent of all Capital Contributions previously paid by the Investor Limited Partner to the Partnership (less the sum of any prior distribution of Cash Flow pursuant to §4.1(b) to the Investor Limited Partner).

In the event the General Partners fail to amend this Partnership Agreement and Partnership Certificate to conform with the Partnership's repurchase of the Investor Limited Partner's interests within thirty (30) days after such repurchase, the General Partners irrevocably appoint the Fund, with full power of substitution, as their true and lawful attorney-in-fact, in its name, place and stead, with full power to act, to make, execute, sign, acknowledge, swear to, verify, deliver, file, record, and publish an amendment to this Partnership Agreement and the Certificate indicating the repurchase of the interest of the Investor Limited Partner in the Partnership and the substitution of the General Partners as Substitute Limited Partner in their place.

Within five (5) days of the occurrence of an event requiring repurchase, the General Partners shall give written notice of the event to the Investor Limited Partner. Notwithstanding anything to the contrary herein, no repurchase shall be required unless an Investor Limited Partner shall within forty-five (45) days following receipt of the notice give the General Partners written notice of its exercise of the right to demand repurchase. The full amount of the purchase price shall be paid to the Investor Limited Partner within thirty (30) days following the effective date of the exercise of the Investor Limited Partner's right to require repurchase of their Limited

Partnership interests. If not so paid, starting on the thirty-first day after the exercise of the Investor Limited Partner's right to require repurchase it shall accrue interest per annum at two (2%) percent over the Prime Rate. The Partnership and the Guarantors hereby guaranty the obligations of the General Partners under this §5.10.

**§5.11 Payment of Expenses of Transaction**

The General Partners shall pay the following expenses from Partnership funds if available, otherwise the General Partners shall contribute funds sufficient to cover said expenses:

(a) Cost of the Title Policy.

(b) The Accountant's fees and expenses for preparing the financial projections.

(c) Real estate transfer, recording and sales and other taxes imposed by any governmental body or agency.

(d) The Partnership's legal fees and expenses and any real estate brokerage fees incurred by the Partnership.

**§5.12 Guaranty.**

The General Partners and the Lansing Housing Commission (collectively the "Guarantors") shall guarantee the obligations of the General Partners as provided for in the Development Agreement, the Environmental Representations, Warranties and Covenants, and this Partnership Agreement, including but not limited to, §5.3, §5.4, §5.5 (including, but not limited to, payment of the Investor Services Fee), §5.7, §5.8, §5.10 and §5.11 including all Tax Credit recapture, interest and penalties incurred by the Investor Limited Partner pursuant thereto. Guarantors' obligations are limited to the aggregate amount of developer and other fees (both received and earned) that the Guarantors (or any affiliate) are entitled to receive pursuant to the Partnership Agreement. Guarantors shall execute a separate Guaranty in form satisfactory to the Investor Limited Partner. The Guarantors must demonstrate to Cinnaire, in its discretion, their ability to offer meaningful guarantees as evidenced by maintaining a liquidity position of $1,000,000 and net worth of $5,000,000, respectively.

The Investor Limited Partner acknowledges and agrees that Lansing Housing Commission has no authority to provide the Investor Limited Partner with guaranties or indemnifications involving HUD-restricted assets and that the recourse for all obligations of the General Partners under the Partnership Agreement and Guarantors under this Guaranty are limited to the General Partners' or Guarantor's unrestricted non-Federal funds.

**§5.13 General Partners Decisions.**

Decisions of the General Partners shall, unless otherwise provided herein, require the approval of a Majority in Interest of the General Partners.

### §5.14 **Bankruptcy Proceedings**

The General Partners shall not file any bankruptcy petition or initiate any similar insolvency proceeding or action on behalf of the Partnership, including without limitation any assignment for the benefit of creditors, without giving the Investor Limited Partner at least fifteen (15) business days' prior written notice of its intent to do so, or such other reasonable notice as may be required to satisfy their fiduciary duties to the Investor Limited Partner in emergency circumstances, and then shall do so only in the best interests of the Partnership with due regard for the preservation of the Investor Limited Partner's anticipated economic benefits and as a last resort after considering all possible alternatives and exercising diligent efforts to continue to operate the Partnership without such protection. The General Partners shall give the Investor Limited Partner prompt written notice of any such bankruptcy petition or insolvency proceeding or action filed or initiated against the Partnership, and shall respond to the same in such manner as is in the best interests of the Partnership with due regard for the preservation of the Investor Limited Partner's anticipated tax benefits.

## ARTICLE 6. POWERS RIGHTS AND DUTIES OF INVESTOR LIMITED PARTNER

### §6.1 **Limitation of Liability**

Notwithstanding any other provision of this Partnership Agreement, the liability of the Investor Limited Partner is limited to its Capital Contribution as and when payable under the provisions of this Agreement, and as provided under the Act (relating to a limited partner's liability under certain circumstances to refund to the Partnership distributions of cash previously made to it as a return of capital). No Limited Partner shall have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Partnership, nor shall any Limited Partner be personally liable for any obligations of the Partnership, except as and to the extent provided in the Act. No Limited Partner shall be obligated to make loans to the Partnership.

### §6.2 **No Participation in Management**

Except as otherwise expressly provided in this Partnership Agreement, the Investor Limited Partner shall not participate in the operation, management or control of the Partnership's business, transact any business in the Partnership's name or have any power to sign documents for or otherwise bind the Partnership.

## ARTICLE 7. ACCOUNTING AND FISCAL AFFAIRS

### §7.1 **Books of Account**

The General Partners shall keep proper books of account for the Partnership by the accrual method of accounting and the calendar year shall be the fiscal year of the Partnership. Such books of account and all other records relating to the status of the Project shall be kept at the principal office of the Partnership and shall be open at all times for examination and copying by the Investor Limited Partner or its authorized representatives. The General Partners shall retain such books of account for seven years after the termination of the Partnership. All decisions as to the fiscal year and accounting methods to be used by the Partnership shall be made only with the prior written consent of the Investor Limited Partner.

## §7.2 Financial or Operating Reports

(a) The books of account of the Partnership shall be examined in accordance with generally accepted auditing standards annually as of the end of each Fiscal Year of the Partnership by the Accountants. The General Partners shall determine and prepare a balance sheet as of the end of each such Fiscal Year and statements of income, partners' equity and changes in financial position for such Fiscal Year, statement of sources and uses of funds, statements summarizing the amount of Tax Credits and depreciation, number of tenants served and the cost of such services, and statement of any compensation paid to or for the benefit of the General Partners or their Affiliates. Said balance sheet and statements shall be accompanied by the opinion of the Accountants that said balance sheet and statements have been prepared in accordance with generally accepted accounting principles applied consistently with prior periods, identifying any matters to which the Accountants take exception and stating, to the extent practicable, the effect of each such exception on such financial statements. As a note to such financial statements, the General Partners shall prepare (or shall cause to have prepared) a schedule of all loans to the Partnership, setting forth the section of this Partnership Agreement under which such debt was incurred and the purpose for which such loan was applied by the Partnership and such schedule will be reviewed by the Accountants. Such schedule shall demonstrate that loans have been made, used, carried on the books of the Partnership (and repaid, if applicable) in accordance with the provisions of this Partnership Agreement. In addition, after the first Fiscal Year in which the Accountants examine the financial statements of the Partnership after completion of the Project, the depreciation schedule for that Fiscal Year and all future Fiscal Years, together with the depreciation worksheet, shall be prepared by the General Partners or their designee, reviewed by the Accountants and furnished to the Investor Limited Partner. The General Partners shall, promptly upon receipt of such balance sheet and statements and in any event within 60 days after the end of each Fiscal Year, transmit to the Investor Limited Partner a copy thereof.

(b) The Accountants also shall review and sign the Federal and state income tax returns of the Partnership. The General Partners or their designee shall complete the books of the Partnership in such time as will allow the Accountants to complete such tax returns within 60 days after the end of such Fiscal Year. The General Partners shall cause such tax returns to be filed within such time periods and shall immediately upon the filing thereof transmit to the Investor Limited Partner a copy of the complete federal Partnership tax return (i.e., Form 1065 and all accompanying schedules, including completed Form K-l) and all state income tax returns. If the General Partners fail to complete such tax returns and to transmit such tax returns and completed Form K-1 to the Investor Limited Partner within 60 days after the end of such Fiscal Year, the General Partners and its Affiliates shall forthwith cease to be entitled to the distribution of any Cash Flow and the payment of the fees to which they may otherwise be entitled, the Investor Limited Partner shall not be required to pay any additional Installment of its Capital Contribution and the General Partners shall be required to pay a penalty to the Investor Limited Partner of $50 per day for each day they fail to timely deliver the completed tax returns and completed Form K-1. Such distributions of Cash Flow, payments of fees and the obligation of the Investor Limited Partner to pay any additional Installment of their Capital Contribution shall be restored and allowed only upon the delivery to the Investor Limited Partner of such tax returns and completed Form K-1 and the payment of any interest or penalties incurred by the Investor Limited Partner as a result of the General Partners' failure to deliver such tax returns and completed Form K-1 in a timely fashion. In the event that any such items will not be delivered within the time limits set forth herein, the General Partners shall immediately notify the Investor Limited Partner, and shall furnish them with copies of any extensions.

(c) The reports and estimates described in this §7.2 shall clearly indicate the methods under which they were prepared and shall be made at the expense of the Partnership.

(d) The above notwithstanding, if the General Partners fail to complete such tax returns and submit such Forms K-1 on a timely basis, the Fund may at its sole option select a firm of accountants who shall prepare such returns and Form K-1. The General Partners shall immediately furnish all necessary documentation and other information so as to prepare such tax returns and such Forms K-1 to such accountants. Such firm of accountants shall be paid out of Partnership funds or, if and to the extent that no Partnership funds are available therefor, by the General Partners.

(e) An annual pro forma operating budget shall be prepared by the General Partners and furnished to the Investor Limited Partner 90 days prior to the start of each Fiscal Year with the final budget provided to the Investor Limited Partner on or before January 1 of that year. In addition, the General Partners shall prepare and furnish to the Investor Limited Partner an estimate of the Profits and Losses of the Partnership for Federal tax purposes for the current Fiscal Year not later than September 30 of each year and, as soon as available and in any event not later than thirty (30) days after the end of each fiscal year, a preliminary analysis of the Profits, Losses and Credits to be allocated to each Partner and each Partner's projected ending Capital Account for such fiscal year.

(f) The General Partners shall as soon as available and in any event not later than twenty (20) days after the end of each of the first three quarters of each year provide to the Investor Limited Partner unaudited financial statements of the Partnership, including a balance sheet as of the end of such quarter, statements of changes in Partners' capital accounts during such quarter statements of profit and loss for such quarter, statements summarizing the amount of Credits and depreciation for such quarter, the most recent bank statements available for all reserves, statements of sources and uses of cash flow for such quarter and for the fiscal year through the end of such quarter, statement of any compensation paid to or for the benefit of the General Partners or their Affiliates and copies of the rent rolls for the Project indicating the rent, family size, family income and area median income for each tenant, certified by the General Partners as presenting fairly the financial condition of the Partnership at the date of such statements. The General Partners shall also include a report of the significant activities of the Partnership during the fiscal quarter. Each such statement shall be prepared in accordance with general accepted accounting principles applied on a consistent basis.

(g) The General Partners shall as soon as available and in any event not later than thirty (30) days after the end of the first quarter of each year provide to the Investor Limited Partner unaudited financial statements of the Guarantors, including a balance sheet as of the end of the prior year and as of the end of such quarter, and statements of changes in the Guarantors' capital accounts during the previous year and such quarter, certified by the Guarantors as presenting fairly their financial condition at the date of such statements.

(h) The General Partners shall provide or cause to be provided to the Investor Limited Partner, at the time they or the Management Agent provides the same to the Authority, copies of all financial and other reports or certifications pertaining to operation of the Project. Further, the General Partners shall cause to be provided to the Investor Limited Partner such other financial and operating information as the Investor Limited Partner may from time to time reasonably request. **FAILURE TO DO SO SHALL BE SPECIFIC GROUNDS FOR GENERAL PARTNERS REMOVAL UNDER §9.6 OF THIS PARTNERSHIP AGREEMENT.**

(i) The General Partners shall provide to the Investor Limited Partner all tax credit monitoring and compliance reports provided to any governmental agency and all reports received from such agencies by the Partnership relating to tax credit compliance including but not limited to reports of violations, within thirty (30) days of delivery or receipt, as applicable. The General Partners shall also provide the Investor Limited Partner with copies of all local building and health code violation reports and steps taken, or to be taken, to remedy the same within thirty (30) days of receipt.

(j) The General Partners shall promptly cause to be provided to the Fund and any other requesting Investor Limited Partner such other reports as may be reasonably requested by the Fund and such Investor Limited Partner and which are required by the Fund and such Investor Limited Partner to meet their respective duties and responsibilities to their members/investors under their respective organizational documents.

(k) The General Partners shall timely provide to any federal, state or local government agency having jurisdiction over the Project or the Partnership any and all periodic reports required to be provided by the Investor Limited Partner to any federal, state or local government agency having jurisdiction over the Project or the Partnership.

(l) Immediately upon receipt thereof the General Partners shall provide to the Investor

Limited Partner (A) notice of any default under any loan or financial obligation of the Partnership accompanied by a description of the details of such default and the action being taken or proposed to be taken by the General Partners with respect thereto, (B) notice of any IRS proceeding involving the Partnership, (C) any payment or draw made under any operating deficit guaranty, construction completion guaranty, performance bond or letter of credit, (D) notice of any change in the operations or financial condition of the General Partners and/or the Partnership which would reasonably be expected to have a material adverse effect on the Partnership or the Investor Limited Partner, or (E) any other significant developments affecting the Partnership, its business or assets.

(m) As soon as available, and in no event later than fifteen (15) days after the end of each month, the General Partners shall provide to the Fund a monthly report on the progress of construction (including, but not limited to, a full accounting of any draw requests for such month, and on a cumulative basis) and lease-up in a form acceptable to the Fund.

(n) As soon as possible the General Partners shall provide to the Investor Limited Partner 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.

(o) The General Partners shall provide to the Investor Limited Partner such other information regarding the state of the business, financial condition and affairs of the Partnership, as the Investor Limited Partner, from time to time, may reasonably request, including, but not limited to, a certification by the General Partners 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 Documents, any other contract to which the Partnership is a party or this Partnership 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.

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

(q) The General Partners hereby consent to the Lender's providing the Investor Limited Partner with copies of all material communications between the Authority, a Lender and the General Partners and/or the Partnership including, but not limited to, notices relating to Tax Credit compliance or of default.

(r) The General Partners shall immediately provide the Investor Limited Partner with notice of cancellation or expiration (without renewal or replacement) of any insurance to be maintained under the terms of this Partnership Agreement.

(s) The General Partners shall as soon as possible and in any event within fifteen (15) days after receipt of notice thereof, provide to the Investor Limited Partner notice of any adverse publicity, pending or threatened litigation, investigation or other proceeding involving the Partnership or the General Partners wherein the potential damages, including damage to reputation, in the reasonable judgment of the General Partners based upon the advice of counsel experienced in such matters, are not fully covered by the insurance policies maintained by the Partnership (except for the deductible amounts applicable to such policies) and would reasonably be expected to result in a material adverse effect upon the Partnership or Investor Limited Partner, or may result in the General Partners being subjected to civil or criminal liability, fine, penalty or damage.

### §7.3 Audited Financial Statement

Within sixty (60) days after the end of the Partnership’s Fiscal Year, the Partnership, at Partnership expense, shall have an audited financial statement prepared for each fiscal year of the Partnership by the Accountant or such other accounting firm as is selected by the General Partners and approved by the Investor Limited Partner. The General Partners shall be required to pay a penalty to each Investor Limited Partner of $50 per day for each day they fail to timely deliver the completed audited financial statements.

### §7.4 Inspection of Site and Records

The General Partners shall permit the Investor Limited Partner or its agents or employees to examine the books and records of the Partnership and to make site inspections at all reasonable times as may be requested by the Investor Limited Partner.

## ARTICLE 8. TRANSFER OF AN INVESTOR LIMITED PARTNER'S PARTNERSHIP INTERESTS

### §8.1 Voluntary Transfers

Except to a Prohibited Party, an Investor Limited Partner may at any time make a Voluntary Transfer of all or any part of its Partnership Interests, so long as such Voluntary Transfer complies with the following conditions: (a) The General Partners have received a written instrument of transfer of such Partnership Interests, which instrument shall be signed by the transferor Investor Limited Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of and agreement to be bound by all of the terms and conditions of this Partnership Agreement; (b) All requirements of applicable state and federal securities laws have been complied with; (c) Such Voluntary Transfer will not result in the Partnership's loss of any exemption (federal or state) from the registration of the sale of securities relied upon in its offering of the Partnership Interests; (d) Such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for federal income tax purposes; and (e) Such Voluntary Transfer shall not result in the loss of Credits to the Partnership. Upon compliance with all of the conditions of this §8.1, such Voluntary Transfer of the Investor Limited Partner's Partnership Interests shall bind the Partnership and the General Partners, no such transfer shall cause the dissolution and termination of the Partnership and the transferee shall automatically be deemed to be an Assignee with respect to such Partnership Interests. The above notwithstanding, the Investor Limited Partner shall remain liable for its Capital Contributions to the extent they are not made by the transferee.

## §8.2 General Partners' Consent to Substitution as an Investor Limited Partner

Notwithstanding anything to the contrary contained in §8.1, an Assignee of a Limited Partner's Partnership Interests shall not become a Substituted Investor Limited Partner, unless and until: (a) The General Partners consent in writing to such substitution, which consent may not be unreasonably withheld; (b) The Lender, if required, approves such transfer; and (c) The Partnership duly files for record an amendment to the Partnership Certificate reflecting such substitution with the Filing Office. The effective date of the substitution of the Assignee as a Substituted Investor Limited Partner shall be the date of filing or as permitted by the Act and agreed to by the Assignor and Assignee. If the General Partners, or Lender, if required, do not consent to the substitution of an Assignee of an Investor Limited Partner's Partnership Interests, then the transferor Investor Limited Partner shall retain all the rights of a transferor of a limited partnership interest under the Act and, except as otherwise provided in §8.4, the Assignee shall not be treated as owning any interest in the Partnership. In particular, an Assignee of an Investor Limited Partner's Partnership Interests who is not admitted as a Substituted Investor Limited Partner under this §8.2 shall not be entitled to: (w) Require any accounting of the Partnership's transactions; (x) Inspect the Partnership's books and records; (y) Require any information from the Partnership; or (z) Exercise any privilege or right of an Investor Limited Partner which is not specifically granted to a nonsubstituted transferee of a limited partnership interest under the Act. The Substituted Investor Limited Partner shall pay to the Partnership the reasonable cost of preparation and filing of the documents by the Partnership necessary to effectuate said transfer.

## §8.3 Involuntary Transfers

The Involuntary Transfer of all or any part of an Investor Limited Partner's Partnership Interests shall not cause the dissolution and termination of the Partnership, but rather the business of the Partnership shall be continued without interruption in accordance with the provisions of this §8.3. Upon an Involuntary Transfer of all or any part of any Investor Limited Partner's Partnership Interests, such Investor Limited Partner's successor or legal representatives shall, upon consent of the General Partners, which consent may not be unreasonably withheld, and the Lender, if required, automatically be deemed to be a Substituted Investor Limited Partner.

## §8.4 Distributions and Allocations with Respect to Transferred Partnership Interests

If any transfer (whether a Voluntary or Involuntary Transfer) of an Investor Limited Partner's Partnership Interests is recognized by the Partnership under this Article 8, then all allocations of Profits and Losses attributable to the transferred Partnership Interests shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the General Partners which is then permitted under §706 of the Code and the Regulations promulgated thereunder. All distributions of Cash Flow made prior to the effective date of any such transfer shall be made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee.

**§8.5 Voluntary Withdrawal**

An Investor Limited Partner shall not be permitted to voluntarily withdraw from the Partnership.

**§8.6 Disposition of Project**

(a) Subject to the rights set forth in §8.7 below, the General Partners shall investigate and report to the Investor Limited Partner with respect to the sale or refinancing of the Project at such time as they believe is in the best interest of the Partnership. The General Partners shall consider any offer by the Investor Limited Partner to purchase or resyndicate the Project. Approval of the Investor Limited Partner must be obtained for any sale or disposition of all or substantially all of the Project. If an offer from a non-Affiliated Person is received and accepted by the Investor Limited Partner, the General Partners, provided they have not been removed or are not subject to removal as the result of a Voluntary or Involuntary Transfer under §9.1 or 9.2 or has not been removed or is not subject to removal under the provisions of §9.6, shall for a period of one hundred twenty (120) days have a first right of refusal to purchase the Project at the offered price. The Investor Limited Partner will notify the General Partners in writing that the purchase period has started, pursuant to the terms of the right of first refusal provided herein. If the General Partners do not purchase the Property pursuant thereto, then the Investor Limited Partner shall have one hundred twenty (120) days in which to close with the purchaser on the terms and conditions previously offered. If they fail to close then the parties may proceed as hereinafter provided as if no such purchase offer was received. If no offer to purchase is received from a non-Affiliated Person, the General Partners, provided they have not been removed or are not subject to removal as provided above, may, after expiration of the Compliance Period, pursuant to notice to the Investor Limited Partner, purchase the Project at a price equal to the greater of (A) the Appraised Value, as defined below, as of the date of the closing of the purchase, subject to continued use of the Project for low income housing for at least fifteen (15) years (or longer as contracted in the LIHTC Regulatory Agreement) after the end of the Compliance Period under Section 42 of the Code if required by the Authority and thereafter, as of the date of the closing of the purchase, or (B) the sum of a price based upon the payment or assumption of the outstanding debt and all federal, state and local taxes to be incurred by the Investor Limited Partner attributable to such sale (the “Buyout Price”).

The General Partners' notice to the Investor Limited Partner (the "Buyout Notice") shall include (1) an appraisal of all of the assets of the Partnership (the "Appraised Value") by an appraiser selected by the General Partners, and (2) a calculation by the Accountants of (a) the value of the Investor Limited Partner's interest based on such appraisal and (b) the Buyout Price, all calculated as of the closing date proposed by the General Partners in their Buyout Notice. The Investor 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 General Partners of their desire to appoint a second appraiser to evaluate the Buyout Price. In the event that no Investor Limited Partner notifies the General Partners within the aforesaid thirty (30) day period that it desires to appoint a second appraiser, the Investor Limited Partner shall be deemed to have accepted the Buyout Price, in which event the Buyout Price shall be the price calculated by the Accountants and set forth in the Buyout Notice, and the General Partners shall purchase the Interests of the Investor Limited Partner on the date specified in the Buyout Notice.

In the event that any Investor Limited Partner notifies the General Partners of its desire to appoint a second appraiser, the Investor Limited Partner shall appoint such appraiser within thirty (30) days after it notifies the General Partners of its election, and the two appraisers shall together appoint a third appraiser within fifteen (15) days after the appointment of the second appraiser. In the event that more than one Investor Limited Partner notifies the General Partners of their desire to appoint a second appraiser, the second appraiser shall be an appraiser satisfactory to the notifying Investor Limited Partner. 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 (10%) percent 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 (10%) percent higher or lower than the average of the three determinations, the Appraised Value shall be the mean of the three determinations.

The Accountants shall determine the Buyout Price within fifteen (15) days after the three appraisers complete their determinations, and the closing of the sale of the Investor Limited Partner's Interest to the General Partners shall occur within sixty (60) days after the Accountants determine the Buyout Price. The entire Buyout Price shall be paid to the Investor Limited Partner at the closing in cash or immediately available funds. The Investor Limited Partner shall be responsible for the costs of the second appraiser and one-half (1/2) of the costs of the third appraiser, if any, and for their own attorneys' fees incurred in connection with the closing. All other costs of the Buyout, including the costs of the appraiser appointed by the General Partners, the Accountants' fees and any filing fees, shall be paid by the General Partners.

(b) Notwithstanding any other provision of this Agreement to the contrary, the Investor Limited Partner shall have the right at any time after the end of the Compliance

Period to require, by written notice to the General Partners (the "Required Sale Notice"), that the General Partners promptly use their best efforts to obtain a buyer for the Project on the most favorable terms then available. The General Partners shall submit the terms of any proposed sale to the Investor Limited Partner for its Consent in the manner set forth in §14.3. If the General Partners shall fail to so obtain a buyer for the Project within six (6) months of receipt of the Required Sale Notice or if the Consent of the Investor Limited Partner in its sole discretion shall be withheld to any proposed sale. In the event that the Investor Limited Partner so obtains a buyer, they shall notify the General Partners in writing with respect to the terms and conditions of the proposed sale. The General Partners, provided it has not been removed or are not subject to removal as the result of a Voluntary or Involuntary Transfer under §§9.1 or 9.2 or has not been removed or are not subject to removal under the provisions of §9.6, shall for a period of one hundred twenty (120) days have a first right of refusal to purchase the Project at the offered price.

(c) Any such sale or disposition of the Project shall be subject to the terms of the Regulatory Agreement and, if the Authority Mortgage loan remains outstanding, subject to approval by the Authority.

**§8.7 <u>Right of First Refusal Post Compliance Period</u>**

Provided 220 Kalamazoo GP, LLC has not been removed or is not subject to removal as a General Partners under the provisions of §9.1, 9.2 or 9.6, , pursuant to the terms of the Right of First Refusal Agreement of even date between the Partnership and Lansing Housing Commission ("LHC"), the Partnership, upon receipt of an offer to purchase the Partnership Property from an unrelated bona fide purchaser, will not transfer, sell, alienate, assign, give, bequeath or otherwise dispose of such property or any portion thereof to any Person without first offering the Project for a period of one hundred twenty (120) days (the "Purchase Period") to LHC at a price equal to the sum of (i) the principal amount of all outstanding indebtedness secured by the Partnership Property, all loans from the General Partners or any of their Affiliates, and any accrued interest; (ii) all federal, state and local taxes of the Partnership and its Partners attributable to such sale, and (iii) Fund's reasonable transfer costs; provided, however, that such price shall not be less than the minimum purchase price defined in Section 42(i)(7)(B) of the Code.

Such right of first refusal shall be conditioned upon LHC's agreement to maintain the Project for low-income use for at least fifteen (15) years after the later of the end of the Compliance Period or the date of the buyout (but in no event can such low income use terminate before the end of the Extended Use Period under §42 of the Code)**;** and provided, further, that such restriction shall be recorded as a restriction against the Partnership Property.

The amount of exit taxes the General Partners is responsible for will not exceed the greater of the Fair Market Value of the Investor Limited Partner's partnership interest or the resources available at the Project level that can be used to pay the Investor Limited Partner's exit taxes. To the extent allowed by the Authority, remaining reserves will be used to pay for the Investor Limited Partner's exit taxes.

## §8.8 **Buyout Option**

Beginning after the end of the Compliance Period and ending one (1) year thereafter, and only if at such time or times the General Partners have satisfied all obligations under this Agreement to the Investor Limited Partner, the General Partners are not in default under any of the Project Documents, the Loan Documents or this Agreement, and no Event of Bankruptcy has occurred or is pending with respect to the General Partners or the Guarantors, the General Partners shall have the option for an Affiliate to purchase the Investor Limited Partner's entire Interest in the Partnership for the Buyout Option Price. The Buyout Option Price shall be the Fair Market Value of the Investor Limited Partner's Interests in the Partnership as of the date of Closing.

The closing of the sale of the Investor Limited Partner's Interest to the General Partners shall occur within thirty (30) days after the Investor Limited Partner consent to the computation of the Buyout Option Price. The entire Buyout Option Price shall be paid to the Investor Limited Partner at the closing in cash or immediately available funds. All costs associated with the exercise of the Buyout Option other than the Investor Limited Partner's attorney fees, including the costs of the appraiser appointed by the General Partners, the Accountants' fees and any filing fees and transfer taxes attributable to the Buyout, shall be paid by the General Partners.

## §8.9 **Investor's Right to Put**

The General Partners hereby grant to the Investor Limited Partner the individually exercisable right and option, but not the obligation, to require the General Partners to purchase their Partnership Interest (the "Put") at a price equal to $100 plus all amounts then due and owing to the Investor Limited Partner under this Agreement, including, without limitation, amounts due under §§4.1 and 5.8. The Investor Limited Partner shall exercise the Put by delivering notice to the General Partners in the manner set forth herein at any time after the expiration of the Compliance Period. Within 10 days of such notice, the General Partners shall purchase, and the Investor Limited Partner shall sell its Partnership Interest by entering into an assignment, assumption and indemnification agreement acceptable to the Investor Limited Partner, which agreement shall require, at a minimum, that the General Partners and the Guarantor (a) reaffirm the indemnification and guarantee provisions set forth within the Partnership Agreement and the Guaranty and (b) agree to continue to provide reports and information as set forth in Article 7.

## §8.10 **Continuing IRS Compliance**

Notwithstanding anything here in to the contrary, for so long as the IRS may be legally permitted to assess tax liability against the Investor Limited Partner and LHC desires to assign, sell, transfer, or convey any interest acquired pursuant to §§8.6, 8.7, and 8.8, LHC will provide such documentation as may be necessary and appropriate to the Investor Limited Partner, or its designee, to conclude that such transfer is consistent with preserving the Project as a low-income housing and is consistent with LHC's charitable purposes. Such documentation will be in form and substance acceptable to the Investor Limited Partner or its designee.

## §8.11 **Prohibited Parties**

Notwithstanding any provisions in this Agreement to the contrary, in no event shall the Investor Limited Partner (i) transfer all or any portion of its Partnership Interest to any Prohibited

Party, (ii) retain any Prohibited Party to perform any asset management or compliance services related to the Project, or (iii) require the Partnership or the General Partners to retain any Prohibited Party to perform any asset management or compliance services. A "**Prohibited Party**" means any of Hunt Capital Partners, HCP Pacific Asset Management, LLC, Centerline Capital Group LLC, Hunt Companies, Inc., Wentwood Capital, Wentwood Property Management, Kay Realty, Affordable Equity Partners, Inc, Midland Corporate Tax Credit, Oceanside Capital Advisors, Paramount Financial Group, Inc., AIG, Affordable Housing Partners or Sun America, Alden Torch, Alden Torch Financial, Alden Capital Partners, or The Wentwood Companies, or any Affiliate of any of the foregoing, or any entity for which the General Partner provides documentation that such entity or its affiliate interfered with the exercise of a purchase option or ROFR per Section 42(i)(7) in transactions involving nonprofit sponsors in the last five years in any U.S. jurisdiction, and the Investor Limited Partner, in its reasonable discretion, agrees and provides approval that such entity or its affiliate is a Prohibited Party, which approval shall not be unreasonably withheld, conditioned or delayed; *provided* that the Investor Limited Partner shall be required to make only commercially reasonable efforts to determine, at the time any contractual agreement is entered into, whether an entity is a Prohibited Party, which efforts shall include obtaining a representation from the assignee that it is not a Prohibited Party and will not transfer its interests to a Prohibited Party.

## ARTICLE 9. TRANSFER OF A GENERAL PARTNER'S PARTNERSHIP INTERESTS; TRANSFER OF INTERESTS IN A GENERAL PARTNER

### §9.1 Voluntary Transfer

The Partnership shall not recognize any Voluntary Transfer of a General Partner's Partnership Interests and any such attempted Voluntary Transfer shall be invalid and ineffective as to the Partnership and the Investor Limited Partner, unless and until: (a) The proposed transfer is of all the Partnership Interests owned by the General Partner; (b) The Investor Limited Partner has received a written instrument of transfer of all such Partnership Interests, which instrument shall be signed by the General Partner and the transferee and shall contain the name and address of the transferee and the transferee's express acceptance of an agreement to be bound by all of the terms and conditions of this Partnership Agreement; (c) The General Partner has paid or caused to be paid all costs related to such Voluntary Transfer, including, without limitation, the reimbursement of all legal fees and expenses incurred by the Partnership and the Investor Limited Partner in connection with such transfer; (d) Such Voluntary Transfer will not result in the termination of the Partnership for federal income tax purposes; (e) Such Voluntary Transfer will not result in the Partnership being classified as an "association" which is taxable as a corporation for federal income tax purposes; (f) Evidence of approval of the Lender, if required; and (g) The Investor Limited Partner has Consented in writing to such Voluntary Transfer, which consent may not be unreasonably withheld (provided, however, that if there is more than one General Partner, the consent to the Voluntary Transfer shall be in the Fund's sole discretion). The General Partner shall provide at its cost, if requested by the Investor Limited Partner, an opinion of counsel satisfactory to the Investor Limited Partner that the proposed transfer will satisfy the requirements of (d), (e) and (f) above.

Upon compliance with this §9.1 and filing of an amendment to the Partnership Certificate with the Filing Office, such transfer of a General Partner's Partnership Interests shall bind the Partnership and the Investor Limited Partner effective as of the date of filing of the amendment or as permitted by the Act and agreed to by the Partnership and Investor Limited Partner, and no such Voluntary Transfer shall cause the termination of the Partnership. In addition, effective as of the date of full compliance with the requirements of this §9.1, the transferee of a General Partner's Partnership Interests shall be admitted as a new General Partner of the Partnership and shall be vested with all the powers and obligations with respect to the management of the Partnership as are granted to and placed upon the transferor General Partner under this Partnership Agreement.

No member or shareholder of a General Partner shall transfer his/her/its interest in a General Partner (except for transfer to a trust for the benefit of themselves or their respective spouses or heirs at law for estate planning purposes) without approval of the Fund and such transfer without the approval of the Fund shall constitute a material default hereunder entitling the Fund to remove and replace the General Partner(s) as permitted in §9.6.

## §9.2 Involuntary Transfers

An Involuntary Transfer of a General Partner's Partnership Interests or of an interest in a General Partner, at such time as there is more than one General Partner shall not dissolve the Partnership, but rather the business of the Partnership shall be continued without interruption and all of the management powers and authority granted herein to the General Partner affected by such Involuntary Transfer, (including the Involuntary Transfer of an interest in the General Partner), shall automatically be placed upon the remaining General Partner; provided, however, that the remaining General Partner may be removed pursuant to §9.6 in the sole discretion of the Fund. An Involuntary Transfer of a General Partner's Partnership Interests, or of an interest in a General Partner, when there is no other General Partner in existence shall dissolve the Partnership and the Partnership's affairs and business shall be wound up and terminated under Article 10, unless the remaining Partners unanimously agree in writing to the continuation of the business of the Partnership and the appointment of a new General Partner pursuant to the provisions of §9.3. In the event of such an Involuntary Transfer and continuation of the Partnership, the interest of the General Partner affected by such Involuntary Transfer (including the Involuntary Transfer of an interest in the General Partner), shall be automatically transferred to the surviving General Partner(s) or newly appointed General Partner, as applicable. Upon the happening of an event resulting in the Involuntary Transfer of the Interest of a General Partner, or interest in a General Partner, the General Partner shall remain liable to the Partnership and the Investor Limited Partner for (i) all obligations and liabilities incurred by it as a General Partner before the effective date of such Involuntary Transfer but shall be free of any obligations and liabilities incurred on account of Partnership activities from and after the time of such removal and (ii) all damages and other amounts recoverable or payable hereunder or under applicable law by or to the Partnership or the Investor Limited Partner as a result of the occurrence of the event giving rise to such Involuntary Transfer.

## §9.3 Continuation of Partnership After Involuntary Transfer of General Partner's Partnership Interests; Valuation

Upon an Involuntary Transfer or removal of the last remaining General Partner's Partnership Interest, or Event of Bankruptcy of the last remaining General Partner, the Partnership shall be dissolved and the affairs and business of the Partnership shall be wound up and terminated under Article 10, unless within ninety (90) days after the occurrence of such Involuntary Transfer, the remaining Partners unanimously elect to continue the business of the Partnership and appoint a new General Partner satisfactory to the Lender, if required. Unless such an election is made within such ninety (90) day period, the Partnership shall conduct only those activities which are necessary to wind up and terminate its affairs and business. If such an election is made within such ninety (90) day period, then: (a) the reconstituted partnership shall continue until the end of the term of the Partnership's existence set forth in this Partnership Agreement, and (b) the successor General Partner shall, not later than 120 days after occurrence of such Involuntary Event, provide notice to the removed or withdrawn General Partner of its choice of an appraiser to appraise the Partnership Property who shall determine and provide a report on the fair market value of the Partnership Property (the "Appraised Value"). Not later than thirty days after receipt of the appraiser's report, the successor General Partner shall furnish to the withdrawn General Partner, by notice, a calculation, reviewed by the Accountants, of the amount (the "Fair Market Value") that the withdrawn General Partner would receive upon distribution pursuant to Article 10, upon the liquidation of the Partnership after sale of the Partnership Property by the Partnership for an amount equal to the Appraised Value and allocation of the resulting gain or loss pursuant to Article 3. The closing of the redemption by the Partnership of the removed General Partner's interest shall take place at the office of the successor General Partner not later than fifteen (15) days after such notice, or at such other time and place as the parties may agree. Payment of the purchase price at closing shall be made by wire transfer or other form of available funds.

The above provisions regarding removal of a General Partner upon an Involuntary Transfer and payment for the Fair Market Value as described are intended to recognize the uncertain situation that may be created by such an Involuntary Transfer and the substantial damage that could be incurred by the Partnership and the Investor Limited Partner if such an event occurs. The parties agree that the provisions of this §9.3 providing for liquidation of a General Partner's interest is not considered a penalty or forfeiture but rather a fair resolution of an uncertain situation.

## §9.4 Distributions and Allocations with Respect to Transferred Partnership Interests

If any transfer (whether a Voluntary or Involuntary Transfer) of a General Partner's Partnership Interests is recognized by the Partnership under this Article 9, then all allocations of Profits and Losses attributable to the transferred Partnership Interests shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during such fiscal period, using any convention or method of allocation selected by the Investor Limited Partner which is then permitted under §706 of the Code and the Regulations promulgated thereunder. Any distributions of Cash Flow made prior to the effective date of any such transfer shall be made to the transferor and any such distributions made after the effective date of such transfer shall be made to the transferee. Neither the Partnership nor the Investor Limited Partner shall incur any liability for making allocations and distributions in accordance with the provisions of this §9.4.

## §9.5 Voluntary Withdrawal

The General Partners agree not to withdraw from the Partnership without the approval of the Fund. In the event a General Partner withdraws without such approval, it shall remain liable to the Partnership and the Investor Limited Partner for (i) all obligations and liabilities incurred by it as a General Partner before the effective date of such withdrawal including action or inaction by the General Partner resulting in: (a) tax credit reduction per §5.8; (b) tax credit recapture as described in §42 of the Code; and/or (c) an event of repurchase, but shall be free of any obligations and liabilities incurred on account of Partnership activities from and after the time of such withdrawal and (ii) all other costs, expenses and damages and other amounts recoverable or payable hereunder or under applicable law by or to the Partnership or the Investor Limited Partner as a result of such withdrawal including the costs and expenses incurred in the admission of a successor General Partner. Immediately prior to withdrawal such General Partner shall make a Capital Contribution to the Partnership in an amount, as determined by the Fund, not to exceed the Development Fee as provided for in the Development Agreement which has been earned but unpaid and the Partnership shall then make a payment in an equal amount to pay such amount of the Development Fee. It is understood and agreed that the failure of the General Partner to make such Capital Contribution shall be cause for the Investor Limited Partner to exercise its right to require the General Partner to repurchase the Investor Limited Partner's interests, or in the alternative, that that portion of the Development Fee earned but not paid by the withdrawing General Partner as provided in this §9.5 shall be considered as forfeited by the withdrawing General Partner or its affiliate acting as the Developer and in such instance the fee may be paid to a successor Developer named by the Partnership. Upon any such withdrawal of a General Partner, no further installments of the Partnership Management Fee shall be paid which are attributable to any period after such withdrawal from the Partnership and the Partnership shall not be obligated to repay any Operating Deficit Loans or other General Partner loans to the Partnership made by the withdrawn General Partner.

**§9.6 <u>Removal of General Partners</u>**

Subject to the approval of HUD pursuant to Article 11 and Lender approval, if required, the Fund on behalf of the Investor Limited Partner shall have the right to remove and replace the General Partners for any of the following reasons:

(a) Any act outside the scope of the duties and obligations of the General Partners, any of the principals of the General Partners or the Guarantors, pursuant to this Partnership Agreement that has a material adverse effect on the Partnership, any of the Partners, or the Project; any fraud, gross negligence, intentional misconduct or any breach of fiduciary duty by the General Partners in the performance of its duties and obligations under this Partnership Agreement; or

(b) A "material adverse change" in the financial condition of the General Partners, any of the principals of the General Partners or the Guarantors. Without limiting the generality of the foregoing for purposes of this Partnership Agreement, a person or an entity shall be deemed to have experienced a "material adverse change" in its financial condition if in the Investor Limited Partner's reasonable judgment, an adverse financial change has occurred in the credit worthiness of the General Partners, principals of the General Partners or the Guarantors which would be likely to prevent timely completion of construction of the Project or timely repayment of the Loans, or have Material Adverse Effect of the Partnership.

(c) The material failure of the General Partners to comply with any of their obligations set forth in this Partnership Agreement, including, but not limited to, the failure to maintain records as required under the low income housing tax credit requirements and to provide timely reports to the Investor Limited Partner as required, and the failure of the General Partners to comply with the terms of §5.8 of this Partnership Agreement including, but not limited to, §5.8(e), and such failure materially and adversely affects the Partnership, any of its Partners, or the Project; or

(d) Any action or inaction by the General Partners or any of their related entities that would (i) cause the termination of the Partnership for federal income tax purposes, (ii) cause the Partnership to be treated for federal tax purposes as an association taxable as a corporation, (iii) violate any federal or state securities laws, (iv) cause the Partnership to fail to qualify as a limited partnership under the Act, (v) cause the Investor Limited Partner to be liable for Partnership obligations in excess of their Capital Contribution, (vi) failure to comply with the low income housing tax credit requirements which results in a reallocation or recapture of Tax Credits, or (vii) otherwise substantially reduce tax benefits or substantially increase tax liabilities of the Investor Limited Partner; or

(e) Any construction cost overruns and/or construction delays unless caused by approved change orders accepted by the Investor Limited Partner and unless funded by loans or other sources of funds that do not materially and adversely affect the financial projections or the allocation of the Tax Credits for the Project; or

(f) Any material Operating Deficits, unless funded by loans or other sources that do not materially and adversely affect the financial projections or the allocation of Tax Credits for the Project; or

(g) A default occurs under the Construction Loan, Permanent Loan, any other loan, or any of the Loan Documents or Project Documents and such default is not cured or waived within fifteen (15) days prior to the expiration of the time period for cure, provided for in the Loan Documents (if the cure period is less than 15 days and the default is not waived, removal may be immediate) after the Lender gives notice of default, unless the Lender acknowledges satisfactory progress, agrees not to take further actions without prior notice, and refrains from action until cure occurs; or

(h) If at any time, the Partnership is not in compliance with the terms of any loan commitment; or

(i) The Partnership has violated in any material respect any provision of any document including the representations and warranties set forth in §5.3 and the specific obligations set forth in §5.4, or any agreement or governmental regulation; or

(j) Material mismanagement of the Project or Partnership; or

(k) 220 Kalamazoo GP, LLC fails to perform its duties and obligations as the

Partnership Representative as provided in §5.4(c); or

(l) The filing of a foreclosure or other creditor's action (if not discharged within sixty (60) days) or exercise of control over the Project by Lender or other creditor, or the filing of a bankruptcy petition or similar creditor's action against the Partnership or a General Partner (if not discharged within sixty (60) days), or the filing of a bankruptcy petition or assignment for the benefit of creditors by the Partnership or a General Partner, or the happening of an Involuntary Event or Event of Bankruptcy as to a General Partner; or

(m) Gross negligence, fraud, breach of fiduciary duty or willful misconduct by any General Partner or breach by the General Partner of any of its representations, warranties or covenants set forth in the Partnership Agreement or other related documents which have a material adverse effect on the Partnership, any of the Partners or the Project; or

(n) If (i) any one or more judgments or orders are entered against the Partnership where such judgments or orders are in excess of any applicable and available insurance coverage and either (A) continue unsatisfied and unstayed for a period of thirty (30) days, or (B) a judgment lien on the Partnership Property of the Partnership is recorded in respect thereof and is not stayed pending appeal by a bond or other arrangement given or obtained by the Partnership or General Partners on terms that do not violate any of the covenants under this Partnership Agreement, and (ii) such judgments or orders would reasonably be expected to result in a Material Adverse Effect on the Partnership or Investor Limited Partner; or

(o) The Partnership fails to achieve eighty (80%) percent of Projected Tax Credits with respect to any year; or

(p) The General Partners fail to promptly discharge the Management Agent of the Project or its successor as provided for in §12.1 below; or

(q) Failure of the Guarantors to perform under the Unconditional Guaranty.

(s) Any other General Partner of the Partnership has had an Involuntary Transfer of its Partnership Interest.

(t) Construction work on the Project ceases for a period of forty-five (45) days or more which cessation is not the result of a strike or other event which is not the result of obeying a governmental order regarding public health and safety.

The occurrence of any one of the above events by a General Partner shall result in removal of all General Partners and Limited Partners not affiliated with the Fund unless the Fund, in its sole discretion, determines to remove only the General Partner whose action has resulted in the event of removal. The remaining General Partner(s), or the Fund in the case of removal of all General Partners, shall cause the Partnership Certificate to be immediately amended to reflect such removal.

The provisions of this §9.6 notwithstanding, upon the occurrence of an Involuntary Event as to a General Partner, such General Partner shall immediately cease to be a General Partner of the Partnership and shall be considered as removed from the Partnership and the interest shall be conveyed to a successor General Partner satisfactory to the Investor Limited Partner and the Lender and who shall thereafter continue to exercise the duties and responsibilities of a General Partner.

In the event that the Fund determines to remove a General Partner for any of the reasons set forth above, it shall notify the General Partner in writing after such determination of the cause for the removal. The General Partner shall have sixty (60) days from the effective date of the notice to cure the reason for removal unless a shorter period is otherwise deemed necessary in the sole discretion of the Fund to protect the Partnership or the interests of the Investor Limited Partner from material harm. Notwithstanding the foregoing, the right of the General Partner to cure the cause for any removal shall under no circumstances apply to a removal which may result in a Material Adverse Effect of the Partners or the Investor Limited Partner. If the General Partner fails to cure within the specified time period, the Fund shall notify the General Partner of the effective date of its removal after the cure period has expired. The Fund may in its sole discretion elect to extend the time to cure. Under no circumstances shall any extension be considered as a waiver of the event which caused the notice to be given or any other event for which notice may or may not have been given. Further, it shall not be considered as an extension of the time to cure of any other event for which notice is given. The General Partner hereby irrevocably appoints the Fund (with full power of substitution) as their attorney-in-fact for the purpose of executing, acknowledging, swearing to, recording and/or filing any amendment to this Partnership Agreement and the Certificate necessary or appropriate to confirm the foregoing. The General Partner shall bear any loss and indemnify the Partnership against any loss incurred during any aforesaid sixty (60) day period as the same may be extended during which the General Partner is effectuating or attempting to effectuate a cure.

For the purposes of determining the effect of the removal of a General Partner upon the Partnership and the General Partner's continuing interest in the Partnership, such removal shall be treated as an Involuntary Transfer of the General Partner's Partnership Interests pursuant to §§9.2 and 9.3 hereof except the appraisal provisions of §9.3 shall not apply. Notwithstanding such removal, the General Partner shall remain liable to the Partnership and the Investor Limited Partner for (i) all obligations and liabilities incurred by it as a General Partner before the effective date of such removal including action or inaction by the General Partner resulting in: (a) tax credit reduction per §5.8; (b) tax credit recapture as described in §42 of the Code; and/or (c) an event of repurchase, but shall be free of any obligations and liabilities incurred on account of Partnership activities from and after the time of such removal and (ii) all other costs, expenses and damages and other amounts recoverable or payable hereunder or under applicable law by or to the Partnership or the Investor Limited Partner as a result of the occurrence of the event giving rise to or arising from such removal including the costs and expenses incurred in the admission of a successor General Partner. Immediately prior to removal such General Partner shall make a Capital Contribution to the Partnership in an amount, as determined by the Fund, not to exceed the Development Fee as provided for in the Development Agreement which has been earned but unpaid and the Partnership shall then make a payment in an equal amount to pay such amount of the Development Fee. It is understood and agreed that the failure of the General Partner to make such Capital Contribution shall be cause for the Investor Limited Partner to exercise its right to require the General Partner to repurchase the Investor Limited Partner's interests or in the alternative, that that portion of the Development Fee earned but not paid by the removed General Partner as provided in this §9.6 shall be considered as forfeited by the removed General Partner or its affiliate acting as the Developer and in such instance the fee may be paid to a successor Developer named by the Partnership. Upon any such removal of a General Partner, no further installments of the Partnership Management Fee shall be paid which are attributable to any period after such removal from the Partnership and the Partnership shall not be obligated to repay any Operating Deficit Loans or other General Partner loans to the Partnership made by the removed General Partner.

Upon the removal of a General Partner for any reason pursuant to §9.6, the remaining or any successor General Partner shall cause the Partnership to redeem the removed General Partner's interest for $10.00 (except in the case of an Involuntary Transfer in which case the provisions of §9.3 shall apply) 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. If a court determines under applicable bankruptcy law that the General Partner cannot be removed altogether as a Partner, then upon its removal the General Partner shall automatically be converted to a Limited Partner having the same interest in the capital, profits, losses, distributions and all other economic incidents of its interest as it had as a General Partner, but having no rights or powers as a General Partner. It shall not be entitled to receive payment for its interest as provided in §9.3. In addition, upon the transfer of a General Partner's interest pursuant to §§9.1, 9.2 or 9.3, or removal of a General Partner under this §9.6, all agreements, including but not limited to, the Development Agreement, Partnership Management Services Agreement, management agreement and marketing agreement, between the Partnership and such General Partner or any Affiliates of such General Partner may at any time, at the sole election of the Fund, be terminated and the Partnership shall have no further obligation to such General Partner or any Affiliate under any such Agreement.

The above provisions regarding redemption of the interest of a removed General Partner under this §9.6 are intended to recognize the uncertain situation that may be created by the acts of the removed General Partner justifying said removal and the substantial damage that could be incurred by the Partnership and the Investor Limited Partner if such an event occurs. The parties agree that the provisions of this §9.6 providing for liquidation of a General Partner's interest is not considered a penalty or forfeiture but rather a fair resolution of an uncertain situation.

## ARTICLE 10. DISSOLUTION, WINDING UP AND TERMINATION

### §10.1 Dissolution

The Partnership shall dissolve upon the occurrence of any of the following events:

(a) The expiration of the term of the Partnership's existence;

(b) Upon the election of the Investor Limited Partner, following the sale or disposition of the Partnership Property;

(c) The Partners' mutual election to dissolve the Partnership;

(d) In the Event of Bankruptcy of the last remaining General Partner or in the event of the Involuntary Transfer of the last remaining General Partner's Partnership Interests or the removal of the last remaining General Partner, the failure of the remaining Partners to unanimously agree in writing at the time and in the manner provided in Article 9 to the continuation of the business of the Partnership and the appointment of a new General Partner.

**§10.2 <u>Winding Up and Termination</u>**

Upon the dissolution of the Partnership, the affairs and business of the Partnership shall be wound up and terminated, the Partnership's liabilities shall be discharged and the Partnership Property shall be liquidated and distributed in the manner hereinafter described provided that the terms hereof notwithstanding, upon dissolution of the Partnership any liquidating distributions to the Investor Limited Partner shall be made by the later of the end of the year in which the event of liquidation occurs or the ninetieth (90th) day after such liquidation. A reasonable time shall be allowed for the orderly winding up of the affairs and business of the Partnership so as to enable the Partnership to minimize the normal losses attendant to the winding up and termination period. The winding up and termination of the affairs and business of the Partnership shall be supervised and conducted by the Liquidation Manager. The Liquidation Manager shall have the exclusive power and authority to act on behalf of the Partnership to wind up and terminate the affairs and business of the Partnership, to sell and convey the Partnership Property to such Persons (including, without limitation, any Partner or any Affiliate thereof) for such consideration and upon such terms and conditions as it deems necessary or appropriate, to discharge the Partnership's liabilities, to establish any reserves that it deems necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership, and to distribute the liquidation proceeds in the manner hereinafter described.

Upon completion of the winding up of the affairs and business of the Partnership, subject to the terms of the Regulatory Agreement, the liquidation proceeds shall be distributed by the Liquidation Manager in the following manner and order of priority:

(a) First, such liquidation proceeds shall be applied to the payment of debts and liabilities of the Partnership (including any loans from any Partner to the Partnership) and the payment of expenses of the winding up of the affairs and business of the Partnership);

(b) Second, such liquidation proceeds shall be applied to the setting up of any reserves (to be held by the Liquidation Manager in an interest-bearing account) which the Liquidation Manager may deem necessary or appropriate for any contingent or unforeseen liabilities or obligations of the Partnership; provided, however, that at the expiration of such time as the Liquidation Manager deems necessary or appropriate, the balance of such reserves remaining after payment of such liabilities or obligations shall be distributed by the Liquidation Manager in the manner hereinafter set forth in this §10.2.

(c) Third, after all allocations have been made such liquidation proceeds shall be distributed to the Partners in accordance with the positive balances in their respective Capital Accounts. Such distributions shall be made not later than the last to occur of (i) the end of the year in which the liquidation occurs, or (ii) ninety (90) days after the liquidation.

### §10.3 Compliance with Liquidation Requirements of Regulations

If the Partnership is "liquidated" within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations, then:

(a) Distributions shall be made pursuant to §10.2 (if such "liquidation" constitutes a dissolution and termination of the Partnership) to the Partners who have positive balances in their Capital Accounts in compliance with §1.704-1(b)(2)(ii)(b)(2) of the Regulations;

(b) If the General Partners have a deficit balance in their Capital Accounts (after giving effect to all contributions, distributions and allocations for all taxable years, including, without limitation, the taxable year in which such liquidation occurs), then the General Partners shall contribute to the capital of the Partnership the amount necessary to restore the balance in their Capital Accounts to zero in compliance with §1.704-1(b)(2)(ii)(b)(3) of the Regulations;

(c) If an Investor Limited Partner has a deficit balance in its Capital Account (after giving effect to all contributions, distributions and allocations for all taxable years, including, without limitation, the taxable year in which such liquidation occurs), then that Investor Limited Partner shall contribute to the capital of the Partnership the lesser of (i) such deficit balance in its Capital Account or (ii) the limited dollar amount, if any, of its Capital Account deficit which the Investor Limited Partner has expressly agreed in writing to restore to the capital of the Partnership pursuant to §10.4; and

(d) Any such contribution by a Partner shall be made on or before the later of (i) the end of the taxable year of the "liquidation" or (ii) ninety (90) days after the date of the "liquidation".

Notwithstanding anything to the contrary contained in this §10.3, in the event the Partnership is "liquidated" within the meaning of §1.704-1(b)(2)(ii)(g) of the Regulations, but such "liquidation" does not constitute a dissolution and termination of the Partnership pursuant to this Partnership Agreement, then no distributions shall be made pursuant to §10.2. Instead, the Partnership shall be deemed to have distributed the Partnership Property in kind to the Partners, who shall be deemed to have assumed and taken subject to all Partnership liabilities, all in accordance with their respective Capital Accounts. Immediately thereafter, the Partners shall be deemed to have recontributed the Partnership Property in kind to the Partnership, which shall be deemed to have assumed and taken subject to all such liabilities.

## §10.4 Rights and Obligations of the Investor Limited Partner Upon Dissolution

Except as otherwise expressly provided in §10.3(b), the Investor Limited Partner shall look solely to the assets of the Partnership for the return of their Capital Contributions. Except as otherwise elected by the Investor Limited Partner pursuant to this §10.4, the Investor Limited Partner shall not have any obligation to restore any deficit in their Capital Accounts upon the liquidation of the Partnership. Notwithstanding anything to the contrary contained in this Partnership Agreement (i) prior to an Investor Limited Partner making its full Capital Contributions pursuant to §2.2 of this Partnership Agreement, such Investor Limited Partner shall be obligated to restore any deficit in its Capital Account upon liquidation of the Partnership (any contributions made to the Partnership by an Investor Limited Partner under this §10.4 shall be a credit against any future capital contributions required to be made to the Partnership by the such Investor Limited Partner under this Partnership Agreement); and (ii) after the Investor Limited Partner has made its full Capital Contributions pursuant to §2.2 of this Partnership Agreement, an Investor Limited Partner may from time to time elect to be obligated to restore a deficit in its Capital Account up to a limited dollar amount. Such election shall be made by the Investor Limited Partner's delivery of a written notice of election to the General Partners no later than April 15 following the taxable year for which such election is to be effective and shall specify the dollar amount of the deficit in its Capital Account that the Investor Limited Partner agrees to restore. Such election shall be irrevocable and shall be binding on subsequent transferees of the Investor Limited Partner's Partnership Interests.

## §10.5 Waiver of Partition

Each Partner hereby waives any right to partition or cause a partition of the Partnership Property.

## §10.6 Final Accounting

The Liquidation Manager shall furnish each of the Partners with a statement setting forth the assets and liabilities of the Partnership as of the date of the completion of the winding up and termination of the affairs and business of the Partnership. Upon completion of the distribution plan set forth in this Article 10, the Liquidation Manager shall cause to be executed by the appropriate parties and filed with the Filing Office as shall be required under the Act a cancellation of the certificate of limited partnership of the Partnership and any and all other documents which the Liquidation Manager deems necessary or appropriate to effect the dissolution and termination of the Partnership.

# ARTICLE 11. HUD RAD PROVISIONS

## §11.1

The Partners acknowledge that all of the Project’s units are subject to applicable RAD Requirements (the “RAD Units”). In return for its receipt of such assistance, the Partnership agrees to develop, operate and maintain the RAD Units in accordance with the RAD Requirements, including but not limited to: (1) that certain Use Agreement executed by the Partnership and HUD with respect to permitted uses of the Project and rights of potential beneficiaries, and (2) that certain HUD Form-52624 agreement executed by Lansing Housing Commission, Partnership, and the Authority with respect to conversion of public housing units to RAD units.

Notwithstanding any other clause or provision in this Partnership Agreement or in the Certificate of Limited Partnership of the Partner, and so long as the Rental Assistance Demonstration Use Agreement dated as of substantially even date herewith, as amended from time to time ("Use Agreement") is in effect, the following provisions shall apply:

**§11.2**

If any of the provisions of this Partnership Agreement conflict with the terms of the Use Agreement, the provisions of the Use Agreement shall control.

**§11.3**

The provisions of this Article 11 are required to be inserted in this Partnership Agreement by HUD and may not be amended without HUD's prior written approval. If there is a conflict between any of these HUD-required provisions and any other provision of this Partnership Agreement, the terms of these HUD-required provisions will govern. If there is a conflict between any of the provisions in the Certificate of Limited Partnership of the Partnership and these HUD-required provisions of this Partnership Agreement, these HUD-required provisions will govern. If there is a conflict between the Use Agreement or these HUD-required provisions relating to the Rental Assistance Demonstration ("RAD") and any HUD-required provisions relating to mortgage insurance provided in connection with the National Housing Act, the more restrictive provisions shall control.

**§11.4**

220 Kalamazoo GP, LLC may be removed for cause by the Limited Partners pursuant to §9.6 of this Partnership Agreement, but only subject to the conditions set forth in Section 2.25(d), the "Low-Income Housing Tax Credit Provisions" of the HAP Contract (HAP LIHTC Provisions).

**§11.5**

The Partners acknowledge that provision of rental assistance to the Project depends on 220 Kalamazoo GP, LLC to be a partner in 220 Kalamazoo Limited Dividend Housing Association Limited Partnership and to be controlled by Lansing Housing Commission. 220 Kalamazoo GP, LLC may not transfer all or part of its interest in 220 Kalamazoo Limited Dividend Housing Association Limited Partnership without prior written consent of HUD. Failure of 220 Kalamazoo GP, LLC to be controlled by Lansing Housing Commission, except as provided above in §9.6, shall be a violation of this Agreement and may cause termination of such rental assistance.

**§11.6**

Neither 220 Kalamazoo Limited Dividend Housing Association Limited Partnership nor any Partner shall have any authority to:

a. Take any action in violation of the Use Agreement; or

b. Fail to renew the HAP Contract upon such terms and conditions applicable at the time of renewal when offered for renewal by Lansing Housing Commission or HUD.

**§11.7**

Without the consent of 220 Kalamazoo GP, LLC and provided that 220 Kalamazoo GP, LLC has not been removed for cause by the Investor Limited Partner in accordance with §9.6, neither 220 Kalamazoo Limited Dividend Housing Association Limited Partnership nor any Partner shall have any authority to:

a. Except to the extent permitted by the HAP Contract or Use Agreement, transfer, convey, assign, mortgage, pledge, sell, lease, sublease or otherwise dispose of, at any time, the Project or any part thereof; or

b. Amend, renew or terminate the Property Management Agreement or enter into a new property management agreement.

**§11.8**

The Investor Limited Partner acknowledges and agrees that Lansing Housing Commission has no authority to provide the Investor Limited Partner with guaranties or indemnifications involving HUD-restricted assets. Therefore, the recourse for all obligations of the General Partners under this Partnership Agreement and Guarantors under the Guaranty are limited to the General Partners' or Guarantor's unrestricted non-Federal funds.

## ARTICLE 12. MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

The parties agree that notwithstanding any of the other terms, covenants and conditions contained in this Partnership Agreement:

### §12.1 Supervision

Notwithstanding any other provisions of this Agreement, the operations of the Partnership may be supervised by the Authority or by any other governmental body as the Authority directs, and the Partnership shall enter into agreements with the Authority or with the governmental body as the Authority from time to time requires. The Agreements shall provide for regulation by the Authority or the governmental body of the planning, development and management of the housing development undertaken by the Partnership and the disposition of the property and franchises of the Partnership.

### §12.2 Right to Appoint Managing Agent

Notwithstanding any other provisions of this Agreement, the Authority shall have the power to appoint a managing agent of the Partnership and its partners, who may be an officer, employee, or agent of the Authority, and such managing agent shall have complete power to act as agent and attorney in fact for the Partnership and its partners, in connection with any assets or liability of the Partnership, to fulfill any obligations the Partnership may have to the Authority if:

(1) The Partnership has received a loan or advance as provided in the Act and the Authority determines that the loan or advance is in jeopardy of not being repaid;

(2) The Partnership has received a loan or advance as provided for in the Act and the Authority determines that the proposed housing development for which the loan or advance was made is in jeopardy of not being constructed;

(3) The Authority determines that some part of the net income or net earnings of the Partnership, in excess of that permitted by other provisions of the Act, shall inure to the benefit of any private individual, firm, corporation, partnership, trust or association;

(4) The Authority determines that the Partnership is in violation of the rules promulgated under Section 22 of the Act; or

(5) The Authority determines that the Partnership is in violation of any agreements entered into with the Authority providing for regulation by the Authority of the planning, development and management of any housing development undertaken by the Partnership or the disposition of the property and franchises of such Partnership.

**§12.3 Return**

Notwithstanding any other provisions of this Agreement, by acceptance of a beneficial interest in the Partnership or by executing the document of basic organization, every partner of the Partnership shall be deemed to have agreed that he or she at no time shall receive from the Partnership, any return in excess of the face value of the investment attributable to his or her respective interest plus cumulative dividend payments at a rate which the Michigan State Housing Development Authority (the "Authority") determines to be reasonable and proper, computed from the initial date on which money was paid or property delivered in consideration for the interest; and that upon the dissolution of the Partnership, any surplus in excess of those amounts shall be paid to the Authority or to any other regulating governmental body as the Authority directs.

As used in the foregoing paragraph, the terms "surplus" and "return" are defined as follows:

(1) The term "surplus" as used herein shall not be deemed to include any increase in assets of the Partnership by reason of reduction of a mortgage, by amortization or similar payments, or realized from the sale or disposition of any assets of the Partnership to the extent such surplus can be attributed to any increase in market value of any real property or tangible personal property accruing during the period the assets were owned and held by the Partnership.

(2) Any payment to a person having a beneficial interest in the Partnership shall not be deemed a "return" to such person if the funds with which such payment is made are funds contributed to the Partnership by persons purchasing a beneficial interest in the

Partnership.

## §12.4 Reliance on Continuing Effect of Provisions

Notwithstanding any other provisions of this Agreement, the partners of the Partnership agree that the Authority may rely upon the continuing effect of this Agreement in this form as approved by the Authority and, by the execution of this Agreement, such partners agree not to amend, alter or change the provisions of this Agreement without the prior written consent of an Authorized Officer of the Authority.

# ARTICLE 13. MANAGEMENT

## §13.1 Marketing and Management Agent

Michigan Asset Group LLC shall be the initial Marketing and Management Agent responsible for marketing and managing the Project in accordance with the requirements of the Authority, Lender, or any such other governmental authority having jurisdiction. The General Partners shall cause the Partnership to enter into agreements with the Management Agent in form satisfactory to the Investor Limited Partner and the Authority, the Lender, or such other governmental authority having jurisdiction. The Management Agent shall be entitled to receive the marketing and management fee which shall be in the amount approved by the Authority so long as the Authority has jurisdiction over the Project, or, in the event the Authority has no jurisdiction over the Project, the normal and customary fees paid for marketing and management services in the geographic area in which the Project is located. If (i) the Management Agent notifies the Partnership of its intention to voluntarily terminate the marketing and management agreements or defaults in its obligations thereunder in such a manner as to give the Partnership the right to terminate the same, or (ii) at any time after the Construction Completion Date the following occurs:

(a) The Project shall be subject to a substantial building code violation or violations which shall not have been cured within 60 days after notice from the applicable governmental agency or department or unless such violation(s) is being validly contested by the General Partners by proceedings which operate to prevent any fines or criminal penalties from being levied against the Partnership or unless in the case of any such violation not susceptible of cure within such 60 day period, the Management Agent and/or the General Partners is diligently making reasonable efforts to cure the same; or

(b) The sum of the operating revenues of the Project in respect of any period of twelve consecutive calendar months after the Construction Completion Date and funds held in Partnership reserves shall be insufficient to permit the Partnership to pay when due on a current basis all Partnership obligations in respect of such twelve month period and the General Partners and Guarantors have failed to advance sufficient funds to the Partnership to enable it to pay all such obligations (and to maintain the Replacement Reserve at the levels specified in the Partnership Agreement, Loan Documents and Project Documents); or

(c) The occurrence of an event resulting in the disallowance for tax credit purposes of twenty (20%) percent of the low-income units in the Project as the result of any act or omission of the Management Agent; or

(d) The Management Agent or its agents or employees have mismanaged the Project including failure to provide timely reports as required by the Partnership Agreement, Regulatory Agreement, management agreement or the LIHTC Regulatory Agreement with the Authority, financial mismanagement, material deterioration of the Project or high vacancy, or other mismanagement having a material adverse effect on the Partnership, any of the Partners, or the Project;

the General Partners shall forthwith (and in any event within 10 days after the occurrence of the event or condition in question) give to the Fund notice of such event (a "Management Default Notice"). Upon the giving of a Management Default Notice, the Partnership shall, subject to any requisite approvals of the Authority, the Lender, or governmental authority having jurisdiction under the terms of the management agreement, forthwith terminate its management agreement with the Management Agent, unless the consent of the Fund is obtained to the retention of the Management Agent as the manager of the Project. If such consent is not so obtained, the General Partners shall immediately proceed to select a qualified Person (unaffiliated with the General Partners in the event the dismissed management agent was an affiliate of the General Partners) as the new Management Agent for the Project, which selection shall be subject to any requisite approvals of the Authority, the Lender, or governmental authority having jurisdiction and the Fund; and, after such selection, no management fee shall be payable to any Person which is an Affiliate of a General Partner. If an event described in clauses (a) through (d) above occurs and the General Partners fail to send a Management Default Notice to the Fund within the 10-day period specified above, the Fund hereby is granted an irrevocable power of attorney, coupled with an interest, to take such action, and to execute and deliver such documents on behalf of the Partners and the Partnership, as shall be legally necessary and sufficient to effect the foregoing provisions of this Article 13.

The General Partners may, subject to the terms and conditions of the management agreement, change the Management Agent at any time with the requisite approvals of the Authority, the Lender, any governmental authority having jurisdiction, and the Fund.

If there is or later becomes an identity of interest between the Management Agent and any General Partners, the Management Agent shall agree to subordinate its management fee to all General Partner guaranties under the Development Agreement and this Partnership Agreement including, but not limited to, §§5.4, 5.7, 5.8, and 5.10. In the event that there is or later becomes an identity of interest between the Management Agent and a General Partner, if that General Partner is removed, the Management Agent may be terminated by the Fund in its sole and absolute discretion.

## ARTICLE 14. <u>MISCELLANEOUS</u>

## §14.1 Maximum Interest

The provisions of this Partnership Agreement are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of any amounts due hereunder, shall the amount paid, or agreed to be paid ("Interest"), to the Investor Limited Partner exceeds the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof between the General Partners and Investor Limited Partner shall, at the time performance or fulfillment of such provision shall be due, exceed the limit for Interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then *ipso facto* the obligation to be performed or fulfilled shall be reduced to such limit and if, from any circumstance whatsoever, the Investor Limited Partner shall ever receive anything of value deemed Interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive Interest shall be applied to the reduction of the principal balance owing under the Partnership Agreement in the inverse order of its maturity (whether or not then due) or at the option of the Investor Limited Partner be paid over to the General Partners, and not to the payment of Interest.

## §14.2 Extraordinary Limited Partner Expenses

If any General Partner breaches any provision of this Partnership Agreement, the Investor Limited Partner may employ an attorney or attorneys to protect their rights hereunder, and the General Partner shall pay on demand the reasonable attorneys' fees and expenses incurred by the Investor Limited Partner whether or not a legal action is actually commenced against any General Partner by reason of such breach. All amounts due to the Investor Limited Partner pursuant to this provision shall bear interest from demand at a rate equal to two (2%) percent above the Prime Rate.

## §14.3 Notices and Addresses

All notices, consents, demands, requests, or other communications which may or are required to be given hereunder shall be in writing containing the information required by this Partnership Agreement to be communicated and shall be sent by overnight courier or United States mail, registered or certified, return receipt requested, postage prepaid to the Partnership at the address of the Partnership's principal office and to the Partners at the addresses set forth after their respective names in Exhibit A (except in the event of a postal disruption, by strike or otherwise, in the United States); provided, however, that any written communication actually received by a party shall constitute notice for all purposes of this Partnership Agreement. The Partnership and any Partner may change its address for the giving of notices, consents, demands, requests, or other communications by delivering written notice to the Partnership and to all the Partners of its new address for such purpose. Notices, consents, demands, requests, or other communications shall be deemed given or served on one Business Day after deposit with an overnight courier or three Business Days after deposit in the United States mail. Each party agrees that it will not refuse or reject delivery of any notice given in accordance with this §14.3, that it will acknowledge, in writing, the receipt of any notice upon request by the other party and that any notice rejected or refused by it shall be deemed for purposes of this §14.3 to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service. Any notice under the Project Documents or Loan Documents which does not specify how notices are to be given shall be given in accordance with this §14.3.

## §14.4 <u>Entire Agreement</u>

This Partnership Agreement contains the entire understanding among the Partners and supersedes any prior written or oral agreements between them respecting the subject matter contained herein. There are no representations, agreements, arrangements or understandings, oral or written, between and among the Partners relating to the subject matter of this Agreement that are not fully expressed herein.

## §14.5 <u>Governing Law/Venue</u>

This Partnership Agreement and the rights of the Partners hereunder shall be interpreted in accordance with the laws of the State of Michigan. The Partners agree that Ingham County, Michigan is a proper venue for any claim or action concerning this Agreement or the rights of the Partners hereunder, and further agree that any and all actions or suits regarding such claims shall be filed solely in the state or federal courts in and for Ingham County, Michigan.

## §14.6 <u>Successors</u>

This Partnership Agreement shall inure to the benefit of, be binding upon, and be enforceable by and against the parties hereto, their heirs, executors, administrators, successors, and assigns.

## §14.7 <u>Attorneys' Fees</u>

In the event of any action at law or equity (including any action for declaratory or injunctive relief) to enforce or interpret the provisions of this Partnership Agreement, the prevailing party shall be entitled, in addition to any other remedies at law or equity, to recover its reasonable attorneys' fees.

## §14.8 <u>Severability</u>

If any term, covenant or provision hereof is illegal, or the application thereof to any person or in any circumstance shall to any extent be invalid or unenforceable, the remainder of this Partnership Agreement, or the circumstances other than those with respect to which it is held invalid or unenforceable, shall not be affected thereby except that each term, covenant, condition and provision of this Partnership Agreement shall be interpreted to be consistent with the intent of the parties as characterized by all the provisions herein stated. If the only possible interpretation is to make the Agreement not consistent with the intent of the parties as so characterized, then the parties shall meet and mutually agree upon replacement provisions to the Agreement consistent with the intent of the parties herein.

## §14.9 <u>Exhibits</u>

All exhibits attached hereto or referred to herein are incorporated herein by this reference.

## §14.10 <u>Amendment of Partnership Agreement</u>

Subject to §12.4, this Partnership Agreement may not be amended in whole or in part except by a written instrument signed by the Partners required to consent to such amendment. In the event of any conflict between the provisions of any amendment and this original Agreement as previously amended, the most recent provisions shall control.

### §14.11 <u>Conflict with Commitment Letter/Letter of Intent</u>

In the event there is a conflict between the provisions of this Partnership Agreement and the provisions of the Letter of Intent or Commitment, if any, the terms of this Partnership Agreement shall prevail.

### §14.12 <u>Pronouns and Plurals</u>

All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or persons may require.

### §14.13 <u>Counterparts</u>

This Partnership Agreement may be executed in several counterparts all of which shall constitute one agreement, binding on all parties hereto, notwithstanding that all the parties are not signatories to the same counterpart.

### §14.14 <u>Waivers</u>

No delay on the part of the Investor Limited Partner in the exercise of any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise by the Investor Limited Partner of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

[*Signature page next.*]

The Partners have executed this First Amended and Restated Limited Partnership Agreement of 220 Kalamazoo Limited Dividend Housing Association Limited Partnership as of the date first set forth at the beginning hereof.

**GENERAL PARTNERS:**

220 KALAMAZOO GP, LLC, a Michigan limited liability company

By: Lansing Housing Commission, a public body corporate of the State of Michigan
Its: Sole Member

By: ______________________
Douglas Fleming
Its: Executive Director

CCA-LHC, LLC, a Michigan limited liability company

By: Chesapeake Community Advisors, Inc., a Maryland corporation
Its: Sole Member

By: SIGNED IN COUNTERPART
John J. Schuster, III
Its: Vice President

The Partners have executed this First Amended and Restated Limited Partnership Agreement of 220 Kalamazoo Limited Dividend Housing Association Limited Partnership as of the date first set forth at the beginning hereof.

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Its: Sole Member

By: SIGNED IN COUNTERPART
Douglas Fleming
Its: Executive Director

CCA-LHC, LLC, a Michigan limited liability company

By: Chesapeake Community Advisors, Inc., a Maryland corporation
Its: Sole Member

By:________________________
John J. Schuster, III
Its: Vice President

**LIMITED PARTNERS:**

CINNAIRE FUND FOR HOUSING LIMITED PARTNERSHIP 42, a Delaware limited partnership

By: Cinnaire 42, Inc., a Delaware corporation
Its: General Partner

By:____________________________
Brett S. Oumedian,
Its: Chief Financial Officer

**WITHDRAWING ORIGINAL LIMITED PARTNER:**

LANSING HOUSING COMMISSION, a public body corporate of the State of Michigan

By: ______________________________
Douglas Fleming
Its: Executive Director

**MANAGEMENT AGENT CONSENT AND AGREEMENT**

The undersigned hereby executes this Partnership Agreement for the sole purpose of agreeing to the provisions of Article 13 of the Partnership Agreement notwithstanding any provision of the management and marketing agreements to the contrary.

MICHIGAN ASSET GROUP, LLC, a Michigan limited liability company

By: ______________________________

Its: President

**EXHIBIT A**
**DEFINITIONS**

The capitalized words and phrases used in the First Amended and Restated Limited Partnership Agreement for 220 Kalamazoo Limited Dividend Housing Association Limited Partnership shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such words and phrases):

"**Accountants"** means Maner, Costerisan & Ellis, P.C.

**"Act"** means the Michigan Revised Uniform Limited Partnership Act, said Act being 1982 PA 213; MCL 449.1101 et seq; as the same may be amended from time to time (or any corresponding provisions of any successor law).

**"Actual Tax Credits"** means the total amount of Tax Credits during the Credit Period which are expected to be allocated to the Investor Limited Partner, as determined by the Accountants at the close of the first year of the Credit Period after the Project has been placed in service, the number of qualified low-income tenants occupying (or having occupied) the units has been determined, the eligible basis and qualified basis (as defined in Section 42 of the Code) of the Project has been determined and the Authority has issued its IRS Forms 8609 with respect to the Project and which were fully completed by the General Partners.

**"Adjusted Capital Account Deficit"** means, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant fiscal period after giving effect to the following adjustments: (i) the credit to such Capital Account of any amounts which such Partner is obligated to restore under this Partnership Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of §1.704-2(g)(1) and §1.704-2(i)(5) of the Regulations; and (ii) the debit to such Capital Account of the amounts described in §1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Regulations. The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of §1.704-1(b)(2)(ii)(d) of the Regulations and shall be interpreted consistently therewith.

**"Affiliate"** means, with respect to any Person: (i) any Person directly or indirectly controlling, controlled by or under common control with such Person; (ii) any Person owning or controlling 10% or more of the outstanding voting securities of such Person; (iii) any Person who is an officer, director or general partner of such Person; or (iv) any Person who is an officer, director, general partner, trustee or holder of 10% or more of the voting securities of any Person described in clauses (i) through (iii) of this subparagraph.

"**Allocation Percentages"** means for purposes of §3.1 the percentages in accordance with which Profits and Losses for any fiscal year of the Partnership shall be allocated among the Partners which shall be as follows:

| | |
|---|---|
| 220 Kalamazoo GP, LLC | 0.0099% |

| | |
|---|---|
| CCA-LHC, LLC | 0.0001% |
| Investor Limited Partner | 99.99% |

**“Anticipated Purchase Price”** is as defined in §8.6.

**“Appraised Value”** is as defined in §8.6.

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

**"Authority"** means the Michigan State Housing Development Authority.

**“Business Day”** means any day other than a Saturday, a Sunday, or any other day on which Cinnaire is not open for business.

**“Buyout Notice”** is as defined in §8.6.

**“Buyout Option Price”** is as defined in §8.8.

**“Buyout Price”** is as defined in §8.6.

**"Capital Account"** means, with respect to any Partner, the capital account maintained for such Partner pursuant to §2.5.

**“Capital Contributions”** means the payment(s) made by the General Partners pursuant to §2.1 of the Partnership Agreement and the installment payments to be made by the Investor Limited Partner pursuant to §2.2 of the Partnership Agreement and Schedule 1 attached hereto.

**"Cash Flow"** means, with respect to any fiscal year of the Partnership, Net Operating Income excluding interest income from reserves, reduced by the sum of the following: (a) all principal and interest payments and other sum paid on or with respect to the Loans or any other loan to the Partnership; (b) resident accounts receivable in excess of sixty (60) days; and (c) such cash as is necessary to fund the Replacement Reserve which includes the current fiscal year's required monthly deposits as well as outstanding required deposits from previous years, and any additional reserves as the Partners shall from time to time agree to establish.

**“Certificates of Occupancy”** means the temporary or final certificates issued by the governing municipality permitting occupancy of the Project. In the case of Temporary Certificates of Occupancy (i) such certificates shall permit occupancy of all units and community facilities, (ii) the work remaining to be done is of a nature that shall not impair the permanent occupancy of any of the units in the Project on a full paying basis, and (iii) the Partnership has made adequate provisions to the reasonable satisfaction of the Investor Limited Partner for payment and completion of all outstanding punch list items and any work that remains to be performed.

**“Cinnaire”** means Cinnaire Corporation, a Michigan nonprofit corporation.

**“City”** means the City of Lansing, Michigan.

**“CHAP”** means a Commitment to enter into a Housing Assistance Payments Contract under RAD Program.

**"Closing" or "Closing Date"** means the date of the Initial Closing of the construction loan with the Lender as agreed to by the Fund.

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

**"Commitment Letter” or “Letter of Intent"**, if any, means that certain letter to the Partnership from the Fund dated October 4, 2024.

**"Compliance Period"** means, with respect to any building of the Partnership Property, the 15-year compliance period specified in §42(i)(1) of the Code.

**“Consent of Investor Limited Partner”** means, unless a different percentage is provided, consent of a Majority in Interest of the Investor Limited Partner except that the right of an Investor Limited Partner to receive funds hereunder shall not be reduced or its liabilities increased without its approval.

**“Construction Commencement Date”** means January 30, 2025, on or before which date the Project construction shall have been commenced.

**"Construction Completion Date"** means May 1, 2026 pursuant to the Projections but shall not exceed November 1, 2026, on or before which the Project shall be 100% complete as determined by the Fund.

**“Construction Contract”** means the agreement referred to in §5.2(i).

**"Construction Loan"** means that certain loan to the Partnership from the Lender in the original principal amount of $14,000,000.

**"Credits" or "Tax Credits"** means the low-income housing tax credits as determined under §42 of the Code.

**"Credit Period"** means the period as defined in §42(f)(1) of the Code.

**“Credit Reduction Payment”** means the amount by which the reduction in the Capital Contributions as provided for in §§5.8(b), (c), (d) and (e) exceeds the amount of the current and all future Capital Contribution installments with interest at 2% over the Prime Rate.

**“Credit Sum”** is as defined in §5.8(b).

**“Debt Service Coverage Ratio”** means a specified percentage which shall be deemed to have occurred on the first day following a specified period of consecutive calendar months computed by dividing the Net Operating Income for each of the consecutive calendar months by all debt service payments required to be made during each of the consecutive calendar months. For purposes of the foregoing the amount of required debt service payments for a period shall be computed on the assumption of permanent financing in the amount of $5,700,000 bearing an interest rate of 4.25% and having an amortization period of 360 months (or, if different, the amount, rate and amortization period in effect for the Partnership’s actual permanent financing that has closed and funded). A period of consecutive calendar months shall be determined by analyzing the specified period as a whole and not by applying the Debt Service Coverage Ratio test to individual months within the period. The determination of the Debt Service Coverage Ratio (and the components thereof) shall be performed and certified by the Accountants and shall be evidenced by a letter or certificate from such Accountants in form and substance reasonably satisfactory to the Investor Limited Partner.

**“Default Rate”** means the Prime Rate plus 2% per annum.

**“Deferred Development Fee”** means the deferred development fee described in the Development Agreement.

**“Developers”** means Lansing Housing Commission and CCA Developer Two, LLC.

**"Development Agreement"** means the Development Agreement of even date herewith between the Partnership and Developers pursuant to which Developers have assumed primary responsibility for overseeing the development of the Partnership Property.

**"Development Fee"** means $1,500,000, of which $375,000 is Deferred Development Fee, payable at the times and upon the conditions set forth in the Development Agreement or such lesser fee as determined by the Authority in the computation of the Tax Credit allocation.

**“Eligible Basis”** means the adjusted basis of all of the buildings in the Project, determined as to each such building as of the close of the first year of its credit period, as more particularly defined in Section 42(d) of the Code.

**"Event of Bankruptcy"** means as to any Partner (i) entry of a decree or order for relief by a court having jurisdiction in respect of such Partner in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, 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 Partner or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days; or (ii) the commencement by such Partner 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 Partner to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such Partner or for any substantial part of its property, or the making by such Partner of any assignment for the benefit of creditors, or the taking of action by such Partner in furtherance of any of the foregoing; or (iii) the commencement against such Partner of an involuntary case under the Bankruptcy Code which has not been vacated, discharged or bonded within sixty (60) consecutive days; or (iv) the admission by such Partner of its inability to pay its debts as they become due; or (v) such Partner's 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 Bankruptcy Code, the Uniform Fraudulent Conveyances Act, any state or federal act or law, or the ruling of any court.

**"Extended Use Period"** means the period as defined in §42(h)(6)(D) of the Code.

**"Fair Market Value"** is as defined in §9.3.

**"Filing Office"** means the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services.

**"Fiscal Year"** means the period from January 1 through December 31 of each year.

**"Fund"** means Cinnaire Fund for Housing Limited Partnership 42, its successor and assigns.

**"General Partners**" means the Person whose name and address is as follows:

220 Kalamazoo GP, LLC
419 Cherry Street
Lansing MI 48933

CCA-LHC, LLC
2700 Lighthouse Point E, Suite 230
Baltimore, MD 21224

General Partners shall also mean and include any other Person who becomes a successor general partner to any of them pursuant to §9.1 or §9.3. In the event that there is only one General Partner hereunder, all references in this Partnership Agreement to General Partner in the plural shall be deemed to be in the singular.

**"Guarantors"** means the General Partners and Lansing Housing Commission, a public body corporate and politic of the City of Lansing, Michigan.

**"Guaranty"** or "**Unconditional Guaranty"** means the guaranty described in §5.12.

"**HA**" means the Lansing Housing Commission and its successors and assigns.

**"HUD"** means the U.S. Department of Housing and Urban Development and/or the Secretary of Housing and Urban Development.

**"Initial Closing"** means the date of the initial disbursement of mortgage loan funds under the Construction Loan.

**"Investor Limited Partner"** means those Persons whose names and addresses are as follows:

Cinnaire Fund for Housing Limited Partnership 42
c/o Cinnaire 42, Inc., its General Partners
1118 South Washington
Lansing, MI 48910

Investor Limited Partner shall also mean and include any Person who becomes a Substituted Investor Limited Partner for any one of them pursuant to §8.1 or §8.2. In the event that there is only one Investor Limited Partner hereunder, all references in this Partnership Agreement to Investor Limited Partner in the plural shall be deemed to be in the singular.

**"Investor Services Agreement"** means the agreement described in §4.1(a)(2).

**"Involuntary Event"** means, with respect to any Partner any one of the following events: (i) an Event of Bankruptcy; (ii) the death of any Partner who is a natural person; (iii) termination of interest in connection with a debt instrument; or (iv) the termination of the legal existence of any Partner who is other than a natural person.

**"Involuntary Transfer"** means any transfer of any Partner's Partnership Interests or an interest in a General Partners effected by operation of law as a result of the occurrence of an Involuntary Event.

**"IRS"** means the Internal Revenue Service.

**"Lender"** means the Lansing Housing Commission, a public body corporate and politic of the City of Lansing, Michigan.

**"LIHTC Regulatory Agreement"** means the agreement between the Authority and the Partnership in accordance with §42(h)(6)(B).

**"Liquidation Manager"** means any Person selected by the Investor Limited Partner, which shall be the General Partners so long as the General Partners are in compliance with its obligations under this Partnership Agreement.

**"Loan Documents"** means any and all documents executed by the Partnership in connection with the Loans to the Partnership including, but not limited to, any loan applications, commitments, notes, mortgages, regulatory agreements, building loan agreements, security agreements and financing statements.

**"Loans"** means those loans identified on Exhibit C attached hereto.

**“Majority in Interest”** means approval of General Partners or Investor Limited Partner, as the case may be, holding a majority in interest of the general partner or Investor Limited Partner interests as described in §3.1.

**"Management Agent"** means Michigan Asset Group.

**“Management Agreement”** means the agreement referred to in §5.2(i).

**“Management Default Notice”** is as defined in §13.1.

**"Lansing Housing Commission"** or **"LHC"** means the public housing authority which is a public body corporate and politic of the City of Lansing, Michigan.

**"Material Adverse Effect"** means a material adverse effect, in the sole and absolute discretion of the Fund, on (a) the business, operations, reputation, credit worthiness or financial condition of the Partnership, any General Partner or the principals of the General Partners, (b) the ownership, use or operation of the Project, (c) the value of the Project, (d) the ability of the Partnership to comply with the terms and conditions of the Loan Documents and/or Project Documents, or (e) the validity of the Projected Tax Credits.

**"Minimum Set-Aside Test"** means the set aside test selected by the Partnership pursuant to Code § 42(g) whereby at least forty (40%) percent of the apartment units in the Project must be occupied by individuals with income equal to no more than sixty (60%) percent of area median income, as adjusted for family size.

**"Net Cash from Sales and Refinancings"** has the following meanings:

(a) "Net Cash from Sales" means 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 amounts advanced under §§5.4(k) and (m), and (iii) any reasonable amounts set aside by the General Partners for reserves.

(b) "Net Cash from Refinancing" means the excess of the gross proceeds of any borrowings by the Partnership over the sum of the following to the extent paid out of such gross proceeds: (i) any amounts disbursed to repay then existing loans of the Partnership and to pay and provide for all debts and obligations of the Partnership then to be paid or which are otherwise then due not including, however, any amounts advanced under §§5.4(k) and (m), (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 reasonable amounts set aside by the General Partners for reserves.

**"Net Operating Income"** shall be the excess of gross income from normal operations over all operating cash requirements of the Project properly allocable to such period of time on an annualized accrual basis (not including distributions or payment to Partners out of Cash Flow, debt service requirements, or reserve requirements imposed by this Partnership Agreement or the Loan Documents, but including, real estate taxes and, on an annualized basis, all projected expenses (other than fees or expenses payable out of Cash Flow) of the Project, including those of a seasonal nature, which might reasonably be expected to be incurred on an unequal basis during the full annual period of operations).

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

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

**"Operating Deficit"** means the excess, if any, of the sum of (a) the Partnership's cash expenditures for operating costs and expenses of the Partnership Property (including, without limitation, replacement reserves, required escrows and debt service payments but not the Investor Services Fee), plus (b) the Partnership's cash expenditures for capital improvements to the Partnership Property, over the Partnership's collected gross rental income.

**“Ordinary Course of Business”** means the transaction of business in accordance with the usages and daily customs of the commercial world generally of the Partnership or any Related Person.

**"Partner"** means a General Partner or an Investor Limited Partner.

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

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

**"Partner Nonrecourse Deductions"** has the meaning set forth in §1.704-2(i)(2) of the Regulations. The amount of Partner Nonrecourse Deductions with respect to a Partner Nonrecourse Debt for a Partnership fiscal year equals the net increase during that fiscal year in Partner Nonrecourse Debt reduced (but not below zero) by the proceeds of the Partner Nonrecourse

Debt distributed during that fiscal year to the Partner bearing the economic risk of loss for the Partner Nonrecourse Debt that are both attributable to the Partner Nonrecourse Debt and allocable to an increase in Partner Minimum Gain, as determined in accordance with §1.704-1(i)(2) of the Regulations.

**"Partnership"** means 220 Kalamazoo Limited Dividend Housing Association Limited Partnership.

**"Partnership Agreement"** means the Partnership's First Amended and Restated Limited Partnership Agreement, as the same may be amended from time to time. Words such as "herein", "hereinafter", "hereof", "hereto" and "hereunder" refer to this Partnership Agreement as a whole, unless the context otherwise requires.

**"Partnership Certificate"** means the Partnership's Restated Certificate of Limited Partnership filed with the Filing Office, as the same may be amended from time to time.

**"Partnership Interest"** means the entire ownership interest of a Partner, including, without limitation, the rights and obligations of such Partner under this Partnership Agreement and the Act.

**“Partnership Management Services Agreement”** means the agreement described in §4.1(a)(4).

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

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

**"Partnership Representative"** means 220 Kalamazoo GP, LLC, acting in its capacity designated in §5.4(c).

**"Pay-In Period"** means the period prior to payment of the final capital contribution of the Investor Limited Partner.

**"Permanent Loan"** means those certain mortgage loans from the Lender to the Partnership in the aggregate original principal amount not to exceed $5,700,000.

**“Permanent Mortgage Commencement”** means that the Construction Loan has been converted to the Permanent Loan.

**“Permission to Occupy”** mean the permits issued by the Authority.

**"Person"** means any individual, partnership, corporation, trust or other entity.

**“PILOT”** means the payment in lieu of taxes assessed by the local municipality pursuant to applicable agreement dated as of April 1, 2023.

**"Plans and Specifications"** mean the plans and specifications for the Project approved by the Lender as the same may be amended by change orders approved by the Lender and Fund.

**"Prime Rate"** means the prime interest rate as published in the Wall Street Journal for the date the default occurred. The "Prime Rate" shall be determined on a daily basis. In the event that The Wall Street Journal should cease or temporarily interrupt publication, the term “Prime Rate” shall mean the daily average prime rate published upon the day of default in another business newspaper, or business section of a newspaper, of national standing chosen by the Fund. In the event that a prime rate is no longer generally published or is limited, regulated or administered by a governmental or quasi-governmental body, then the Fund shall select a comparable interest rate index which is readily available and verifiable to the Partnership but is beyond the Fund’s control.

**"Profits"** and **"Losses"** mean, for each fiscal year of the Partnership, an amount equal to the Partnership's taxable income or loss for such period from all sources, determined in accordance with §703(a) of the Code, adjusted in the following manner: (i) the income of the Partnership that is exempt from federal income tax shall be added to such taxable income or loss; (ii) any expenditures of the Partnership which are not deductible in computing its taxable income or are not properly chargeable to capital account under either §705(a)(2)(B) of the Code or the Regulations promulgated under §704(b) of the Code shall be subtracted from such taxable income or loss; (iii) in the event any Partnership Property is revalued in accordance with §1.704-1(b)(2)(iv)(f) of the Regulations, then the amount of any adjustment to the value of such Partnership Property shall be taken into account as gain or loss from the disposition of such Partnership Property for purposes of computing Profits or Losses; (iv) gain or loss resulting from any disposition of Partnership Property which has been revalued pursuant to §1.704-1(b)(2)(iv)(f) of the Regulations and with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the adjusted value of such Partnership Property, notwithstanding that the adjusted tax basis of such Partnership Property differs from the adjusted value; (v) any depreciation, amortization, or other cost recovery deductions taken into account in computing such taxable income or loss shall be recomputed based upon the adjusted value of any Partnership Property which has been revalued in accordance with §1.704-1(b)(2)(iv)(f) of the Regulations; and (vi) any items of income, gain, loss, deduction or credit which are specially allocated pursuant to §§3.2 (d) through (k) shall not be taken into account in computing Profits or Losses.

**"Project Documents"** means the agreements with the architect with regard to the design and supervision of the Project, all agreements with the Project general contractor including, but not limited to, the construction contract, collateral agreements, payment and performance bonds or completion guarantees, general conditions and plans and specifications, all fee agreements including the Development Agreement, Investor Services Agreement, and Partnership Management Services Agreement, all guaranty agreements, Right of First Refusal Agreement, all agreements with the management and marketing agent and any other document or instrument executed in connection with the design, construction and management of the Project.

**"Project"** means sixty-three (63) housing units at a site located in the City of Lansing, Michigan, known as Riverview 220.

**"Projected Tax Credits"** means tax credits available to the Investor Limited Partner in an amount equal to at least $1,004,196 for the first year, $1,496,850 for the following nine years, and $492,655 for the eleventh year of the Compliance Period based on an applicable rate of 9.00% for new construction/rehabilitation including any upward adjustment in the event the Investor Limited Partner have agreed to purchase additional Tax Credits and additional Tax Credits are available in an amount not to exceed 10%.

**"Purchase Period"** is as defined in §8.7

**"Put"** is defined in §8.9.

**"Qualified Allocation Plan"** or **"QAP"** means the Qualified Allocation Plan adopted by the Authority by which Tax Credits are allocated.

**"Qualified Occupancy"** means all units designated as Tax Credit eligible in Exhibit D have been confirmed in the reasonable opinion of the Investor Limited Partner to be qualified for Tax Credits under requirements of Section 42 of the Code.

**"Qualified Occupancy Date"** means August 1, 2026 pursuant to the Projections but shall not exceed December 31, 2026.

**"Qualifying Tenants"** means tenants whose income do not exceed the relevant limits set forth in §42(g)(1) of the Code.

**"RAD Requirements"** means the Consolidated and Further Continuing Appropriations Act of 2013, including but not limited to means (1) the Consolidated and Further Continuing Appropriations Act of 2012, all applicable statutes and any regulations issued by HUD for the RAD Program, as they become effective, except that changes subject to notice and comment rulemaking shall become effective only upon completion of the rulemaking process, and (2) all current requirements in HUD handbooks and guides, notices (including but not limited to, Notice PIH 2012-32, as it may be amended from time to time), and Mortgagee letters (if any) for the RAD Program, and all future updates, changes and amendments thereto, as they become effective.

**"REAC"** means Real Estate Assessment Center.

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

**"Rental Assistance Demonstration Program" or "RAD"** means the US Department of Housing and Urban Development program authorized by the Consolidated and Further Continuing Appropriations Act of 2012, administered by HUD.

**"Rent Restriction Test"** means the test under §42 of the Code pursuant to which the gross rent (including utility allowance) charged to tenants of the low-income units in the Project is not allowed to exceed thirty (30%) percent of the qualifying income levels of such tenants.

**"Replacement Reserve"** means the replacement reserve established pursuant to the terms of the Regulatory Agreement.

**“Required Sale Notice”** is as defined in §8.6.

**“Reservation”** means a valid Reservation for Low Income Tax Credits issued by the Authority and accepted by the Partnership.

**“Sponsor”** means Lansing Housing Commission.

**“Sponsor Loan”** means the loan to the Partnership from the Sponsor in the amount of $4,000,000.

**"Substituted Investor Limited Partner"** means a Person who is admitted as an Investor Limited Partner to the Partnership pursuant to §8.1 or §8.2.

**"Title Policy"** means Owner's Title Insurance Policy in the amount of $22,489,562 (the sum of the Permanent Loan, and Capital Contributions) issued to 220 Kalamazoo Limited Dividend Housing Association Limited Partnership.

**“Underwritten Operations”** shall be calculated as follows:

For any contiguous 90-day period following construction completion upon which the Development achieves 95% occupancy:

$$\frac{\text{V-W-X-Y-(+)Z}}{\text{D}}$$

V = Actual Net Rental Income. This means actual cash receipts in the 90-day period collected related to dwelling (and commercial if applicable) units, carports, storage spaces, and laundry facilities.
W = Actual Operating Expenses. This means all expenses incurred in the period related to the ownership and operation of Partnership assets.
X = Required Replacement Reserves.
Y = Accrued payables owed in excess of 60 days.
Z = Other Accruals. This means adjustments made by the Investor Limited Partner to accrue for insurance expense, property tax expense, audit expense or any seasonal expense which might reasonably be expected to be incurred on an unequal basis during 12 months of operations. Accrual entries shall be made at the Investor Limited Partner’s sole discretion.
D = Debt Service obligation of the Partnership for the 90-day period based on the terms and conditions of the permanent loan.

The product of this calculation shall result in an adjusted Debt Service Coverage Ratio of 1:15.

**"Voluntary Transfer"** means any sale, assignment, transfer, pledge or hypothecation of any Partnership Interests by a Partner, except for an Involuntary Transfer.

**“Withdrawing Limited Partner”** means Lansing Housing Commission.

**EXHIBIT B**
**GENERAL PARTNERS' PAYMENT CERTIFICATE**

This Certificate is delivered pursuant to the provisions of §2.2 of the First Amended and Restated Limited Partnership Agreement, dated as of _________, (the "Partnership Agreement") of 220 Kalamazoo Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the "Partnership").

The undersigned certifies that as of the date hereof all conditions described in Schedule 1 with regard to the First Installment have been met.

Further, the undersigned certifies that the following requirements were satisfied as of the date of the initial Capital Contribution and are and have been satisfied at all times prior to and including the due dates of each subsequent Capital Contribution:

(1) The operation of the Project in all respects complies with the applicable provisions of §42 of the Code.

(2) No default (or event which, 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, Project Documents or any other material agreement relating to the Project nor has the Lender or any other lender failed or refused to make an advance or payment under any loan document (which failure or refusal is continuing), which default or event or failure or refusal has had or would have a material adverse effect on any Partner, the Partnership, or the Partnership Property; and the Loan Documents and Project Documents are in full force and effect.

(3) The Partnership owns the Partnership Property free and clear of any liens, charges or encumbrances other than the matters set forth in the Title Policy acceptable to the Fund as evidenced by a title endorsement issued at the time of the installment payment, provided that any construction or other liens 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 the debt secured thereby, and the General Partners have not received notice of any liens, charges or encumbrances.

(4) No event has occurred or which with the passage of time could become, or result in an Involuntary Transfer of the interest of the General Partners; unless with respect to a General Partner, a substitute or successor General Partner has been designated and approved by the Investor Limited Partner in accordance with the terms and provisions of Article 9 of the Partnership Agreement.

(5) The General Partners are not in breach of any provision of the Partnership Agreement to be observed or performed by the General Partners including, without limitation, the representations, warranties and covenants set forth in §5.3, which breach would have a material adverse effect on the Partnership, the Partners or the Partnership Property.

(6) All credit adjustments required to be made by the General Partners pursuant to Article 5, §5.8 have been made.

(7) All payments required to be made by the General Partners pursuant to Article 5 and the Unconditional Guaranty of Guarantors have been made.

(8) The Project operations are current in all respects, i.e. there are no Operating Deficits outstanding over thirty (30) days old which have not otherwise been provided for through the escrow of funds satisfactory to the Fund for the payment of said Operating Deficits.

(9) To the best knowledge of the General Partners after due inquiry, the representations, warranties and covenants set forth in the Environmental Representations, Warranties and Covenants executed as of the effective date of the Partnership Agreement are true and accurate as of the date hereof.

(10) All documents required to be delivered to the Investor Limited Partner or that the Investor Limited Partner has requested in accordance herewith, including without limitation the reports, statements and information required by Article 7, have been delivered to the Investor Limited Partner.

(11) The ownership and operation of the Partnership Property complies in all respects with the provisions of Act No. 346 of Public Acts of 1966 of the State of Michigan, as amended.

(12) The Partnership and the Partnership Property are not in violation of any applicable federal, state and local laws, rules, regulations, statutes, decisions, orders, judgments, directives, decrees, codes, guidelines or ordinances of any governmental or regulatory authority, court or arbitrator which would have a material adverse effect on the Partnership, any of its Partners, or the Partnership Property.

(13) 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 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 §42(j) or other relevant sections of the Code or is unavailable to the Partnership.

(14) Attached hereto is an updated set of sources and uses, including all hard costs and soft costs, as agreed to by the Partners and in effect as of the date of this Certificate.

This Certificate is made effective as of the date first set forth above.

220 KALAMAZOO GP, LLC, a Michigan limited liability company

By: Lansing Housing Commission, a public body corporate of the State of Michigan
Its: Sole Member

By:______________________________
Douglas Fleming
Its: Executive Director

CCA-LHC, LLC, a Michigan limited liability company

By: Chesapeake Community Advisors, Inc., a Maryland corporation
Its: Sole Member

By:______________________________
John J. Schuster, III
Its: Vice President

**EXHIBIT C**
**SUMMARY OF PROJECT LOAN TERMS**

1. Construction Loan

| | |
|---|---|
| Lender: | Lansing Housing Commission |
| Source: | Lansing Housing Commission Funds |
| Amount: | $14,000,000 |
| Type: | Construction |
| Summary based on: | Projections/Loan Documents |
| Interest Rate Protection: | N/A |
| Credit Enhancement: | N/A |
| Closed at or prior to Initial Closing: | Yes |
| Interest Rate: | 4.25% |
| Amortization: | 30 years |
| Payments anticipated to commence: | After Initial Closing |
| Hard Payment Amount: | N/A |
| Maturity Date: | 24 months |
| Prepayment Penalty/Yield Maint: | See Loan Documents |
| Interest Reserve: | See Loan Documents |
| Non-recourse to: | N/A – Recourse loan |
| On-going performance requirements: | See Loan Documents |
| Collateral: | - First position real estate mortgage and assignment of rents and leases |

2. Permanent Loan

| | |
|---|---|
| Lender: | Lansing Housing Commission |
| Source: | Lansing Housing Commission Funds |
| Amount: | $5,700,000 |
| Type: | Permanent |
| Summary based on: | Projections |
| Interest Rate Protection: | N/A |
| Credit Enhancement: | N/A |
| Closed at or prior to Initial Closing: | Yes |
| Interest Rate: | 4.25% |
| Amortization: | 30 years |
| Payments anticipated to commence: | After conversion |
| Hard Payment Amount: | N/A |
| Maturity Date: | 17 years |
| Prepayment Penalty/Yield Maint: | See Loan Documents |
| Interest Reserve: | See Loan Documents |
| Non-recourse to: | N/A – Recourse loan |
| On-going performance requirements: | See Loan Documents |
| Collateral: | - First position real estate mortgage and assignment of rents and leases |

3. Sponsor Loan

| | |
|---|---|
| Lender: | Lansing Housing Commission |
| Source: | Lansing Housing Commission Funds |
| Amount: | $4,000,000 |
| Type: | Permanent |
| Summary based on: | Projections/Loan Documents |
| Interest Rate Protection: | N/A |
| Credit Enhancement: | N/A |
| Closed at or prior to Initial Closing: | Yes |
| Interest Rate: | 7% |
| Amortization: | 40 years |
| Payments anticipated to commence: | Post closing |
| Hard Payment Amount: | N/A |
| Maturity Date: | 40 years |
| Prepayment Penalty/Yield Maint: | See Loan Documents |
| Interest Reserve: | See Loan Documents |
| Non-recourse to: | N/A – Recourse loan |
| On-going performance requirements: | See Loan Documents |
| Collateral: | - Second position real estate mortgage |

# EXHIBIT D

PROFORMA FINANCIAL PROJECTIONS

(14 pages to follow)

**Riverview 220 LDHA, LP - Rent, Expense, and Timing Assumptions** 1/30/2025

63-unit Family project in Lansing, MI - New Construction
Riverview 220 LDHA, LP

| | | | | |
|---|---|---|---|---|
| Utility Allowance | Heating: | | Hot Water: | |
| BR size: | Electricity: | | Water/Sewer: | Total: 1 BR BR: |
| 1 BR | Cooking: | | Svc Charge: | $0 |

**RESIDENTIAL RENTAL INCOME ASSUMPTIONS**

**Market-Rate units must show as "Mrk" in column C**

| UNIT DESCRIPTION | LHC Primary Lie Target (AMI) | Number of Bedrooms | Number of Units | Utility Allowance* | LIHTC Net Rent | 30 Rent | Unit Sq. Footage | Rent per Sq. Foot | Monthly Rental Allowance | Total Monthly Rent | Total Annual Income | Required Tenant Income | Maximum Section 42 Rent | Percent of Median | Market Rent | County |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2 Bedroom - PBV | 60% | 2 | 24 | $126 | $1,026 | $1,026 | 914 | 1.123 | 1,152 | 24,624 | 295,488 | 46,080 | 1,246 | 55.47% | $1,336 | Ingham |
| 2 Bedroom - RAD | 60% | 2 | 28 | $71 | $1,020 | $1,020 | 914 | 1.116 | 1,091 | 28,560 | 342,720 | 43,640 | 1,246 | 52.53% | $1,336 | Ingham |
| 3 Bedroom - PBV | 60% | 3 | 4 | $154 | $1,285 | $1,355 | 1,197 | 1.073 | 1,439 | 5,140 | 61,680 | 57,555 | 1,440 | 59.96% | $1,519 | Ingham |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| 2 Bedroom | Mrk | 2 | 4 | | $1,350 | | 914 | 1.477 | 1,350 | 5,400 | 64,800 | 54,000 | 1,246 | 65.01% | $1,336 | Ingham |
| 3 Bedroom | Mrk | 3 | 3 | | $1,550 | | 1,197 | 1.295 | 1,550 | 4,650 | 55,800 | 62,000 | 1,440 | 64.59% | $1,519 | Ingham |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| | | | | | | | | | - | - | - | - | | | | |
| TOTAL | | 133 | 63 | | | | | | | 68,374 | 820,488 | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Common Space (SF): | | Total Aff | 56 | Income Avg. | 60.00% | Subsidy Rent | 703,248 | Final Year of Section 8 Contract: |
| Subsidized Units (#) | 56 | Total Mkt | 7 | | | Subsidy Over Tenant Rent | 3,360 | |
| | | Percent Mkt | *11% units* | *15% income* | | **Total Annual Rental Income** | **823,848** | |

**COMMERCIAL INCOME ASSUMPTIONS**

| DESCRIPTION | Sq. Feet | Rent/SF | Annual Rent |
|---|---|---|---|
| Lansing Housing Commission Lease | 2,000 | $12.50 | 25,000 |
| | | $0.00 | |
| | | $0.00 | |
| | | $0.00 | |
| | | $0.00 | |
| TOTAL | 2,000 | 0.03 | 25,000 |

*2.95% Must Not Exceed 20%*

**RENTAL ASSUMPTIONS:**

| | Residential | Commercial | |
|---|---|---|---|
| No. Months of Rent in Year 1 | *See Lease-up Schedule* | 9 | |
| No. Months of Expenses in Year 1 | 9 | 9 | |
| No. Months Depreciation in Year 1 | 9 | 9 | |
| Annual Rent Increase | 2.0% | 2.0% | |
| Annual Rent Increase (Year 1 - 2 only) | 2.0% | 2.0% | |
| Annual Expense Increase | 3.0% | 3.0% | |
| Annual Expense Increase (Year 1 - 2 only) | 3.0% | 3.0% | |
| Vacancy Loss, Year 1 | 5.8% | 5.0% | |
| Vacancy Loss Years 2-16 | 5.8% | 5.0% | |
| Economic Vacancy/Rent Loss | 0.0% | | |
| Property Management Fee | | | |
| Replacement Reserve | 300 | | <--PUPM |
| Other Income | 9,500 | 0 | $ 12.57 |
| Interest on Reserve Accounts | 1.0% | | |
| Median Income--Year--County/MSA **$92,300** | 2024 | Ingham | |
| Median Income--Year--County/MSA | 2024 | | |
| Median Income--Year--County/MSA | 2024 | | |
| Median Income--Year--County/MSA | 2024 | | |

**DEPRECIATION ASSUMPTIONS**

| | |
|---|---|
| Life of Residential Assets (Acq. & Rehab) | 30.00 |
| Life of Commercial Assets | 39.00 |
| Fixtures & Furniture | 5.00 |
| Site Work | 15.00 |

**INVESTOR ASSUMPTIONS:**

| | |
|---|---|
| Primary Fund: | **Cinnaire-TBD** |
| Fund's Share of Operating Partnership | 99.99% |
| Investor's Share of Upper Tier Partnership | 99.99% |
| Investor Tax Rate (Combined State & Federal) | 21.00% |

**2026 OPERATING EXPENSE ASSUMPTIONS**

| | | | | Total | Per Unit | |
|---|---|---|---|---|---|---|
| Maintenance Salaries | | | | | - | |
| Admin. Salaries | | | 90,236 | | 1,432 | |
| **Total Salaries** | | | | **90,236** | **1,432** | |
| Accounting | | | | | - | |
| Legal | | | | | - | |
| Office Rent and Expenses | | | 32,634 | | 518 | |
| Payroll and Payroll Taxes | | | | | - | |
| Workmen's Comp | | | | | | |
| Bad Debt | | | | | | |
| **Total Administrative** | | | | **32,634** | **518** | |
| Gas/Oil | | | | | - | |
| Electricity | | | 57,863 | | 918 | |
| Water/Sewer | | | | | - | |
| Other (Describe) | | | | | - | |
| **Total Utilities** | | | | **57,863** | **918** | |
| Extermination | | | | | - | |
| Trash Removal | | | | | - | |
| Security | | | | | - | |
| Janitorial Supplies | | | | | - | |
| Repair Contracts/Work | | | 85,000 | | 1,349 | |
| Painting/Decorating | | | | | - | |
| Grounds Maintenance | | | | | - | |
| Snow Removal | | | | | - | |
| Elevator | | | | | - | |
| **Total Repairs and Maintenance** | | | | **85,000** | **1,349** | |
| **Total Marketing and Leasing** | | | | **0** | **-** | |
| **Total Real Estate Taxes** | | | 7,000 | **7,000** | **111** | |
| **PILOT** | 88.89% | 10.00% | 30,511 | **61,022** | **484** | |
| **Total Insurance** | | | 37,800 | **37,800** | **600** | |
| **Total Property Management Fee** | | | 36,288 | **39,312** | **576** | **0.0%** |
| Partnership Management Fee (Must Pay) | | | | | - | |
| Investor Services Fee (Must Pay) | | | | | - | |
| LIHTC Compliance Fee | | | | | - | |
| **Total Other Fees** | | | | **0** | **-** | |
| | | | | | - | |
| Project-paid Fuel | | | | | - | |
| **Total Project-paid Fuel** | | | | **0** | **-** | |
| **Total Operating Expenses/Unit** | | | | **410,867** | **5,989** | |
| Total Net of Other Fees | | | | 410,867 | 6,522 | |
| Total Net of Other Fees and Property Taxes | | | | 373,356 | 5,926 | |
| Total Net of Other Fees, Property Taxes and Insurance | | | | 335,556 | 5,326 | |

**CASH FLOW FEES**

| | PCT(%) | **or** AMT($) | Inflator |
|---|---|---|---|
| Investor Services Fee | 0% | $4,500 | 3.0% |
| Partnership Mgmt Fee | 0% | $15,874 | 3.0% |
| Tenant Services Fee | 0% | $0 | 0.0% |
| Incentive Mgmt Fee | 90% | | 3.0% |
| Incentive Mgmt Fee Cap | | $32,659 | *90% Prop Mgt Fee* |
| CF to be distributed | 100% | $0 | |
| RTO Limitation | No | | |

**PROJECT INFORMATION**

| | |
|---|---|
| LP Legal Name: | Riverview 220 LDHA, LP |
| Project Address: | 220 East Kalamazoo St |
| City: | Lansing |
| State: | MI |
| Zip: | 48933 |
| County: | Ingham |
| Sponsor | Lansing Housing Commission |
| General Partner: | Lansing Housing Commission |
| Nonprofit? | Yes |
| Property Management: | TBD |
| General Contractor: | TBD |
| | |
| Version | 17 |
| Status | Initial Underwriting |
| Underwriter | TBD |
| Equity Processor | TBD |
| Asset Manager | TBD |
| Analyst | Brittany Rugg |
| Business Development | Ben Stehouwer |
| % LIHTC Election | 40% at 60% |
| Stabilized DSCR | 1.11 *Projected* |
| Constr Type | New Construction |
| Housing Type | Family |

| **Other Res. Income Description** | Annual Income |
|---|---|
| Other Income | 5,000 |
| Vending | |
| Parking | |
| Tenant Charges/application fees | 4,500 |
| **Total** | 9,500 |
| *As % of Gross Income:* | *1.1%* |

*Income from residential (tenants) only. Other parking income must be characterized as commercial income. If TIF supports commercial development the same is true.

| SCHEDULE OF LEASE-UP AND TAX CREDITS | | | | | |
|---|---|---|---|---|---|
| **2026** | No. Units | Tax Credit | Gross | 9.00% | 4.00% |
| Month | Leased | Units Leased | Rent | Credits | Credits |
| December, 2025 | LHC Primary L | 0 | #VALUE! | - | - |
| January, 2026 | | - | - | - | - |
| February | | - | - | - | - |
| March | | - | - | - | - |
| April | | - | - | - | - |
| May | 17 | 15 | 18,450 | 33,415 | - |
| June | 34 | 30 | 36,900 | 66,830 | - |
| July | 54 | 45 | 58,606 | 100,246 | - |
| August | 63 | 56 | 68,374 | 124,750 | - |
| September | 63 | 56 | 68,374 | 124,750 | - |
| October | 63 | 56 | 68,374 | 124,750 | - |
| November | 63 | [redacted] | 68,374 | 124,750 | - |
| December | 63 | [redacted] | 68,374 | 124,750 | - |
| **TOTALS** | | | **455,827** | **824,241** | **-** |
| | 55.56% | 55.06% | 55.56% | | |

**Lease-up Check** = OK

| **2027** | No. Units | Tax Credit | Gross | 9.00% | 4.00% |
|---|---|---|---|---|---|
| Month | Leased | Units Leased | Rent | Credits | Credits |
| December, 2026 | 63 | 56 | 68,374 | 124,750 | - |
| January, 2027 | 63 | [redacted] | 68,374 | 124,750 | - |
| February | 63 | [redacted] | 68,374 | 124,750 | - |
| March | 63 | [redacted] | 68,374 | 124,750 | - |
| April | 63 | [redacted] | 68,374 | 124,750 | - |
| May | 63 | [redacted] | 68,743 | 124,750 | - |
| June | 63 | [redacted] | 69,112 | 124,750 | - |
| July | 63 | [redacted] | 69,546 | 124,750 | - |
| August | 63 | [redacted] | 69,741 | 124,750 | - |
| September | 63 | [redacted] | 69,741 | 124,750 | - |
| October | 63 | [redacted] | 69,741 | 124,750 | - |
| November | 63 | [redacted] | 69,741 | 124,750 | - |
| December | 63 | [redacted] | 69,741 | 124,750 | - |
| **TOTALS** | | | **829,605** | **1,497,000** | **-** |
| | 100.00% | 100.00% | 100.00% | | |

| **2028** | No. Units | Tax Credit | Gross | 9.00% | 4.00% |
|---|---|---|---|---|---|
| Month | Leased | Units Leased | Rent | Credits | Credits |
| December, 2027 | 63 | 56 | 69,741 | 124,750 | - |
| January, 2028 | 63 | [redacted] | 69,741 | 124,750 | - |
| February | 63 | [redacted] | 69,741 | 124,750 | - |
| March | 63 | [redacted] | 69,741 | 124,750 | - |
| April | 63 | [redacted] | 69,741 | 124,750 | - |
| May | 63 | [redacted] | 70,118 | 124,750 | - |
| June | 63 | [redacted] | 70,494 | 124,750 | - |
| July | 63 | [redacted] | 70,937 | 124,750 | - |
| August | 63 | [redacted] | 71,136 | 124,750 | - |
| September | 63 | [redacted] | 71,136 | 124,750 | - |
| October | 63 | [redacted] | 71,136 | 124,750 | - |
| November | 63 | [redacted] | 71,136 | 124,750 | - |
| December | 63 | [redacted] | 71,136 | 124,750 | - |
| **TOTALS** | | | **846,197** | **1,497,000** | **-** |
| | 100.00% | 100.00% | 100.00% | | |

| TAX CREDIT ASSUMPTIONS | | |
|---|---|---|
| Date of Reservation | December 1, 2023 | |
| Year of Credits Allocation: | **2023** | |
| 30 Tax Credit Rate Lock Date: | | Not Locked |
| | RATE | TERM |
| Acquisition Credit Rate: | 4.00% | 10 |
| New Construction/Rehab Rate: | 9.00% | 10 |
| Historic ITC Rate: | 20.00% | 5 |
| State HTC Rate: | 0.00% | |
| DDA/QCT Basis Boost | 120% | |
| % of LIHTC Units by Count | 88.89% | |
| % of LIHTC Units by SF | 87.83% | |
| Applicable Fraction | **87.83%** | |
| | Calculated | Reservation Letter |
| Acquisition Credits Projected | 0 | |
| New Const/Rehab Projected | 1,824,019 | 1,497,000 |
| Total Projected State Credit Allocation | $1,824,019 | $1,497,000 |
| Tax Ex Bond Deal **No** | Sponsor 168 Election ☑ | |
| State Historic Tax Credit Price | | $0.0000 |
| Net Equity/Tax Credits | | $0.8294 |

| SALE OR DISPOSITION OF THE PROPERTY | |
|---|---|
| Date of Sale | December 31, 2041 |
| Year of Sale | 2041 |
| Appreciation Rate | 2.00% |
| Appreciation Period | 17.0 |
| Sales Commission | 0.00% |
| *SHARE OF PROCEEDS TO INVESTORS | 10% |

| TIMING ASSUMPTIONS | DATE | |
|---|---|---|
| Construction Start | January 1, 2025 | |
| Partnership Closing | January 1, 2025 | 01/01/25 |
| Upper Tier Closing | January 1, 2025 | |
| Placed in Service Date | April 1, 2026 | |
| Permanent Finance Start Date | January 1, 2027 | |
| Qualified Occupancy (100%) | August 1, 2026 | |
| Defer Credits to Year After Buildings PIS | No | |
| End of Construction Year | December 31, 2026 | |
| First Fiscal year | 2026 | |

| PAYMENTS TO PROJECT | DATE | PHASE |
|---|---|---|
| First Payment | January 1, 2025 | Closing |
| Second Payment | January 1, 2026 | 75% Completion |
| Third Payment | April 1, 2026 | 100% Completion |
| Fourth Payment | January 1, 2027 | Stabilization |
| Fifth Payment | October 1, 2027 | 8609s |
| Sixth Payment | | |
| Seventh Payment | | |

| ADDITIONAL FIRST YEAR CREDIT DELIVERY DUE TO EXCESS BASIS | | | |
|---|---|---|---|
| Total Eligible Basis | | $ 19,228,598 | |
| Less Grants & Historic | | 0 | |
| x Basis Boost | | 120.00% | |
| x Credit Rate | | 9.00% | |
| x Low Income Portion | | 87.83% | |
| x 1st Year Applicable Fraction - 2026 | | 55.06% | |
| Basis Options: | No Excess Basis | Excess - Simplified | Excess by Building |
| Credit Calc - 2026 | 824,241 | 1,004,296 | - |
| Credit Calc - 2027 | 1,497,000 | 1,497,000 | - |
| Credit Calc - 2028 | 1,497,000 | 1,497,000 | 1,497,000 |

Basis Option Selected: Excess - Simplified

| Adjusters | | |
|---|---|---|
| **Adjuster Type** | **Adjustment Factor & Comments** | |
| Deferral of Credits | | 0 |
| Delay in Credits | | |
| Early Credit Delivery | | |
| Permanent Reduction in Tax Credits | | |
| Excess Credits | | |

**Building Delivery Schedule**

| Bldg # | #units | Const. Complete | Date 100%Occ | 0 BR | 1BR | 2BR | 3BR | 4BR | SF for Mrk Units | SQ FT |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | 63 | 4/1/2026 | 8/1/2026 | - | - | 56 | 7 | - | 7,247 | 59,563 |
| 2 | | | | | | | | | | 0 |
| 3 | | | | | | | | | | 0 |
| 4 | | | | | | | | | | 0 |
| 5 | | | | | | | | | | 0 |
| 6 | | | | | | | | | | 0 |
| 7 | | | | | | | | | | 0 |
| 8 | | | | | | | | | | 0 |
| 9 | | | | | | | | | | 0 |
| 10 | | | | | | | | | | 0 |
| 11 | | | | | | | | | | 0 |
| 12 | | | | | | | | | | 0 |
| 13 | | | | | | | | | | 0 |
| 14 | | | | | | | | | | 0 |
| 15 | | | | | | | | | | 0 |
| 16 | | | | | | | | | | 0 |
| 17 | | | | | | | | | | 0 |
| 18 | | | | | | | | | | 0 |
| 19 | | | | | | | | | | 0 |
| 20 | | | | | | | | | | 0 |
| 21 | | | | | | | | | | 0 |
| 22 | | | | | | | | | | 0 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 23 | | | | | | | | 0 |
| 24 | | | | | | | | 0 |
| 25 | | | | | | | | 0 |
| | **63** | **0** | **0** | **56** | **7** | **0** | **7,247** | 59,563 |

**Riverview 220 LDHA, LP - Sources and Uses of Funds** **1/30/2025**

63-unit Family project in Lansing, MI - New Construction

50% TCAP =
50% 1602 Exchange =

| SOURCES OF FUNDS | Commitment Status | MIP | Term | Rate | Amortization | Amount | % | Per Unit | Loan Type | Must Pay (M) or Contingent (C) | Start Date | No. of Pmts. First Year | Monthly Payment | Annual Payment | Non-Recourse? (1=Y, 0=N) | Related Party? (1=Y, 0=N) | First Mortgage? (1=Y, 0=N) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | - | | | | | | | | | | |
| LHC Primary Lien | Pending | | 17 | 4.25% | 30 | 5,700,000 | 25% | 90,476 | 1 | M | 01/01/27 | 11.00 | 28,040.57 | 336,487 | 0 | 1 | 1 |
| | | | | | | | | - | | M | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | M | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| LHC Sponsor Loan/Capital Funds | Pending | | 40 | 7.00% | 40 | 4,000,000 | 18% | 63,492 | 3 | C | 01/01/27 | 11.00 | - | - | 0 | 1 | 0 |
| | | | | | | | | - | | C | 01/01/27 | - | - | - | | | |
| Deferred Developer Fee | 0 | | | | 25.0% | 375,000 | 2% | 5,952 | | | | | | | | | |
| | | | | Taxable Event to Ptshp? | Yes | | | - | | | | | | | | | |
| | | | | | | | | - | | | | | | | | | |
| Cinnaire-TBD | 100.00% | 21.00% | $ 0.8294 | | | 12,414,562 | 55% | 197,057 | | | | | | | | | |
| | 0.00% | 21.00% | $ - | | | 0 | | - | | | | | | | | | |
| | 0.00% | 21.00% | $ - | | | 0 | | - | | | | | | | | | |
| | 0.00% | 21.00% | $ - | | | 0 | | - | | | | | | | | | |
| | | | | Taxable Event to Ptshp? | No | | | - | | | | | | | | | |
| | | | | | | | | - | | | | | | | | | |
| TOTAL SOURCES OF FUNDS | | | | | | 22,489,562 | 100% | 356,977 | | | | | 28,041 | 336,487 | | | |

| | | | Funding Gap | 0 | | | RESIDENTIAL | | | | | | 0% | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **APPLICATION OF FUNDS** | | | **Per Unit** | **Total** | | **Depreciable** | **9.00% Credit NC\Rehab** | **4.00% Credit Acquisition** | **Non Depreciable** | **Amortized** | **Expensed** | **Historic Tax Credit** | **Commercial** | **Other** | **CHECK** |
| **ACQUISITION COSTS** | | | | | | | | | | | | | | | |
| Land Purchase Price: | | | 15,873 | 1,000,000 | | | | | 1,000,000 | | | | | | 1 |
| Purchase Price: Existing Buildings | | | - | | | - | | - | | | | | | | 1 |
| Closing/Title & Recording | | | - | | | | | | - | | | | | | 1 |
| Acquisition: Legal Fees & Appraisal | | | - | | | | | | - | | | | | | 1 |
| Demolition: Razing of Buildings | | | - | | | | | | - | | | | | | 1 |
| Other Acquisition: Special Assessments | | | - | | | | | | - | | | | | | 1 |
| Other: Acquisition Interest | | | - | | | - | | - | | | | | | | 1 |
| ***Subtotal*** | | | **15,873** | **1,000,000** | | **-** | **-** | **-** | **1,000,000** | **-** | **-** | **-** | **-** | **-** | |
| | | | | | | | | | | | | | | | 1 |
| **CONSTRUCTION/REHABILITATION COSTS** | | | | | | | | | | | | | | | 1 |
| Site Work: Non-Depreciable Off-Site | | | - | | | | | | - | | | | | | 1 |
| Site Work: On-Site Improvements | | | 794 | 50,000 | | 50,000 | - | | | | | | 50,000 | | 1 |
| Landscaping & Irrigation | | | - | | | - | - | | | | | | | | 1 |
| Demolition: Interior | | | - | | | - | - | | | | | - | | | 1 |
| New Construction: Residential | | | 233,541 | 14,713,071 | | 14,713,071 | 14,713,071 | | 0 | | | - | | | 1 |
| New Construction: Commercial | | | | 613,045 | | 613,045 | - | | | | | - | | | 1 |
| NC Not in Basis: Garages/Carports, etc. | | | - | | | - | | | | | | | | | 1 |
| Rehabilitation: Commercial | | | - | | | - | | | | | | | | | 1 |
| General Requirements | | 0.00% | - | | | - | - | | | | | - | | | 1 |
| Builder Overhead | | 0.00% | - | | | - | - | | | | | - | | | 1 |
| Builder Profit | | 0.00% | - | | | - | - | | | | | - | | | 1 |
| P&P Bond and Builder's Risk | | | - | | | - | - | | | | | - | | | 1 |
| Appliances | | | - | | | - | - | | | | | | | | 1 |
| Furniture, Fixtures and Equipment | | | 2,381 | 150,000 | | 150,000 | 150,000 | | | | | | | | 1 |
| Other Construction (Describe): | | | - | | | - | - | | | | | - | | | 1 |
| Other Construction (Describe): | | | - | | | - | - | | | | | - | | | 1 |
| Construction Contingency | | 6.50% | 15,873 | 1,000,000 | | 1,000,000 | 750,000 | | | | | - | | | 1 |
| ***Subtotal*** | | | **252,588** | **16,526,116** | **-** | **16,526,116** | **15,613,071** | **-** | **-** | **-** | **-** | **-** | **50,000** | **-** | |
| | | | | | | | | | | | | | | | 1 |
| **PROFESSIONAL FEES & OTHER SOFT COSTS** | | | | | | **Depreciable** | **NC\Rehab** | **Acquisition** | **Non Depr** | **Amortized** | **Expensed** | **HTC** | **Commercial** | **Other** | |
| Architect Design | | | 8,730 | 550,000 | | 550,000 | 550,000 | | | | | - | | | 1 |
| Architect Supervision | | | 873 | 55,000 | | 55,000 | 55,000 | | | | | - | | | 1 |
| Engineering/PNA | | | 1,190 | 75,000 | | 75,000 | 75,000 | | | | | - | | | 1 |
| Geotechnical/Soils Engineering | | | 476 | 30,000 | | 30,000 | 30,000 | | | | | - | | | 1 |
| Environmental Study/Soil Testing | | | 1,429 | 90,000 | | 90,000 | 90,000 | | | | | - | | | 1 |
| Survey (Boundary/Topo/As-Built) | | | 317 | 20,000 | | 20,000 | 20,000 | | | | | - | | | 1 |
| Building Permits | | | - | | | - | - | | | | | - | | | 1 |
| Utility Tap Fees | | | 1,349 | 85,000 | | 0 | 0 | | | | | - | | | 85,001 |
| Impact Fees | | | - | | | - | - | | | | | - | | | 1 |
| Hazard & Liability Ins. (Construction Period) | | | 3,492 | 220,000 | | 220,000 | 220,000 | | | | | - | | | 1 |
| Utilities--during construction | | | - | | | - | - | | | | | - | | | 1 |
| Real Estate Taxes--during construction | | | 1,746 | 110,000 | | 110,000 | 110,000 | | | | | - | | | 1 |
| Market Study & Feasibility Study | | | 238 | 15,000 | | 15,000 | 15,000 | | | | | - | | | 1 |
| Appraisal | | | 127 | 8,000 | | 8,000 | 8,000 | | | | | - | | | 1 |
| Accounting/Audit | | | 476 | 30,000 | | 30,000 | 30,000 | | | | | - | | | 1 |
| Cost Certification | | | - | | | - | - | | | | | - | | | 1 |
| Real Estate Attorney | | | - | | | - | - | | | | | - | | | 1 |
| Consultant Fees | | | - | | | - | - | | | | | - | | | 1 |
| Construction Management Fees | | | - | | | - | - | | | | | - | | | 1 |
| Developer Fees | | 7.15% | 23,810 | 1,500,000 | | 1,500,000 | 1,500,000 | - | - | | | - | | | 1 |
| Developer Overhead | | | - | | | - | - | | | | | - | | | 1 |
| Soft Cost Contingency | | 1.40% | 646 | 40,708 | | - | - | | 40,708 | | | - | | | 1 |
| Other Soft Cost (describe): Green Consultant | | | 794 | 50,000 | | 50,000 | 50,000 | | | | | - | | | 1 |
| Other Soft Cost (describe): Flood Plain Consultant | | | 397 | 25,000 | | 25,000 | 25,000 | | | | | - | | | 1 |
| ***Subtotal*** | | | **46,091** | **2,903,708** | **-** | **2,778,000** | **2,778,000** | **-** | **40,708** | **-** | **-** | **-** | **-** | **-** | |
| | | | | | | | | | | | | | | | 1 |
| **FINANCING COSTS** | | | | | | **Depreciable** | **NC\Rehab** | **Acquisition** | **Non Depr** | **Amortized** | **Expensed** | **HTC** | **Commercial** | **Other** | |
| Construction Loan Origination Fees/Points | | | - | | | - | - | | | | | - | | | 1 |
| Construction Loan Inspections | | | 317 | 20,000 | | 20,000 | 20,000 | | | | | - | | | 1 |
| Construction Loan Title & Recording | | | - | | | - | - | | - | | | - | | | 1 |
| Construction Loan Legal (Bank) | | | - | | | - | - | | | | | - | | | 1 |
| Construction Loan Interest | 24 Months | | 13,782 | 868,254 | | 607,777 | 607,777 | | | | 260,477 | - | | | 1 |
| Bridge Loan Expenses | | | 1,429 | 90,000 | | 90,000 | 90,000 | | | | | - | | | 1 |
| Other Construction Loan Cost: (Describe): Developer Legal | | | 1,349 | 85,000 | | 63,750 | 63,750 | | | - | 21,250 | - | | | 1 |
| Other Construction Loan Cost: (Describe) | | | - | | | - | - | | | | - | - | | | 1 |
| Permanent Loan Origination Fees/Points | | | 452 | 28,500 | | | | | | 28,500 | | | | | 1 |
| Permanent Loan Inspections | | | - | | | | | | | - | | | | | 1 |
| Permanent Loan Mortgage Ins. (MIP) | | | - | | | | | | | - | | | | | 1 |
| Permanent Loan Title & Recording | | | 635 | 40,000 | | | | | | 40,000 | | | | | 1 |
| Permanent Loan Legal (Bank) | | | 317 | 20,000 | | | | | | 20,000 | | | | | 1 |
| HFA Legal Fees | | | - | | | - | - | | | | | | | | 1 |
| HFA Loan Fees | | | - | | | - | - | | | | | | | | 1 |
| Bond Issuance Fees | | | - | | | - | - | | | | | | | | 1 |
| Letter of Credit Fees | | | - | | | | | | | - | | | | | 1 |
| Credit Report | | | - | | | - | - | | | | | | | | 1 |
| Negative Arbitrage | | | - | | | | | | | - | | | | | 1 |
| Other Permanent Loan (Describe): 3rd Party Fees | | | 238 | 15,000 | | | | | | 15,000 | | | | | 1 |
| Other Permanent Loan (Describe): Carrying Costs | | | 1,190 | 75,000 | | | | | | 75,000 | | | | | 1 |
| ***Subtotal*** | | | **19,710** | **1,241,754** | **-** | **781,527** | **781,527** | **-** | **-** | **178,500** | **281,727** | **-** | **-** | **-** | |
| | | | | | | | | | | | | | | | 1 |
| **TAX CREDIT & SYNDICATION COSTS** | | | | | | **Depreciable** | **NC\Rehab** | **Acquisition** | **Non Depr** | **Amortized** | **Expensed** | **HTC** | **Commercial** | **Other** | |
| Tax Credit Fees (Application) | | | 1,584 | 99,805 | | | | | | 99,805 | | - | | | 1 |
| Tax Credit Compliance/Monitoring Fees | | | 475 | 29,925 | | | | | | 29,925 | | - | | | 1 |
| Organizational Fees (Developer) | | | - | | | | | | | - | - | - | | | 1 |
| Other: Credit Exchange Fees | | | 1,190 | 75,000 | | | | | | 75,000 | - | - | | | 1 |
| Fund Legal/Accounting Report-Non Synd. Cost | | | - | | | - | - | | | - | | - | | | 1 |
| Other Syndication Costs (Describe) | | | - | | | | | | | - | | - | | | 1 |
| Other Syndication Costs (Describe) | | | - | | | | | | - | - | | - | | | 1 |
| ***Subtotal*** | | | **3,250** | **204,730** | **-** | **-** | **-** | **-** | **-** | **204,730** | **-** | **-** | **-** | **-** | |
| | | | | | | | | | | | | | | | 1 |
| **START-UP COSTS, RESERVES & ESCROWS** | | | | | | | | | | | | | | | 1 |
| Marketing/Rent-Up Costs | | | 556 | 35,000 | | | | | | | 35,000 | | | | 1 |
| Other Marketing/Holding Costs (Describe) | | | - | | | | | | - | | | | | | 1 |
| Tenant Relocation (Temporary) | | | 889 | 56,000 | | 56,000 | 56,000 | | | | | | | | 1 |
| Tenant Relocation (Permanent) | | | - | | | | | | - | | | | | | 1 |
| Escrows | | | - | | | | | | - | | | | | | 1 |
| Rent Up Reserve | | | 1,201 | 75,680 | | | | | 75,680 | | | | | | 1 |
| Operating Reserves (Capitalized) | 4.19 mo. | Expense/Hard Debt | 4,246 | 267,500 | | | | | 267,500 | | | | | | 1 |
| Replacement Reserve (Capitalized) | | | 1,000 | 63,000 | | | | | 63,000 | | | | | | 1 |
| Supportive Services Reserve | | | - | | | | | | - | | | | | | 1 |
| Additional Syndicator Reserve | 6.99 mo. | | 1,842 | 116,074 | | | | | 116,074 | | | | | | 1 |
| ***Subtotal*** | | | **9,734** | **613,254** | **-** | **56,000** | **56,000** | **-** | **522,254** | **-** | **35,000** | **-** | **-** | **-** | |
| **TOTAL APPLICATION OF FUNDS** | | | **347,246** | **22,489,562** | **-** | **20,141,643** | **19,228,598** | **-** | **1,562,962** | **383,230** | **316,727** | **-** | **50,000** | **-** | 85,001 |

**Riverview 220 LDHA, LP - Cash Flow**

63-unit Family project in Lansing, MI - New Construction

| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2,000 | | Year: | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** | **2037** | **2038** | **2039** | **2040** | **2041** | **2042** |
| **RENTAL INCOME** | *Early Inflator* | | *Inflator* | | | | | | | | | | | | | | | | | |
| LHC Primary Lien | 102% | | 102% | 30 | 829,605 | 846,197 | 870,708 | 888,123 | 905,885 | 924,003 | 942,483 | 961,332 | 980,559 | 1,000,170 | 1,020,174 | 1,040,577 | 1,061,389 | 1,082,616 | 1,104,269 | 1,126,354 |
| Other Income - Residential | 102% | | 102% | 5,278 | 9,690 | 9,884 | 10,081 | 10,283 | 10,489 | 10,699 | 10,913 | 11,131 | 11,353 | 11,580 | 11,812 | 12,048 | 12,289 | 12,535 | 12,786 | 13,041 |
| RA Rental Income | 102% | | 102% | 1,867 | 3,427 | 3,496 | 3,566 | 3,637 | 3,710 | 3,784 | 3,860 | 3,937 | 4,016 | 4,096 | 4,178 | 4,261 | 4,347 | 4,433 | 4,522 | 4,613 |
| Less Economic Vacancy/Rent Loss | 0.0% | | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less Vacancy (Year 1/Years 2-16) | 5.8% | | 5.8% | 416 | 48,878 | 49,855 | 51,293 | 52,318 | 53,365 | 54,432 | 55,521 | 56,631 | 57,764 | 58,919 | 60,097 | 61,299 | 62,525 | 63,776 | 65,051 | 66,352 |
| Lansing Housing Commission Lease | | | 102% | 18,750 | 25,500 | 26,010 | 26,530 | 27,061 | 27,602 | 28,154 | 28,717 | 29,291 | 29,877 | 30,475 | 31,084 | 31,706 | 32,340 | 32,987 | 33,647 | 34,320 |
| Commercial Income 2 | | | 102% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commercial Income 3 | | | 102% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commercial Income 4 | | | 102% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Commercial Income 5 | | | 102% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TIF Income | | | 102% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Less Commercial Vacancy (Year 1/Years 2-16) | | | 5.0% | 938 | 1,275 | 1,301 | 1,327 | 1,353 | 1,380 | 1,408 | 1,436 | 1,465 | 1,494 | 1,524 | 1,554 | 1,585 | 1,617 | 1,649 | 1,682 | 1,716 |
| NET RENTAL INCOME | | | | **24,572** | **818,069** | **834,431** | **858,266** | **875,432** | **892,940** | **910,800** | **929,015** | **947,596** | **966,547** | **985,879** | **1,005,597** | **1,025,709** | **1,046,223** | **1,067,147** | **1,088,490** | **1,110,260** |
| | | | | | | | | | | | | | | | | | | | | |
| **EXPENSES** | | | | | | | | | | | | | | | | | | | | |
| | *Early Inflator* | | *Inflator* | | | | | | | | | | | | | | | | | |
| Total Salaries | | 12% | 103% | 50,131 | 92,943 | 95,731 | 98,603 | 101,561 | 104,608 | 107,746 | 110,978 | 114,307 | 117,736 | 121,268 | 124,906 | 128,653 | 132,513 | 136,488 | 140,583 | 144,800 |
| Total Administrative | | 0% | 103% | 18,130 | 33,613 | 34,621 | 35,660 | 36,730 | 37,832 | 38,967 | 40,136 | 41,340 | 42,580 | 43,857 | 45,173 | 46,528 | 47,924 | 49,362 | 50,843 | 52,368 |
| Total Utilities (excl. W/S & Fuel) | 103% | 0% | 103% | 32,146 | 59,599 | 61,387 | 63,228 | 65,125 | 67,079 | 69,091 | 71,164 | 73,299 | 75,498 | 77,763 | 80,096 | 82,499 | 84,974 | 87,523 | 90,149 | 92,853 |
| Water/Sewer | 103% | 0% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Repairs and Maintenance | | 0% | 103% | 47,222 | 87,550 | 90,177 | 92,882 | 95,668 | 98,538 | 101,494 | 104,539 | 107,675 | 110,905 | 114,232 | 117,659 | 121,189 | 124,825 | 128,570 | 132,427 | 136,400 |
| Total Marketing and Leasing | | 0% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Real Estate Taxes | | 0% | 103% | 5,250 | 7,210 | 7,426 | 7,649 | 7,878 | 8,114 | 8,357 | 8,608 | 8,866 | 9,132 | 9,406 | 9,688 | 9,979 | 10,278 | 10,586 | 10,904 | 11,231 |
| PILOT 88.89% | 10.00% | 0% | | (673) | 67,420 | 68,715 | 70,670 | 72,027 | 73,410 | 74,819 | 76,253 | 77,715 | 79,204 | 80,721 | 82,267 | 83,841 | 85,444 | 87,078 | 88,741 | 90,436 |
| Total Insurance | | 0% | 103% | 28,350 | 38,934 | 40,102 | 41,305 | 42,544 | 43,820 | 45,135 | 46,489 | 47,884 | 49,321 | 50,801 | 52,325 | 53,895 | 55,512 | 57,177 | 58,892 | 60,659 |
| Total Property Management Fee | | 0% | 103% | 29,484 | 40,491 | 41,706 | 42,957 | 44,246 | 45,573 | 46,941 | 48,349 | 49,799 | 51,293 | 52,832 | 54,417 | 56,050 | 57,731 | 59,463 | 61,247 | 63,084 |
| Investor Services Fee (Must Pay) | | 0% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Fees (Must Pay) | | 0% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Project-paid Fuel 0000000000000000000 | | 0% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENSES: | | | | **210,040** | **427,760** | **439,865** | **452,954** | **465,779** | **478,974** | **492,549** | **506,516** | **520,886** | **535,670** | **550,880** | **566,531** | **582,633** | **599,201** | **616,247** | **633,786** | **651,831** |
| | | | | | | | | | | | | | | | | | | | | |
| **NET OPERATING INCOME** | | | | (185,468) | 390,309 | 394,566 | 405,312 | 409,653 | 413,966 | 418,250 | 422,499 | 426,710 | 430,878 | 434,998 | 439,066 | 443,075 | 447,021 | 450,900 | 454,704 | 458,428 |
| Operating Reserve | | | 103% | | | | | | | | | | | | | | | | | |
| Replacement Reserve | | | 103% | 14,175 | 19,467 | 20,051 | 20,653 | 21,272 | 21,910 | 22,568 | 23,245 | 23,942 | 24,660 | 25,400 | 26,162 | 26,947 | 27,755 | 28,588 | 29,446 | 30,329 |
| Supportive Service Reserve Release | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **NOI ADJUSTED FOR RESERVES** | | | | **(199,643)** | **370,842** | **374,515** | **384,659** | **388,381** | **392,056** | **395,683** | **399,254** | **402,768** | **406,218** | **409,598** | **412,904** | **416,128** | **419,266** | **422,312** | **425,258** | **428,100** |
| 0 | | | **Income from Operations:** | **0** | **0** | | | | | | | | | 15,874 | | | | | | |
| | | | | | | | | | | | | | | | | | | | | |
| **DEBT SERVICE** | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | | | | | | | | | | | | | | | | | | | | |
| **LHC Primary Lien** | | | | 0 | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Loan Balance | 5,700,000 | | | - | 5,612,070 | 5,512,165 | 5,407,930 | 5,299,178 | 5,185,713 | 5,067,331 | 4,943,818 | 4,814,952 | 4,680,502 | 4,540,225 | 4,393,869 | 4,241,169 | 4,081,853 | 3,915,631 | 3,742,207 | 3,561,266 |
| MIP | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | | - | 87,930 | 99,905 | 104,235 | 108,752 | 113,465 | 118,382 | 123,513 | 128,866 | 134,450 | 140,277 | 146,356 | 152,699 | 159,317 | 166,221 | 173,425 | 180,941 |
| Interest Accrued | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest-Paid | 4.25% | | | - | 220,516 | 236,582 | 232,252 | 227,735 | 223,022 | 218,104 | 212,974 | 207,621 | 202,037 | 196,210 | 190,130 | 183,788 | 177,170 | 170,266 | 163,062 | 155,546 |
| Total | | | | - | 308,446 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 | 336,487 |
| *DSC Ratio-1st Mortgage* | | | | | *1.202* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.22* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| **0** | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| MIP | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest-Paid | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| | | | | | | | | | | | | | | | | | | | | |
| **0** | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| MIP | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | | - | - | - | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest-Paid | 0.00% | | | - | - | - | (0) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.22* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| | | | | | | | | | | | | | | | | | | | | |
| | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |

**Riverview 220 LDHA, LP** **CASH FLOW (PAGE 2)** DATE:

63-unit Family project in Lansing, MI - New Construction

| | | Year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.21* | *1.17* | *1.23* | *1.24* | *1.25* | *1.26* | *1.26* | *1.27* |
| | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 69,731 | 57,237 | 76,417 | 79,641 | 82,779 | 85,825 | 88,771 | 91,613 |
| **Suplus Cash Note** | | | | | | | | | | | | | | | | | | | |
| **LHC Sponsor Loan/Capital Funds** | | | - | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Loan Balance | 4,000,000 | | 4,000,000 | 4,280,000 | 4,579,600 | 4,900,172 | 5,243,184 | 5,610,207 | 6,002,921 | 6,423,126 | 6,872,745 | 7,305,942 | 7,778,966 | 8,270,853 | 8,794,893 | 9,353,408 | 9,948,882 | 10,583,984 | 11,261,569 |
| Principal Paid | | Surplus Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 7.00% | 75% | - | 280,000 | 299,600 | 320,572 | 343,012 | 367,023 | 392,714 | 420,204 | 449,619 | 433,198 | 473,024 | 491,887 | 524,041 | 558,514 | 595,475 | 635,101 | 677,585 |
| Interest Paid | 0.00% | 1 | - | - | - | - | - | - | - | - | - | 47,894 | 38,392 | 52,641 | 54,919 | 57,128 | 59,264 | 61,320 | 63,294 |
| Total Paid | | | - | - | - | - | - | - | - | - | - | 47,894 | 38,392 | 52,641 | 54,919 | 57,128 | 59,264 | 61,320 | 63,294 |
| *DSC Ratio-All Mortgages* | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.06* | *1.05* | *1.06* | *1.06* | *1.07* | *1.07* | *1.07* | *1.07* |
| | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 21,836 | 18,845 | 23,776 | 24,722 | 25,651 | 26,561 | 27,451 | 28,319 |
| **Surplus Cash Note** | | | | | | | | | | | | | | | | | | | |
| | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan Balance | 0 | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Principal Paid | | Surplus Cash | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Accrued | 0.00% | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Paid | 0.00% | 1 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Paid | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| *DSC Ratio-All Mortgages* | | | | *1.20* | *1.11* | *1.14* | *1.15* | *1.17* | *1.18* | *1.19* | *1.20* | *1.06* | *1.05* | *1.06* | *1.06* | *1.07* | *1.07* | *1.07* | *1.07* |
| | | | (199,643) | 62,395 | 38,028 | 48,172 | 51,894 | 55,569 | 59,196 | 62,767 | 66,282 | 21,836 | 18,845 | 23,776 | 24,722 | 25,651 | 26,561 | 27,451 | 28,319 |
| **Investor Services Fee** | 4,500 | 103% | - | 9,135 | 4,774 | 4,917 | 5,065 | 5,217 | 5,373 | 5,534 | 5,700 | 5,871 | 6,048 | 6,229 | 6,416 | 6,608 | 6,807 | 7,011 | 7,221 |
| Above DDF? Yes | 1 | | (199,643) | 53,260 | 33,254 | 43,255 | 46,829 | 50,352 | 53,823 | 57,233 | 60,581 | 15,965 | 12,797 | 17,547 | 18,306 | 19,043 | 19,755 | 20,440 | 21,098 |
| **Deferred Developer Fee** | | | | | | | | | | | | | | | | | | | |
| Loan Balance | 375,000 | | 375,000 | 321,740 | 288,486 | 245,230 | 198,401 | 148,049 | 94,226 | 36,993 | - | - | - | - | - | - | - | - | - |
| Principal Paid | | | - | 53,260 | 33,254 | 43,255 | 46,829 | 50,352 | 53,823 | 57,233 | 36,993 | - | - | - | - | - | - | - | - |
| Interest Accrued | | | | | | | | | | | | | | | | | | | |
| Interest Paid | | | | | | | | | | | | | | | | | | | |
| Total Paid | | | - | 53,260 | 33,254 | 43,255 | 46,829 | 50,352 | 53,823 | 57,233 | 36,993 | - | - | - | - | - | - | - | - |
| OPERATING CASH FLOW | | | (199,643) | - | - | - | - | - | - | - | 23,588 | 15,965 | 12,797 | 17,547 | 18,306 | 19,043 | 19,755 | 20,440 | 21,098 |
| | | | 15,874 | 16,350 | 16,841 | 17,346 | 17,866 | 18,402 | 18,954 | 19,523 | 20,109 | 20,712 | 21,333 | 21,973 | 22,633 | 23,312 | 24,011 | 24,731 | 25,473 |
| **CONTINGENT FEES/LEASE UP RESERVE** | | | | | | | | | | | | | | | | | | | |
| Investor Services Fee 0 | 0 | 0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Partnership Mgmt Fee | 15,874 | 103% | - | - | - | - | - | - | - | - | 23,588 | 15,965 | 12,797 | 17,547 | 18,306 | 19,043 | 19,755 | 20,440 | 21,098 |
| Tenant Services Fee | 0 | 100% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Incentive Mgmt Fee | 90% | 103% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent Up Reserve | Op Reserve | | 75,680 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Release of Reserves | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NET CASH FLOW | | | (123,963) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capitalized Operating Reserve | | | - | 267,500 | - | - | - | - | - | - | - | - | | | | | | | |
| Operating Reserve Used | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CASH FLOW TO RESERVES/DISTRIBUTION | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **CUMULTIVE OPERATING RESERVE** | | | - | 267,500 | 270,175 | 272,877 | 275,606 | 278,362 | 281,145 | 283,957 | 286,796 | 289,664 | 292,561 | 295,486 | 298,441 | 301,426 | 304,440 | 307,484 | 310,559 |
| Interest on Operating Reserve | 1.00% | | | - | 2,675 | 2,702 | 2,729 | 2,756 | 2,784 | 2,811 | 2,840 | 2,868 | 2,897 | 2,926 | 2,955 | 2,984 | 3,014 | 3,044 | 3,075 |
| Capitalized Replacement Reserve | | | - | 63,000 | - | - | - | | | | | | | | | | | | |
| **CUMULATIVE REPLACEMENT RESERVE** | | | 14,175 | 96,784 | 117,803 | 139,633 | 120,412 | 107,403 | 98,823 | 93,409 | 90,263 | 88,747 | 88,410 | 88,933 | 90,089 | 91,719 | 93,708 | 95,978 | 98,474 |
| Interest on Replacement Reserve | 1.00% | | | 142 | 968 | 1,178 | 1,396 | 1,204 | 1,074 | 988 | 934 | 903 | 887 | 884 | 889 | 901 | 917 | 937 | 960 |
| Used (Expensed) 5 | 30.00% | | - | - | - | - | 41,890 | 36,123 | 32,221 | 29,647 | 28,023 | 27,079 | 26,624 | 26,523 | 26,680 | 27,027 | 27,516 | 28,112 | 28,794 |
| Capitalized Supportive Services Reserve | | | - | - | - | - | - | | | | | | | | | | | | |
| **CUMULATIVE SUPPORTIVE SERVICES RESERVE** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest on Reserve | 1.00% | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Used (Expensed) 0 | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reserve Released 6 | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capitalized Additional Syndicator Reserve | | | - | 116,074 | - | - | - | | | | | | | | | | | | |
| **CUMULATIVE ADDITIONAL SYNDICATOR RESERVE** | | | - | 116,074 | 117,235 | 118,407 | 119,591 | 120,787 | 121,995 | 123,215 | 124,447 | 125,692 | 126,948 | 128,218 | 129,500 | 130,795 | 132,103 | 133,424 | 134,758 |
| Interest on Reserve | 1.00% | | | - | 1,161 | 1,172 | 1,184 | 1,196 | 1,208 | 1,220 | 1,232 | 1,244 | 1,257 | 1,269 | 1,282 | 1,295 | 1,308 | 1,321 | 1,334 |
| Used (Expensed) 6 | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Reserve Released 6 | 0.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **DISTRIBUTABLE CASH FLOW** | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Flow to Limited Partner | 10.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Cash Flow to General Partner | 90.00% | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

**Riverview 220 LDHA, LP - Schedule of Depreciation, Amortization, and Tax Credits** 1/30/2025

63-unit Family project in Lansing, MI - New Construction  EOY Factor: 1.00

**End of Fiscal Yr:** 12/31/2023

| | **Select:** | **Select:** | |
|---|---|---|---|
| Depreciation Options: | Bonus | Cost Seg | MACRS |

| | LHC Primary Lien | | **1** | **2** | **3** | **30** | **31** | **32** | **33** | **34** | **35** | **36** | **37** | **38** | **39** | **40** | **41** | **42** | **43** | **44** | **45** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **SCHEDULE OF DEPRECIATION** | **TERM** | **AMOUNT** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** | **2037** | **2038** | **2039** | **2040** | **2041** | **2042** | **2043** | **2044** |
| Site Work* | 15.0 | 2,410,997 | 120,550 | 229,045 | 206,140 | 185,526 | 166,974 | 150,276 | 142,367 | 142,367 | 142,367 | 142,367 | 142,367 | 142,367 | 142,367 | 142,367 | 142,367 | 71,183 | - | - | - |
| Furnishings, Equip., & Appliances * | 5.0 | 1,607,331 | 321,466 | 514,346 | 308,608 | 185,165 | 185,165 | 92,582 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rehab/New Const.* | 30.0 | 15,068,732 | 355,622 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 | 502,291 |
| Commercial | 39.0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Acquisition | 30.0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Bonus Depreciation | | 1,004,582 | 1,004,582 | - | - | - | - | - | | | | | | | | | | | | | |
| TOTAL | | 20,091,643 | 1,802,220 | 1,245,682 | 1,017,039 | 872,982 | 854,429 | 745,150 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 573,475 | 502,291 | 502,291 | 502,291 |
| CUMULATIVE DEPRECIATION | *Check:* | *(50,000)* | 1,752,220 | 2,997,902 | 4,014,941 | 4,887,923 | 5,742,352 | 6,487,502 | 7,132,160 | 7,776,818 | 8,421,476 | 9,066,134 | 9,710,792 | 10,355,450 | 11,000,108 | 11,644,766 | 12,289,424 | 12,862,899 | 13,365,190 | 13,867,481 | 14,369,772 |

*Term only captures Building #1 on Dep.Calc., and not all builidngs.

| **SCHEDULE OF AMORTIZATION** | **TERM** | **AMOUNT** | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** | **2037** | **2038** | **2039** | **2040** | **2041** | **2042** | **2043** | **2044** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Permanent Loan Origination Fees/Point | 17 | 28,500 | - | 1,537 | 1,676 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Permanent Loan Title & Recording | 17 | 40,000 | - | 2,157 | 2,353 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Permanent Loan Legal (Bank) | 17 | 20,000 | - | 1,078 | 1,176 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 17 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Permanent Loan (Describe): 3rd F | 15 | 15,000 | 750 | 1,000 | 1,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Permanent Loan (Describe): Carr | 15 | 75,000 | 3,750 | 5,000 | 5,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax Credit Fees (Application) | 15 | 99,805 | 4,990 | 6,654 | 6,654 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Tax Credit Compliance/Monitoring Fees | 15 | 29,925 | 1,496 | 1,995 | 1,995 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other: Credit Exchange Fees | 15 | 75,000 | 3,750 | 5,000 | 5,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 15 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| TOTAL | | 383,230 | 14,736 | 24,421 | 24,855 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | *Check:* | - | | | | | | | | | | | | | | | | | | | |

| **SCHEDULE OF HOUSING CREDIT** | **Acquis Credit** | **NC/Rehab Credit** | **Historic ITC** | **State Historic TC** |
|---|---|---|---|---|
| Credit Rate | 4.00% | 9.00% | 20.00% | 0.00% |
| Total Eligible Basis | - | 19,228,598 | - | |
| Net of Grants & Historic TC | - | 19,228,598 | - | |
| Basis Boost | 0% | 120% | | |
| Total Qualified Basis | - | 20,266,877 | - | |
| Allowed Basis for Allocation | - | 20,266,877 | | |

| | |
|---|---|
| Amount of Credit Reserved: | **$1,497,000** |
| Actual Rehab/New Constr Credit: | **$1,497,000** |
| Actual Acquisition Credit | **$0** |

**Excess Basis/<Credit>** 3,633,544

| Credit Period: | **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** | **11** | **12** | **13** | **14** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **2026** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** | **2033** | **2034** | **2035** | **2036** | **2037** | **2038** | **2039** |
| Acquis Cr | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| NC/Rehab Cr | 1,004,296 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 492,704 | - | - | - |
| Historic ITC | - | - | - | - | - | - | | | | | | | | |
| State Cr | | | | | | | | | | | | | | |
| | 1,004,296 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 1,497,000 | 492,704 | - | - | - |

*1st Year credit delivery is based on the* Excess - Simplified *method*

**Riverview 220 LDHA, LP - Equity Pay-In Schedule**

63-unit Family project in Lansing, MI - New Construction

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **INVESTMENT SUMMARY** | | | | | | | | |
| Net Equity Investment to Lower Tier | 12,414,562 | | | | | | | |
| Funding Gap | - | | | | | | | |
| Cents per LIHTC Credit: | 0.8294 | | | | | | | |
| Cents per Historic Credit: | | | 2025 | 2026 | 2026 | 2027 | 2027 | |
| Cents per State Credit: | | | 01/01/25 | 01/01/26 | 04/01/26 | 01/01/27 | 10/01/27 | |
| **CAPITAL CONTRIBUTIONS TO PROJECT** | | | Closing | 75% Completion | 100% Completion | Stabilization | 8609s | |
| | | | 01/01/25 | 01/01/26 | 04/01/26 | 01/01/27 | 10/01/27 | |
| **PAYMENT OF GENERAL PROJECT COSTS** | | | $0 | $2,034,796 | $820,618 | $7,911,894 | $0 | 10,767,308 |
| **PROJECT FEES AND RESERVES** | AMOUNT | | | | | | | |
| Developer Fees (Net) | 1,125,000 | | 281,250 | - | 277,500 | 416,250 | 150,000 | 1,125,000 |
| Fund Legal/Accounting Report-Non Synd. Cost | 0 | | - | | | | | - |
| | | | | | | | | - |
| Rent Up Reserve | 75,680 | | | 75,680 | | | | 75,680 |
| Operating Reserves (Capitalized) | 267,500 | | | | | | 267,500 | 267,500 |
| Replacement Reserve (Capitalized) | 63,000 | | | | | 63,000 | | 63,000 |
| Supportive Services Reserve | 0 | | | | - | | - | - |
| Additional Syndicator Reserve | 116,074 | | | | - | | 116,074 | 116,074 |
| TOTAL | 1,647,254 | | 281,250 | 75,680 | 277,500 | 479,250 | 533,574 | 1,647,254 |
| **TOTAL PAYMENT TO LOWER TIER** | **12,414,562** | | **281,250** | **2,110,476** | **1,098,118** | **8,391,144** | **533,574** | 12,414,562 |
| | Percent Paid: | | **2.27%** | **17.00%** | **8.85%** | **67.59%** | **4.30%** | |
| | Cumulative Paid: | | 2.27% | 19.27% | 28.11% | 95.70% | 100.00% | |
| **Investor Equity** | | | | | | | | |
| Cinnaire-TBD | 100.00% | (12,414,562) | 281,250 | 2,110,476 | 1,098,118 | 8,391,144 | 533,574 | 12,414,562 |
| | 0.00% | - | - | - | - | - | - | - |
| | 0.00% | - | - | - | - | - | - | - |
| | 0.00% | - | - | - | - | - | - | - |
| | 100.00% | (12,414,562) | 281,250 | 2,110,476 | 1,098,118 | 8,391,144 | 533,574 | 12,414,562 |

| **EQUITY CALCULATIONS** | LIHTC Credits | Historic | State | Total |
|---|---|---|---|---|
| Cinnaire-TBD | | | | |
| Annual Credit | $ 1,496,850 | $ - | $ - | |
| No. of Years of Credit | 10 | 5 | 1 | |
| Cents per dollar | $ **0.8294** | | | |
| Total Equity | **$ 12,414,562** | **$ -** | **$ -** | **$ 12,414,562** |
| | | | | |
| Annual Credit | $ - | $ - | $ - | |
| No. of Years of Credit | 10 | 5 | 1 | |
| Cents per dollar | | $ - | $ - | |
| Total Equity | $ - | $ - | $ - | $ - |
| | | | | |
| Annual Credit | $ - | $ - | $ - | |
| No. of Years of Credit | 10 | 5 | 1 | |
| Cents per dollar | | $ - | $ - | |
| Total Equity | $ - | $ - | $ - | $ - |
| | | | | |
| Annual Credit | $ - | $ - | $ - | |
| No. of Years of Credit | 10 | 5 | 1 | |
| Cents per dollar | | $ - | $ - | |
| Total Equity | $ - | $ - | $ - | $ - |
| | | | | |
| **Total Equity Raised** | **$ 12,414,562** | **$ -** | **$ -** | **$ 12,414,562** |

0

0

**Riverview 220 LDHA, LP - Analysis of Taxable Income** 1/30/2025

63-unit Family project in Lansing, MI - New Construction

| | | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **TAXABLE INCOME** | LHC Primary Lien | | Tax Credit Period: | 1 | 2 | 30 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| **NET OPERATING INCOME** | | | | (185,468) | 390,309 | 394,566 | 405,312 | 409,653 | 413,966 | 418,250 | 422,499 | 426,710 | 430,878 | 434,998 | 439,066 | 443,075 | 447,021 | 450,900 | 454,704 |
| Plus: Interest on Operating Reserve | | | | - | - | 2,675 | 2,702 | 2,729 | 2,756 | 2,784 | 2,811 | 2,840 | 2,868 | 2,897 | 2,926 | 2,955 | 2,984 | 3,014 | 3,044 |
| Plus: Interest on Replacement Reserve | | | | - | 142 | 968 | 1,178 | 1,396 | 1,204 | 1,074 | 988 | 934 | 903 | 887 | 884 | 889 | 901 | 917 | 937 |
| Plus: Interest on Supportive Services Reserve | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Plus: Interest on Additional Syndicator Reserve | | | | - | - | 1,161 | 1,172 | 1,184 | 1,196 | 1,208 | 1,220 | 1,232 | 1,244 | 1,257 | 1,269 | 1,282 | 1,295 | 1,308 | 1,321 |
| Grant Amounts | | | | - | | | | | | | | | | | | | | | |
| State Credit Sale Amounts | | | | - | | | | | | | | | | | | | | | |
| **DEDUCTIONS:** | | % of expenses - yr. 1-3: | | 100% | 0% | 0% | | | | | | | | | | | | | |
| Expensed Reserves | | | | - | - | - | - | 41,890 | 36,123 | 32,221 | 29,647 | 28,023 | 27,079 | 26,624 | 26,523 | 26,680 | 27,027 | 27,516 | 28,112 |
| Expensed Items from Sources and Uses | | | | 316,727 | 0 | 0 | | | | | | | | | | | | | |
| Interest Paid | | | | - | 220,516 | 236,582 | 232,252 | 227,735 | 223,022 | 218,104 | 212,974 | 207,621 | 249,931 | 234,602 | 242,771 | 238,707 | 234,298 | 229,530 | 224,382 |
| Interest Accrued | | | | - | 280,000 | 299,600 | 320,572 | 343,012 | 367,023 | 392,714 | 420,204 | 449,619 | 433,198 | 473,024 | 491,887 | 524,041 | 558,514 | 595,475 | 635,101 |
| MIP | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Depreciation | | | | 1,802,220 | 1,245,682 | 1,017,039 | 872,982 | 854,429 | 745,150 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 644,658 | 573,475 |
| Amortization Schedule | | | | 14,736 | 24,421 | 24,855 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Investor Services Fee | | | | - | 9,135 | 4,774 | 4,917 | 5,065 | 5,217 | 5,373 | 5,534 | 5,700 | 5,871 | 6,048 | 6,229 | 6,416 | 6,608 | 6,807 | 7,011 |
| Partnership Mgmt Fee | | | | - | - | - | - | - | - | - | - | 23,588 | 15,965 | 12,797 | 17,547 | 18,306 | 19,043 | 19,755 | 20,440 |
| Tenant Services Fee | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Incentive Mgmt Fee | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | | | 2,133,683 | 1,779,754 | 1,582,849 | 1,430,723 | 1,472,131 | 1,376,535 | 1,293,071 | 1,313,018 | 1,359,209 | 1,376,702 | 1,397,753 | 1,429,615 | 1,458,808 | 1,490,149 | 1,523,739 | 1,488,522 |
| TOTAL TAXABLE INCOME | | | | (2,319,152) | (1,389,304) | (1,183,480) | (1,020,359) | (1,057,169) | (957,412) | (869,755) | (885,499) | (927,493) | (940,809) | (957,714) | (985,470) | (1,010,606) | (1,037,947) | (1,067,600) | (1,028,516) |
| Loss Reallocation to GP | | | | 6,016 | 11,153 | 11,488 | 11,832 | 12,187 | 12,553 | 12,930 | 13,317 | 13,717 | 14,128 | 14,552 | 14,989 | 15,438 | 15,902 | 16,379 | 16,870 |
| **INITIAL ALLOCATION OF GAIN/LOSS** | | | | | | | | | | | | | | | | | | | |
| General Partner Share | 0.01% | | 0 | (6,248) | (11,292) | (11,606) | (11,934) | (12,293) | (12,649) | (13,017) | (13,406) | (13,810) | (14,222) | (14,648) | (15,088) | (15,539) | (16,006) | (16,486) | (16,973) |
| Limited Partner Share | 99.99% | | 0 | (2,312,904) | (1,378,012) | (1,171,873) | (1,008,425) | (1,044,876) | (944,764) | (856,738) | (872,094) | (913,683) | (926,587) | (943,066) | (970,383) | (995,067) | (1,021,941) | (1,051,114) | (1,011,543) |
| Special Limited Partner Share | | | | 6,016 | 11,153 | 11,488 | 11,832 | 12,187 | 12,553 | 12,930 | 13,317 | 13,717 | 14,128 | 14,552 | 14,989 | 15,438 | 15,902 | 16,379 | 16,870 |
| **CAPITAL ACCOUNT ANALYSIS** | | | | | | | | | | | | | | | | | | | |
| Net Investment | | - | 281,250 | 3,208,594 | 8,924,718 | - | - | - | - | - | - | - | - | | | | | | |
| Distributions | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| DRO | | | | | - | | | | | | | | | | | | | | |
| <less> Historic Credits | | | | - | - | - | | | | | | | | | | | | | |
| <less> Syndication Costs | | | | - | | | | | | | | | | | | | | | |
| Capital Account Balance | | - | 281,250 | 1,176,940 | 8,723,646 | 7,551,773 | 6,543,348 | 5,498,472 | 4,553,708 | 3,696,970 | 2,824,876 | 1,911,193 | 984,606 | 41,540 | (0) | (1) | (0) | 0 | 0 |
| Potential Loss Reallocation - from 704(b) | | | | - | - | - | - | - | - | - | - | - | - | - | (928,843) | (995,067) | (1,021,941) | (1,051,114) | (1,011,543) |
| TOTAL LP LOSSES | Reallocate? | Y | (Y/N) | (2,312,904) | (1,378,012) | (1,171,873) | (1,008,425) | (1,044,876) | (944,764) | (856,738) | (872,094) | (913,683) | (926,587) | (943,066) | (41,540) | (0) | 0 | 0 | 0 |
| | | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| LP share of Min Gain | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| LP Adj Cap Acct w/Min Gain | | | 281,250 | 1,176,940 | 8,723,646 | 7,551,773 | 6,543,348 | 5,498,472 | 4,553,708 | 3,696,970 | 2,824,876 | 1,911,193 | 984,606 | 41,540 | - | - | - | - | - |
| GP Adj Cap Acct w/Min Gain | | | | 4,368,752 | 10,196,270 | 10,351,105 | 10,512,253 | 10,687,390 | 10,877,947 | 11,085,440 | 11,311,492 | 11,581,442 | 11,865,967 | 12,184,066 | 12,514,508 | 12,870,310 | 13,253,502 | 13,666,270 | 14,110,974 |
| **LP SHARE OF TAX BENEFITS (99.99%)** | | | | | | | | | | | | | | | | | | | |
| Tax Benefits @ | 21.00% | | | | | | | | | | | | | | | | | | |
| From Tax Losses | 2,607,057 | | - | 485,710 | 289,383 | 246,093 | 211,769 | 219,424 | 198,400 | 179,915 | 183,140 | 191,873 | 194,583 | 198,044 | 8,723 | - | - | - | - |
| Tax Credits | | | | | | | | | | | | | | | | | | | |
| Acquisition Credits | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| NC/Rehab Credits | | | | 1,004,196 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 492,655 | - | - | - | | |
| Historic ITC | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| State Tax Credit | | | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total Tax Credits | (Not including State Credits) | | | 1,004,196 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 1,496,850 | 492,655 | - | - | - | | |
| TOTAL TAX BENEFITS | | 17,575,558 | - | 1,489,906 | 1,786,233 | 1,742,943 | 1,708,619 | 1,716,274 | 1,695,250 | 1,676,765 | 1,679,990 | 1,688,723 | 1,691,433 | 690,699 | 8,723 | - | - | - | - |
| Project Investment | 12,414,562 | - | 281,250 | 3,208,594 | 8,924,718 | - | - | - | - | - | - | - | | | | | | | |
| **NET BENEFIT** | | - | (281,250) | (1,718,688) | (7,138,485) | 1,742,943 | 1,708,619 | 1,716,274 | 0 | 1,676,765 | 1,679,990 | 1,688,723 | 1,691,433 | 690,699 | 8,723 | - | - | - | - |

**Riverview 220 LDHA, LP - Investment Results After Disposition** 1/30/2025

63-unit Family project in Lansing, MI - New Construction

PROJECTIONS OF INVESTMENT RESULTS AFTER SALE OR
DISPOSITION OF THE PROPERTY IN YEAR 2041
LHC Primary Lien

| | | | DISPOSITION $1 OVER MORTGAGE BALANCE IN YEAR 2041 | DISPOSITION AT ORIGINAL COST OF $22,489,562 IN YEAR 2041 | 30 30 30 30 30 30 30 DISPOSITION AT 2% APPRECIATION $31,490,816 IN YEAR 2041 |
|---|---|---|---|---|---|
| **I. CALCULATION OF INVESTOR'S SHARE OF NET PROCEEDS ON SALE** | | | | | |
| Sales Price | | | 14,326,192 | 22,489,562 | 31,490,816 |
| Less: | | | | | |
| LHC Primary Lien | Principal | | 3,742,207 | 3,742,207 | 3,742,207 |
| | Principal | | - | - | - |
| | Principal | | - | - | |
| | Principal | | - | - | - |
| | Principal | | - | - | - |
| | Principal | | - | - | - |
| | Principal | | - | - | - |
| | Principal | | - | - | - |
| LHC Sponsor Loan/Capital Funds | Principal | | 10,583,984 | 10,583,984 | 10,583,984 |
| | Principal | | - | - | - |
| Deferred Developer Fee | Principal | | - | - | - |
| LHC Primary Lien | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| LHC Sponsor Loan/Capital Funds | Deferred Int. | | - | - | - |
| | Deferred Int. | | - | - | - |
| | | 0.00% | | - | - |
| Existing Debt | | | 14,326,191 | 14,326,191 | 14,326,191 |
| Existing Debt per unit | | | 227,400 | 227,400 | 227,400 |
| Proceeds on Sale | | | 1 | 8,163,371 | 17,164,625 |
| Less Return of Investor Capital | | | - | - | - |
| Total Net Proceeds on Sale | | | 1 | 8,163,371 | 17,164,625 |
| Balance to Investors | | 10.00% | 1 | 816,337 | 1,716,463 |
| Total to Investors | | | 1 | 816,337 | 1,716,463 |
| (balance to investors+ret of cap.) | | | | | |
| **II. CALCULATION OF INVESTOR'S SHARE OF TAX CONSEQUENCES** | | | | | |
| Original Investment | | | (12,414,562) | (12,414,562) | (12,414,562) |
| Cumulative Tax Losses (Income) | | | 12,414,562 | 12,414,562 | 12,414,562 |
| Cash Distributed to Investor | | | - | - | - |
| Historic Credit | | | - | - | - |
| Capital Acct. Balance | | | (0) | (0) | (0) |
| Sales Proceeds | | | 1 | 816,337 | 1,716,463 |
| Investor Gain on Sale | | | 1 | 816,337 | 1,716,463 |
| Investor Tax Upon Sale | | 21.00% | 0 | 171,431 | 360,457 |
| III. CALCULATION OF NET GAIN TO INVESTOR | | | | | |
| Investors' Net Sales Proceeds | | | 1 | 816,337 | 1,716,463 |
| Less Total Investor Taxes on Sale | | | 0 | (171,431) | (360,457) |
| Payment from Exit Tax Sinking Fund | | | | | |
| Net Gain (Loss) to Investor After Tax | | | 1 | 644,906 | 1,356,006 |

Riverview 220 LDHA, LP | # Months: 16 | Flow of Funds

| Uses of Funds | Amount | Closing Jan-25 | Totals | Variance |
|---|---|---|---|---|
| **LHC Primary Lien** | | | | |
| Land Purchase Price: | 1,000,000 | 1,000,000 | 1,000,000 | - |
| Purchase Price: Existing Buildings | - | - | - | - |
| Closing/Title & Recording | - | - | - | - |
| Acquisition: Legal Fees & Appraisal | - | - | - | - |
| Demolition: Razing of Buildings | - | - | - | - |
| Other Acquisition: Special Assessments | - | - | - | - |
| Other: Acquisition Interest | - | - | - | - |
| **CONSTRUCTION/ REHABILITATION COSTS** | | 4% | | |
| Site Work: Non-Depreciable Off-Site | - | - | - | - |
| Site Work: On-Site Improvements | 50,000 | | 50,000 | - |
| Landscaping & Irrigation | - | - | - | - |
| Demolition: Interior | - | - | - | - |
| New Construction: Residential | 14,713,071 | | 14,713,071 | - |
| New Construction: Commercial | 613,045 | 613,045 | 613,045 | - |
| NC Not in Basis: Garages/Carports, etc. | - | - | - | - |
| Rehabilitation: Commercial | - | - | - | - |
| General Requirements | - | | - | - |
| Builder Overhead | - | | - | - |
| Builder Profit | - | | - | - |
| P&P Bond and Builder's Risk | - | - | - | - |
| Appliances | - | - | - | - |
| Furniture, Fixtures and Equipment | 150,000 | | 150,000 | - |
| Other Construction (Describe): | - | - | - | - |
| Other Construction (Describe): | - | - | - | - |
| Construction Contingency | 1,000,000 | | 1,000,000 | - |
| **PROFESSIONAL FEES & OTHER SOFT COSTS** | | | - | - |
| Architect Design | 550,000 | 550,000 | 550,000 | - |
| Architect Supervision | 55,000 | | 55,000 | - |
| Engineering/PNA | 75,000 | 75,000 | 75,000 | - |
| Geotechnical/Soils Engineering | 30,000 | 30,000 | 30,000 | - |
| Environmental Study/Soil Testing | 90,000 | 90,000 | 90,000 | - |
| Survey (Boundary/Topo/As-Built) | 20,000 | 20,000 | 20,000 | - |
| Building Permits | - | - | - | - |
| Utility Tap Fees | 65,000 | 65,000 | 65,000 | - |
| Impact Fees | - | - | - | - |
| Hazard & Liability Ins. (Construction Period) | 220,000 | 220,000 | 220,000 | - |
| Utilities--during construction | - | - | - | - |
| Real Estate Taxes--during construction | 110,000 | 110,000 | 110,000 | - |
| Market Study & Feasibility Study | 15,000 | 15,000 | 15,000 | - |
| Appraisal | 8,000 | 8,000 | 8,000 | - |
| Accounting/Audit | 30,000 | 30,000 | 30,000 | - |
| Cost Certification | - | - | - | - |
| Real Estate Attorney | - | - | - | - |
| Consultant Fees | - | - | - | - |
| Construction Management Fees | - | - | - | - |
| Developer Fees | 1,500,000 | 281,250 | 1,125,000 | (375,000) |
| Developer Overhead | - | - | - | - |
| Soft Cost Contingency | 40,798 | 40,798 | 40,798 | - |
| Other Soft Cost (describe): Green Consultant | 30,000 | 30,000 | 30,000 | - |
| Other Soft Cost (describe): Flood Plain Consultant | 25,000 | 25,000 | 25,000 | - |
| **FINANCING COSTS** | | | - | - |
| Construction Loan Origination Fees/Points | - | - | - | - |
| Construction Loan Inspections | 20,000 | 20,000 | 20,000 | - |
| Construction Loan Title & Recording | - | - | - | - |
| Construction Loan Legal (Bank) | - | - | - | - |
| Construction Loan Interest | 1,068,254 | - | 899,378 | (168,876) |
| Bridge Loan Expenses | 90,000 | 90,000 | 90,000 | - |
| Other Construction Loan Cost: (Describe): Developer Legal | 65,000 | 65,000 | 65,000 | - |
| Other Construction Loan Cost: (Describe) | - | - | - | - |
| Permanent Loan Origination Fees/Points | 28,500 | 28,500 | 28,500 | - |
| Permanent Loan Inspections | - | - | - | - |
| Permanent Loan Mortgage Ins. (MIP) | - | - | 0 | 0 |
| Permanent Loan Title & Recording | 40,000 | 40,000 | 40,000 | - |
| Permanent Loan Legal (Bank) | 20,000 | 20,000 | 20,000 | - |
| HFA Legal Fees | - | - | - | - |
| HFA Loan Fees | - | - | - | - |
| Bond Issuance Fees | - | - | - | - |
| Letter of Credit Fees | - | - | - | - |
| Credit Report | - | - | - | - |
| Negative Arbitrage | - | - | - | - |
| Other Permanent Loan (Describe): 3rd Party Fees | 15,000 | 15,000 | 15,000 | - |
| Other Permanent Loan (Describe): Carrying Costs | 75,000 | 75,000 | 75,000 | - |
| **TAX CREDIT & SYNDICATION COSTS** | | | - | - |
| Tax Credit Fees (Application) | 99,805 | 99,805 | 99,805 | - |
| Tax Credit Compliance/Monitoring Fees | 29,925 | 29,925 | 29,925 | - |
| Organizational Fees (Developer) | - | - | - | - |
| Other: Credit Exchange Fees | 75,000 | 75,000 | 75,000 | - |
| Fund Legal/Accounting Report-Non Synd. Cost | - | - | - | - |
| Other Syndication Costs (Describe) | - | - | - | - |
| Other Syndication Costs (Describe) | - | - | - | - |
| **START UP COSTS, RESERVES & ESCROWS** | | | - | - |
| Marketing/Rent-Up Costs | 35,000 | 35,000 | 35,000 | - |
| Other Marketing/Holding Costs (Describe) | - | - | - | - |
| Tenant Relocation (Temporary) | 56,000 | 56,000 | 56,000 | - |
| Tenant Relocation (Permanent) | - | - | - | - |
| Escrows | - | - | - | - |
| Rent Up Reserve | 75,680 | - | 75,680 | - |
| Operating Reserves (Capitalized) | 267,500 | - | 267,500 | - |
| Replacement Reserve (Capitalized) | 63,000 | - | 63,000 | - |
| Supportive Services Reserve | - | - | - | - |
| Additional Syndicator Reserve | 116,074 | - | 116,074 | - |
| **Total Uses of Funds** | 22,489,562 | 3,912,233 | 21,945,686 | (543,876) |
| **Sources of Funds** | **Amount** | **Closing** | | |
| LHC Primary Lien | 5,700,000 | - | 5,700,000 | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| LHC Sponsor Loan/Capital Funds | 4,000,000 | [redacted] | 4,000,000 | - |
| 0 | - | - | - | - |
| Deferred Development Fee | 375,000 | | - | (375,000) |
| 0 | - | - | - | - |
| | - | - | - | - |
| Cinnaire-TBD | 12,414,562 | 281,250 | 12,414,562 | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | - | - | - |
| 0 | - | | - | - |
| 0 | - | - | - | - |
| Construction Loan | | 81,781 | - | - |
| **Total Sources of Funds** | 22,489,562 | 3,912,233 | 22,114,562 | (375,000) |
| Variance | | - | | |
| Construction Loan 1 | 14,000,000 | 81,781 | | |
| Construction Loan 2 | | - | | |
| Construction Loan 3 | | - | | |
| Total Construction Loan Balance | 14,000,000 | 81,781 | | |

(168,876)

| Uses / Sources | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | 70% Completion Jan-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| LHC Primary Lien | | | 30 | | | | | | | | | |
| CONSTRUCTION/ REHABILITATION COSTS | 4% | 5% | 6% | 8% | 12% | 19% | 28% | 39% | 52% | 64% | 76% | 85% |
| Site Work: On-Site Improvements | 192 | 299 | 647 | 1,252 | 2,171 | 3,372 | 4,692 | 5,847 | 6,528 | 6,528 | 5,847 | 4,692 |
| New Construction: Residential | 56,357 | 88,057 | 190,311 | 368,419 | 638,854 | 992,309 | 1,380,635 | 1,720,676 | 1,920,919 | 1,920,919 | 1,720,676 | 1,380,635 |
| General Requirements | - | - | - | - | - | - | - | - | - | - | - | - |
| Builder Overhead | - | - | - | - | - | - | - | - | - | - | - | - |
| Builder Profit | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture, Fixtures and Equipment | 575 | 898 | 1,940 | 3,756 | 6,513 | 10,117 | 14,076 | 17,542 | 19,584 | 19,584 | 17,542 | 14,076 |
| Construction Contingency | 3,830 | 5,985 | 12,935 | 25,040 | 43,421 | 67,444 | 93,837 | 116,949 | 130,559 | 130,559 | 116,949 | 93,837 |
| Architect Supervision | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 | 4,583 |
| Developer Fees | - | - | - | - | - | - | - | - | - | - | - | - |
| Construction Loan Interest | 290 | 282 | 270 | 242 | 1,455 | 3,924 | 7,756 | 13,087 | 19,741 | 27,185 | 34,656 | 41,386 |
| Permanent Loan Mortgage Ins. (MIP) | | | | | | 0 | | | | | | |
| Rent Up Reserve | - | - | - | - | - | - | - | - | - | - | - | 75,680 |
| Operating Reserves (Capitalized) | - | - | - | - | - | - | - | - | - | - | - | - |
| Replacement Reserve (Capitalized) | - | - | - | - | - | - | - | - | - | - | - | - |
| Supportive Services Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional Syndicator Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Uses of Funds** | 65,826 | 100,104 | 210,686 | 403,292 | 696,998 | 1,081,749 | 1,505,578 | 1,878,686 | 2,101,914 | 2,109,358 | 1,900,255 | 1,614,889 |
| LHC Primary Lien (Sources) | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 (7 rows) | - | - | - | - | - | - | - | - | - | - | - | - |
| LHC Sponsor Loan/Capital Funds | [redacted] | [redacted] | 218,499 | 60,807 | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cinnaire-TBD | - | - | - | - | - | - | - | - | - | - | - | 2,110,476 |
| 0 (3 rows) | - | - | - | - | - | - | - | - | - | - | - | - |
| Construction Loan | (2,104) | (3,458) | (7,813) | 342,485 | 696,998 | 1,081,749 | 1,505,578 | 1,878,686 | 2,101,914 | 2,109,358 | 1,900,255 | (495,586) |
| **Total Sources of Funds** | 65,826 | 100,104 | 210,686 | 403,292 | 696,998 | 1,081,749 | 1,505,578 | 1,878,686 | 2,101,914 | 2,109,358 | 1,900,255 | 1,614,889 |
| Variance | 0 | - | 0 | - | - | - | - | - | - | - | - | - |
| Construction Loan 1 | 79,677 | 76,220 | 68,406 | 410,892 | 1,107,890 | 2,189,639 | 3,695,217 | 5,573,903 | 7,675,817 | 9,785,175 | 11,685,429 | 11,189,843 |
| Construction Loan 2 | - | - | - | - | - | - | - | - | - | - | - | - |
| Construction Loan 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Construction Loan Balance | 79,677 | 76,220 | 68,406 | 410,892 | 1,107,890 | 2,189,639 | 3,695,217 | 5,573,903 | 7,675,817 | 9,785,175 | 11,685,429 | 11,189,843 |

| Uses / Sources | Feb-26 | Mar-26 | 100% Completion Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 | Stabilization Jan-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| CONSTRUCTION/ REHABILITATION COSTS | 91% | 95% | 98% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Site Work: On-Site Improvements | 3,372 | 2,171 | 1,252 | 1,158 | - | - | - | - | - | - | - | - |
| New Construction: Residential | 992,309 | 638,854 | 368,419 | 334,724 | - | - | - | - | - | - | - | - |
| General Requirements | - | - | - | - | - | - | - | - | - | - | - | - |
| Builder Overhead | - | - | - | - | - | - | - | - | - | - | - | - |
| Builder Profit | - | - | - | - | - | - | - | - | - | - | - | - |
| Furniture, Fixtures and Equipment | 10,117 | 6,513 | 3,756 | 3,413 | - | - | - | - | - | - | - | - |
| Construction Contingency | 67,444 | 43,421 | 25,040 | 22,750 | - | - | - | - | - | - | - | - |
| Developer Fees | - | - | 277,500 | - | - | - | - | - | - | - | - | 416,250 |
| Construction Loan Interest | 39,631 | 43,572 | 46,174 | 44,842 | 46,283 | 46,447 | 46,611 | 46,777 | 46,942 | 47,108 | 47,275 | 47,443 |
| Rent Up Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Reserves (Capitalized) | - | - | - | - | - | - | - | - | - | - | - | - |
| Replacement Reserve (Capitalized) | - | - | - | - | - | - | - | - | - | - | - | 63,000 |
| Supportive Services Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| Additional Syndicator Reserve | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Uses of Funds** | 1,112,873 | 734,532 | 722,141 | 406,867 | 46,284 | 46,448 | 46,612 | 46,778 | 46,943 | 47,109 | 47,276 | 526,694 |
| LHC Primary Lien (Sources) | - | - | - | - | - | - | - | - | - | - | - | 5,700,000 |
| 0 (7 rows) | - | - | - | - | - | - | - | - | - | - | - | - |
| LHC Sponsor Loan/Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cinnaire-TBD | - | - | 1,098,118 | - | - | - | - | - | - | - | - | 8,391,144 |
| 0 (3 rows) | - | - | - | - | - | - | - | - | - | - | - | - |
| Construction Loan | 1,112,873 | 734,532 | (375,977) | 406,867 | 46,284 | 46,448 | 46,612 | 46,778 | 46,943 | 47,109 | 47,276 | (13,395,590) |
| **Total Sources of Funds** | 1,112,873 | 734,532 | 722,141 | 406,867 | 46,284 | 46,448 | 46,612 | 46,778 | 46,943 | 47,109 | 47,276 | 695,554 |
| Variance | - | - | 0 | 0 | 0 | (0) | 0 | (0) | 0 | (0) | 0 | (168,860) |
| Construction Loan 1 | 12,302,717 | 13,037,249 | 12,661,272 | 13,068,139 | 13,114,423 | 13,160,871 | 13,207,484 | 13,254,261 | 13,301,204 | 13,348,314 | 13,395,590 | - |
| Construction Loan 2 | - | - | - | - | - | - | - | - | - | - | - | - |
| Construction Loan 3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Construction Loan Balance | 12,302,717 | 13,037,249 | 12,661,272 | 13,068,139 | 13,114,423 | 13,160,871 | 13,207,484 | 13,254,261 | 13,301,204 | 13,348,314 | 13,395,590 | - |

| Uses / Sources | Feb-27 | Mar-27 | Apr-27 | May-27 | Jun-27 | Jul-27 | Aug-27 | Sep-27 | 8609s Oct-27 | Nov-27 |
|---|---|---|---|---|---|---|---|---|---|---|
| CONSTRUCTION/ REHABILITATION COSTS | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Site Work: On-Site Improvements | - | - | - | - | - | - | - | - | - | - |
| New Construction: Residential | - | - | - | - | - | - | - | - | - | - |
| General Requirements | - | - | - | - | - | - | - | - | - | - |
| Builder Overhead | - | - | - | - | - | - | - | - | - | - |
| Builder Profit | - | - | - | - | - | - | - | - | - | - |
| Furniture, Fixtures and Equipment | - | - | - | - | - | - | - | - | - | - |
| Construction Contingency | - | - | - | - | - | - | - | - | - | - |
| Developer Fees | - | - | - | - | - | - | - | - | 150,000 | - |
| Construction Loan Interest | - | - | - | - | - | - | - | - | - | - |
| Rent Up Reserve | - | - | - | - | - | - | - | - | - | - |
| Operating Reserves (Capitalized) | - | - | - | - | - | - | - | - | 267,500 | - |
| Replacement Reserve (Capitalized) | - | - | - | - | - | - | - | - | - | - |
| Supportive Services Reserve | - | - | - | - | - | - | - | - | - | - |
| Additional Syndicator Reserve | - | - | - | - | - | - | - | - | 116,074 | - |
| **Total Uses of Funds** | I | I | I | I | I | I | I | I | 533,575 | I |
| LHC Primary Lien (Sources) | - | - | - | - | - | - | - | - | - | - |
| 0 (7 rows) | - | - | - | - | - | - | - | - | - | - |
| LHC Sponsor Loan/Capital Funds | - | - | - | - | - | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - | - | - | - |
| Cinnaire-TBD | - | - | - | - | - | - | - | - | 533,574 | - |
| 0 (3 rows) | - | - | - | - | - | - | - | - | - | - |
| Construction Loan | - | - | - | - | - | - | - | - | - | - |
| **Total Sources of Funds** | - | - | - | - | - | - | - | - | 533,574 | - |
| Variance | I | I | I | I | I | I | I | I | I | I |
| Construction Loan 1 | - | - | - | - | - | - | - | - | - | - |
| Construction Loan 2 | - | - | - | - | - | - | - | - | - | - |
| Construction Loan 3 | - | - | - | - | - | - | - | - | - | - |
| Total Construction Loan Balance | - | - | - | - | - | - | - | - | - | - |

| | Rate | Term |
|---|---|---|
| Construction Loan 1 Interest Rate | [redacted] | 24 |
| Construction Loan 2 Interest Rate | 4.25% | |
| Construction Loan 3 Interest Rate | 4.25% | |
| | | n/a |
| 50% Test Amount (if applicable) | 10,967,654 | |

Construction Loan Amount 14,000,000

| Max Construction Loan | Amount | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Max Construction Loan | 13,395,590 | 4,500 | 13,920,323 | 13,923,780 | 13,931,594 | 13,589,108 | 12,892,110 | 11,810,361 | 10,304,783 | 8,426,097 | 6,324,183 | 4,214,825 | 2,314,571 | 2,810,157 | 1,697,283 | 962,751 | 1,338,728 |

| Max Construction Loan | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 | Jan-27 | Feb-27 | Mar-27 | Apr-27 | May-27 | Jun-27 | Jul-27 | Aug-27 | Sep-27 | Oct-27 | Nov-27 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Max Construction Loan | 931,861 | 885,577 | 839,129 | 792,516 | 745,739 | 698,796 | 651,686 | 604,410 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 | 14,000,000 |

| Riverview 220 LDHA, LP | # Months: | 16 | Flow of Funds | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Closing | | | | | | | | | | | Completion |
| Uses of Funds | Amount | Jan-25 | Feb-25 | Mar-25 | Apr-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
| | (604,410) | | | | | | | | | | | | |
| Neg. Arb. Helper | | | | | | | | | | | | | |
| Bond Amount | 14,000,000 | | | | | | | | | | | | |
| Earnings Rate | 2% | | 23,201 | 23,206 | 23,219 | 22,649 | 21,487 | 19,684 | 17,175 | 14,043 | 10,540 | 7,025 | 3,858 |

| Uses of Funds | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Completion | | | Completion | | | | | | | | |
| | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | Jul-26 | Aug-26 | Sep-26 | Oct-26 | Nov-26 | Dec-26 |
| Earnings Rate | 4,684 | 2,829 | 1,605 | 2,231 | 1,553 | 1,476 | 1,399 | 1,321 | 1,243 | 1,165 | 1,086 | 1,007 |

| Uses of Funds | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Stabilization | | | | | | | | | 8609s | | | |
| | Jan-27 | Feb-27 | Mar-27 | Apr-27 | May-27 | Jun-27 | Jul-27 | Aug-27 | Sep-27 | Oct-27 | Nov-27 | Totals | Variance |
| Earnings Rate | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 23,333 | 464,351 | |

| Riverview 220 LDHA, LP | # Months: | |
|---|---|---|
| **Uses of Funds** | **Amount** | |
| **LHC Primary Lien** | | |
| Land Purchase Price: | 1,000,000 | |
| Purchase Price: Existing Buildings | - | |
| Closing/Title & Recording | - | |
| Acquisition: Legal Fees & Appraisal | - | |
| Demolition: Razing of Buildings | - | |
| Other Acquisition: Special Assessments | - | |
| Other: Acquisition Interest | - | |
| **CONSTRUCTION/ REHABILITATION COSTS** | | |
| Site Work: Non-Depreciable Off-Site | - | |
| Site Work: On-Site Improvements | 50,000 | |
| Landscaping & Irrigation | - | |
| Demolition: Interior | - | |
| New Construction: Residential | 14,713,071 | |
| New Construction: Commercial | 613,045 | |
| NC Not in Basis: Garages/Carports, etc. | - | |
| Rehabilitation: Commercial | - | |
| General Requirements | - | |
| Builder Overhead | - | |
| Builder Profit | - | |
| P&P Bond and Builders Risk | - | |
| Appliances | - | |
| Furniture, Fixtures and Equipment | 150,000 | |
| Other Construction (Describe): | - | |
| Other Construction (Describe): | - | |
| Construction Contingency | 1,000,000 | |
| **PROFESSIONAL FEES & OTHER SOFT COSTS** | | |
| Architect Design | 550,000 | |
| Architect Supervision | 55,000 | |
| Engineering/PNA | 75,000 | |
| Geotechnical/Soils Engineering | 30,000 | |
| Environmental Study/Soil Testing | 90,000 | |
| Survey (Boundary/Topo/As-Built) | 20,000 | |
| Building Permits | - | |
| Utility Tap Fees | 65,000 | |
| Impact Fees | - | |
| Hazard & Liability Ins. (Construction Period) | 220,000 | |
| Utilities--during construction | - | |
| Real Estate Taxes--during construction | 110,000 | |
| Market Study & Feasibility Study | 15,000 | |
| Appraisal | 8,000 | |
| Accounting/Audit | 30,000 | |
| Cost Certification | - | |
| Real Estate Attorney | - | |
| Consultant Fees | - | |
| Construction Management Fees | - | |
| Developer Fees | 1,500,000 | |
| Developer Overhead | - | |
| Soft Cost Contingency | 40,708 | |
| Other Soft Cost (describe): Green Consultant | 50,000 | |
| Other Soft Cost (describe): Flood Plain Consultant | 25,000 | |
| **FINANCING COSTS** | | |
| Construction Loan Origination Fees/Points | - | |
| Construction Loan Inspections | 20,000 | |
| Construction Loan Title & Recording | - | Latest PIS Date + 30 |
| Construction Loan Legal (Bank) | - | Capitalized Interest |
| Construction Loan Interest | 868,254 | Calc Exp |
| Bridge Loan Expenses | 90,000 | Constr Loan Int |
| Other Construction Loan Cost: (Describe): Developer Legal | 65,000 | |
| Other Construction Loan Cost: (Describe) | - | |
| Permanent Loan Origination Fees/Points | 28,500 | |
| Permanent Loan Inspections | - | |
| Permanent Loan Mortgage Ins. (MIP) | - | |
| Permanent Loan Title & Recording | 40,000 | |
| Permanent Loan Legal (Bank) | 20,000 | |
| HFA Legal Fees | - | |
| HFA Loan Fees | - | |
| Bond Issuance Fees | - | |
| Letter of Credit Fees | - | |
| Credit Report | - | |
| Negative Arbitrage | - | |
| Other Permanent Loan (Describe): 3rd Party Fees | 15,000 | |
| Other Permanent Loan (Describe): Carrying Costs | 75,000 | |
| **TAX CREDIT & SYNDICATION COSTS** | | |
| Tax Credit Fees (Application) | 99,805 | |
| Tax Credit Compliance/Monitoring Fees | 29,925 | |
| Organizational Fees (Developer) | - | |
| Other: Credit Exchange Fees | 75,000 | |
| Fund Legal/Accounting Report-Non Synd. Cost | - | |
| Other Syndication Costs (Describe) | - | |
| Other Syndication Costs (Describe) | - | |
| **START UP COSTS, RESERVES & ESCROWS** | | |
| Marketing/Rent-Up Costs | 35,000 | |
| Other Marketing/Holding Costs (Describe) | - | |
| Tenant Relocation (Temporary) | 58,000 | |
| Tenant Relocation (Permanent) | - | |
| Escrows | - | |
| Rent Up Reserve | 75,680 | |
| Operating Reserves (Capitalized) | 267,500 | |
| Replacement Reserve (Capitalized) | 63,000 | |
| Supportive Services Reserve | - | |
| Additional Syndicator Reserve | 116,074 | |
| **Total Uses of Funds** | 22,489,562 | |

| **Sources of Funds** | **Amount** |
|---|---|
| LHC Primary Lien | 5,700,000 |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| LHC Sponsor Loan/Capital Funds | 4,000,000 |
| 0 | - |
| Deferred Development Fee | 375,000 |
| 0 | - |
| | - |
| Cinnaire-TBD | 12,414,562 |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| 0 | - |
| Construction Loan | |
| **Total Sources of Funds** | 22,489,562 |
| Variance | |
| Construction Loan 1 | 14,000,000 |
| Construction Loan 2 | |
| Construction Loan 3 | |
| Total Construction Loan Balance | 14,000,000 |
| Construction Loan 1 Interest Rate | [redacted] |
| Construction Loan 2 Interest Rate | 4.25% |
| Construction Loan 3 Interest Rate | 4.25% |
| 50% Test Amount (if applicable) | 10,967,654 |
| Construction Loan Amount | 14,000,000 |
| Max Construction Loan | 13,395,590 |

| Riverview 220 LDHA, LP | # Months: |
| --- | --- |
| **Uses of Funds** | **Amount** |
| | (604,410) |
| **Neg. Arb. Helper** | |
| Bond Amount | 14,000,000 |
| Earnings Rate | **2%** |

**SCHEDULE 1**
**INVESTOR LIMITED PARTNER PAYMENT SCHEDULE**

| **Capital Contribution Installment** | **Contribution Amount for Project Costs** | **Contribution Amount for Development Fee** | **Prerequisites for Payment** |
|---|---|---|---|
| Initial Installment<br>$281,250.00 | $0.00 | $281,250.00 | See §2.2 of the Partnership Agreement. |
| 2nd Installment<br>$2,110,476.00*<br>*Rent Up Reserve $75,680 | $2,034,796.00 | $0.00 | The latest of:<br>1. January 1, 2026; or<br>2. Receipt by the Fund of evidence which in its sole and reasonable opinion establishes that construction of the Project is seventy-five (75%) percent complete. Completion of construction means work completed and in place on the Project structures per the plans and specifications as accepted in writing by the Fund's construction inspector and Lender construction inspector. It does not include delivery of materials, interest during construction, general conditions, or other construction soft costs; or<br>3. Receipt by the Fund of a copy of a title endorsement reflecting the Project to be free and clear of any construction liens, provided that any construction or other liens 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 the debt secured thereby; or<br>4. Receipt of insurance renewal certificate in form and substance acceptable to the Investor Limited |

| Capital Contribution Installment | Contribution Amount for Project Costs | Contribution Amount for Development Fee | Prerequisites for Payment |
|---|---|---|---|
| | | | Partners; or<br>5. Satisfaction of all items listed on Schedule 1(A) attached; and<br>6. Satisfaction of the conditions for the previous installments. |
| 3rd Installment<br>$1,098,118.00 | $820,618.00 | $277,500.00 | The latest of:<br>1. April 1, 2026; or<br>2. Receipt by the Fund of evidence which in its sole and reasonable opinion establishes that construction of the Project is one hundred (100%) percent complete. Completion of construction means work completed and in place on the Project structures per the plans and specifications as accepted in writing by the Fund's construction inspector and Lender construction inspector. It does not include delivery of materials, interest during construction, general conditions, or other construction soft costs; or<br>3. Receipt of the General Partner's estimate of final Low Income Housing Tax Credit; or<br>4. Receipt by the Fund of evidence satisfactory to the Fund in its sole determination that the Partnership has received a valid Carryover Allocation of Tax Credits pursuant to Section 42(h)(1)(E) of the Code, executed Carryover Allocation Agreement, and all back up documentation evidencing same, in an annual amount of at least $1,497,000; or<br>5. Evidence of the filing by 220 |

| Capital Contribution Installment | Contribution Amount for Project Costs | Contribution Amount for Development Fee | Prerequisites for Payment |
|---|---|---|---|
| | | | Kalamazoo GP, LLC of the election under §168(h)(6)(F)(ii) of the Code; or<br>6. Receipt by the Fund of the PILOT ordinance adopted by the municipality and evidence of receipt by the local tax assessor of the Notification to Local Assessor of Exemption prior to October 31, 2025; or<br>7. Receipt by the Fund of a copy of a title endorsement reflecting the Project to be free and clear of any construction liens, provided that any construction or other liens 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 the debt secured thereby; and<br>8. Satisfaction of the conditions for the previous installments. |
| 4th Installment<br>$8,391,144.00*<br>*Replacement Reserve $63,000 | $7,911,894.00 | $416,250.00 | The latest of:<br>1. January 1, 2027; or<br>2. Certification by the General Partners that the Project is currently at Ninety-Five (95%) Percent Economic Occupancy and has achieved One Hundred (100%) Percent Qualified Occupancy along with copies of the tenant files including certifications for all Tax Credits units; or<br>3. Receipt of the Project Accountant's determination of 2026 Actual Tax Credits and determination of Actual |

| Capital Contribution Installment | Contribution Amount for Project Costs | Contribution Amount for Development Fee | Prerequisites for Payment |
|---|---|---|---|
| | | | Tax Credits as compared with Projected Tax Credits, and estimate of 2027 Actual Tax Credits; or<br>4. Receipt of and acceptance by the Lender and the Fund of the Project's cost certification; or<br>5. Receipt by the Fund of a copy of the LIHTC Regulatory Agreement between the Partnership and the Authority recorded no later than December 31, 2026; or<br>6. Receipt of insurance renewal certificate in form and substance acceptable to the Investor Limited Partners; or<br>7. Receipt by the Fund of evidence satisfactory to the Fund of achievement of three (3) consecutive months of Underwritten Operations; or<br>8. Receipt by the Fund of evidence that Permanent Mortgage Commencement has occurred; or<br>9. Receipt by the Fund of a copy of a title endorsement reflecting the Project to be free and clear of any construction liens, provided that any construction or other liens 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 the debt secured thereby; and<br>10. Satisfaction of the conditions for the |

| Capital Contribution Installment | Contribution Amount for Project Costs | Contribution Amount for Development Fee | Prerequisites for Payment |
|---|---|---|---|
| | | | previous installments. |
| 5th Installment<br>$533,574.00*<br>*Partnership Operating Reserve $267,500<br>Additional Syndicator Reserve $116,074.00 | $0.00 | $150,000.00 | The latest of:<br>1. October 1, 2027; or<br>2. Receipt of the Project Accountant's determination of 2026 Actual Tax Credits and determination of Actual Tax Credits as compared with Projected Tax Credits; or<br>3. Receipt by the Fund of a copy of a title endorsement reflecting the Project to be free and clear of any construction liens, provided that any construction or other liens 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 the debt secured thereby; or<br>4. Receipt by the Partnership of validly issued and completed IRS Form(s) 8609 (Parts I and II) for all buildings on or before December 31, 2026; or<br>5. Receipt by the Fund of evidence satisfactory to the Fund of the establishment of all required reserves; and<br>6. Satisfaction of the conditions for the previous installments. |
| **Total Capital Contribution**<br>**$12,414,562.00** | **Total Contribution for Development Costs:** | **Total Contribution for Development Fees:** | **Total deposits to reserves and payment of transaction costs:**<br>**Partnership Operating Reserve $267,500.00** |

| Capital Contribution Installment | Contribution Amount for Project Costs | Contribution Amount for Development Fee | Prerequisites for Payment |
|---|---|---|---|
| | **$10,767,308.00** | **$1,125,000.00** | **Rent Up Reserve $75,680**<br>**Additional Syndicator Reserve $116,074.00**<br>**Replacement Reserve $63,000.00** |

**SCHEDULE 1(A)**

POST-CLOSING ITEMS